

STATEMENT OF
EXTRA-FINANCIAL
PERFORMANCE



Fiscal year FY2022
from April 2022 to March 2023

The Statement of Extra-financial Performance by NTN Transmissions Europe Allonnes and its subsidiary NTN Transmissions Europe Crézancy was produced in accordance with articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

The Statement of Extra-financial Performance replaced the former CSR (Corporate Social Responsibility) Report in summer 2017.

The information relates to fiscal year 2022 (April 2022 to March 2023).

NTN Transmissions Europe
Limited company with share
capital of €39,988,327.44
Le Mans commercial and
companies registration (RCS) no.
421 162 751
Zone Artisanale des Trémelières
Communauté Urbaine du Mans
72704 ALLONNES Cedex

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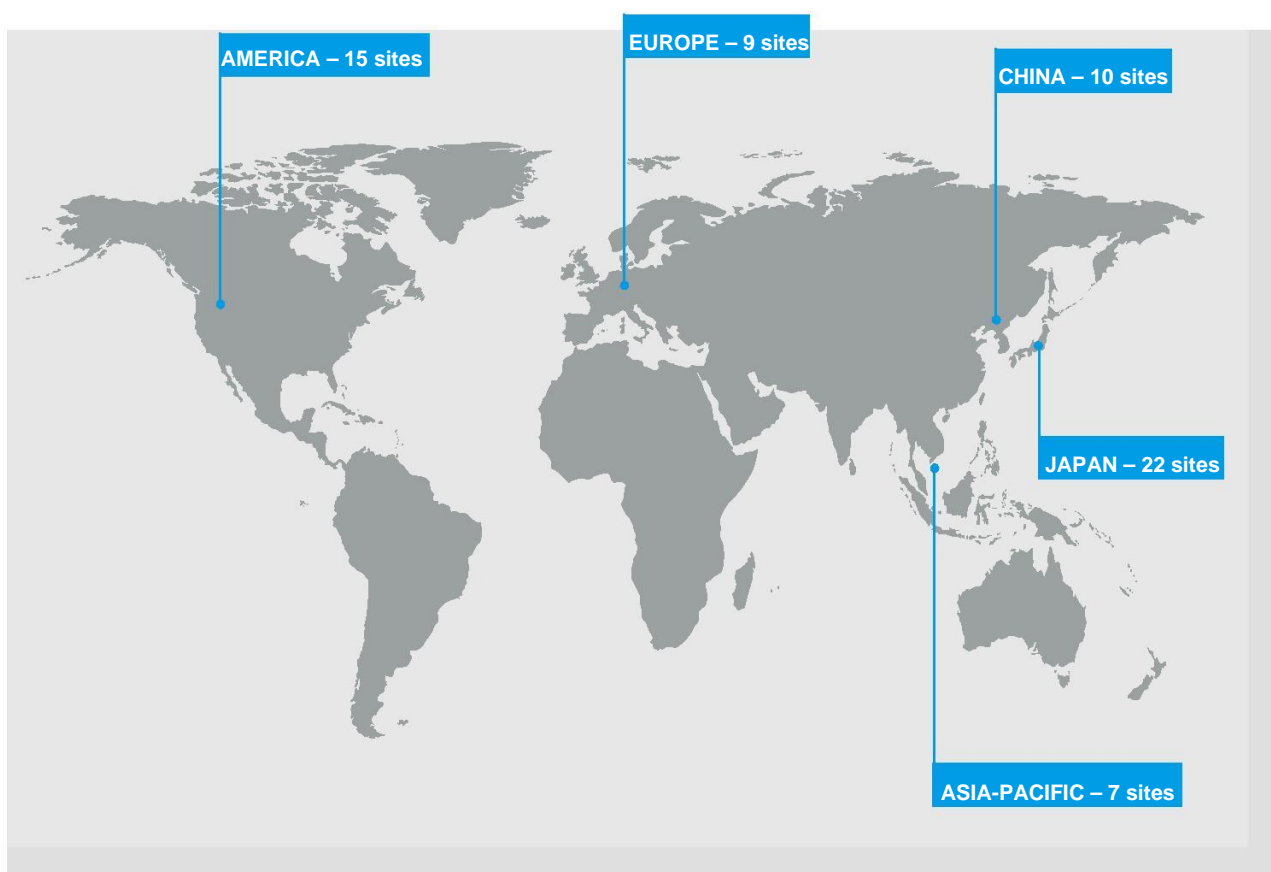


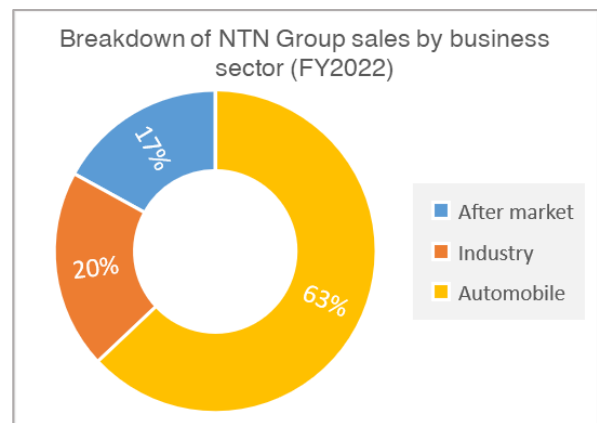
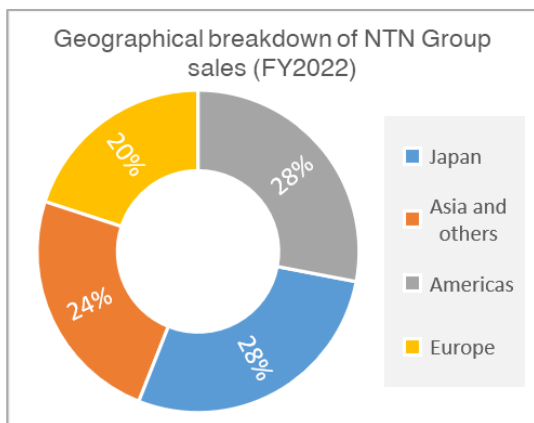
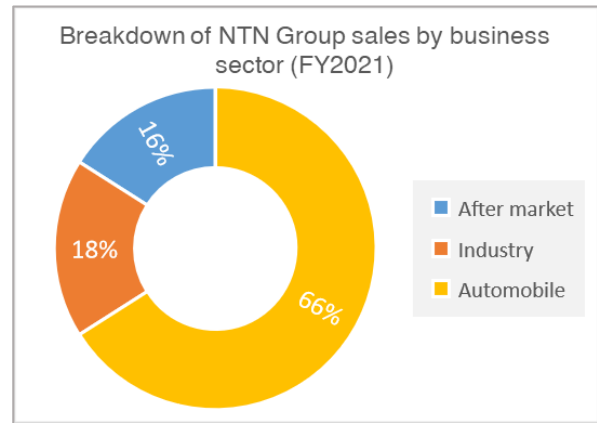
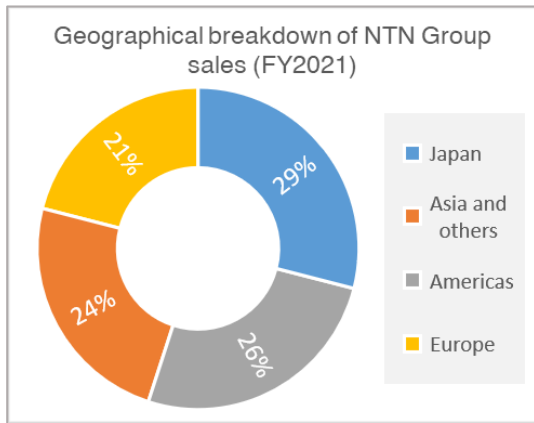
PRESENTATION
OF NTN
TRANSMISSIONS
EUROPE
& ITS
POSITIONING
WITHIN THE
NTN GROUP

1 – PRESENTATION OF NTN CORPORATION

NTN Corporation (New Technology Network) is a global leader in the design, development and production of bearings, linear modules, constant velocity joints (CVJ), tensioners and suspension parts and the provision of services. NTN Corporation operates in all industrial, automotive and aeronautical markets. Its products are sold under the NTN, BCA, BOWER and SNR brands.

The NTN Group has a global presence, with production sites, sales units and design offices all over the world.





2 – PRESENTATION OF NTN TRANSMISSIONS EUROPE

NTN Transmissions Europe, a wholly-owned subsidiary of NTN Corporation, has a production site in Allonnes, Sarthe. The company also has administrative offices and an R&D department.

The main customers of NTN Transmissions Europe, whose primary shareholder is NTN Corporation, are leading car manufacturers, as its business targets the automotive OEM sector, where competition is fierce (GKN, Neapco, IFA, Nexteer etc.).

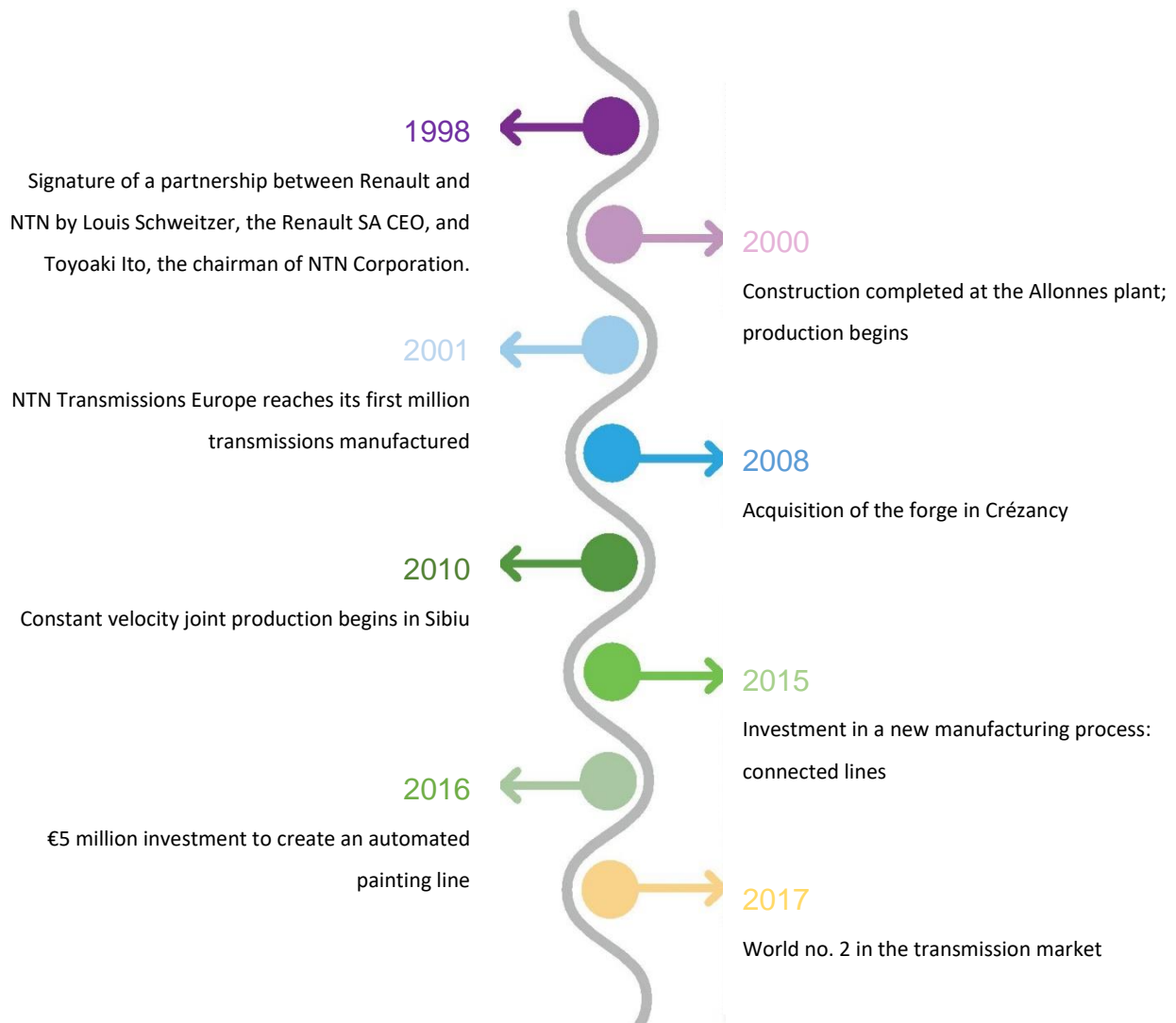
Since the main component of a transmission is steel, the company is heavily affected by steel price fluctuations.



NTN Transmissions Europe has its own wholly-owned subsidiary, [NTN Transmissions Europe Crézancy](#), its main supplier, a manufacturer of forged parts in Aisne.

The **NTN Transmissions Europe** customer base is located in Western and Eastern Europe. The company uses a subcontractor in Romania, for example, **NTN-SNR Rulmenti in Sibiu**, enabling it to offer machining and assembly services close to its markets in the east.

3 – HISTORY OF NTN TRANSMISSIONS EUROPE



Workforce on 31 March 2023

NTN Group workforce	23,027 people
NTN TE Allonnes workforce (permanent)	587 people
NTN TE Crézancy workforce (permanent)	99 people

From product design to delivery

A transmission is a mechanical element consisting of two constant velocity joints and a connecting part.

It transmits the rotary movement and torque from the gearbox to the wheels.

The NTN Transmissions Europe design office incorporates new vehicle architectures into its product designs (including the development of electric vehicles), and produces and markets its production with support from the NTN-SNR sales organisation.

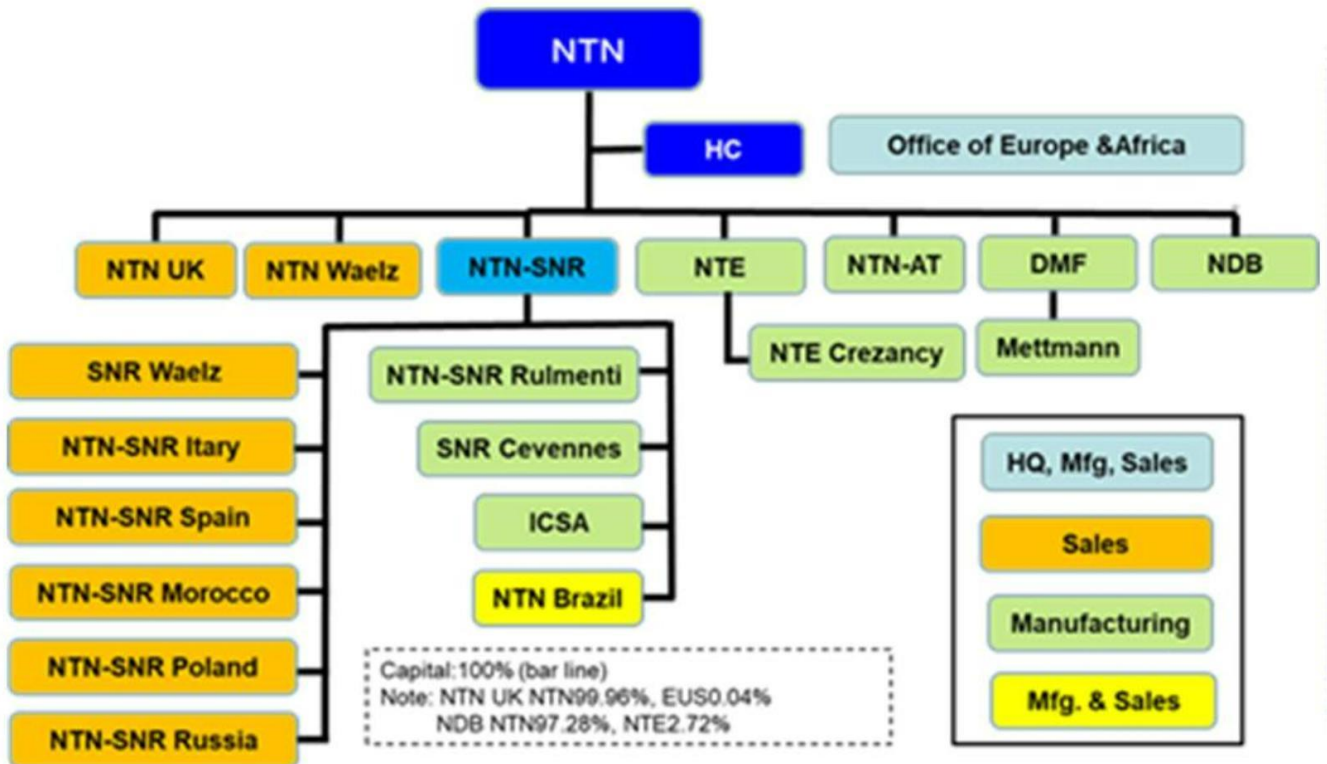


4 – GOVERNANCE

Reinforcing and improving the Group’s governance is one of its key management priorities. Steps have been taken to make management more efficient and robust while striving to increase transparency by disclosing information quickly and accurately to shareholders and investors.

A holding company created in July 2021 (NTN Europe Holdings SAS), chaired by Yoshinori Terasaka, the chairman of NTN SNR and senior CEO for America, Europe and Africa, leads to:

- strengthened, streamlined exchanges with Japan;
- clarified governance for the Europe & Africa region;
- easier decision-making at regional level;
- better control and management for the activities of the European companies.





International experience



CSR



Automotive technologies



Risk management



Banking/finance



Energy/electrification



Experience in an industrial company



Corporate governance/management

With a variety of backgrounds, experiences and skills, the members of the NTN TE board help the company develop its strategy by contributing their expertise.



7 members

Yoshinori Terasaka – CEO of NTN EUROPE and AFRICA
Chairman of the Board of Directors (NTN Holding Europe)



Seiichi Takasugi – CEO of NTN TE



left to right:
Allain Caillot – Vice president of the Auto Business Unit (NTN SNR)
Natsuo Murakami – Holding company director (NTN SNR)
Nathalie Ronssin – Governance, compliance & audit manager (NTN SNR)
Nobuko Nonami – (NTN Corp)



Mishiko Kurita – (External)



3 staff representatives

left to right:
Dominique Rousseau – CFDT
Julien Dugas – CGT
Dolorès Lathouche – CFE-CGC

1 representative of our auditors, ERNST & YOUNG AUDIT

100%

attendance rate at remote and face-to-face meetings

2 nationalities

3 women

4 men

1 external member

59 average age

POLICY
&
STRATEGIC
DIRECTIONS



1 – PHILOSOPHY AND VISION OF THE NTN GROUP

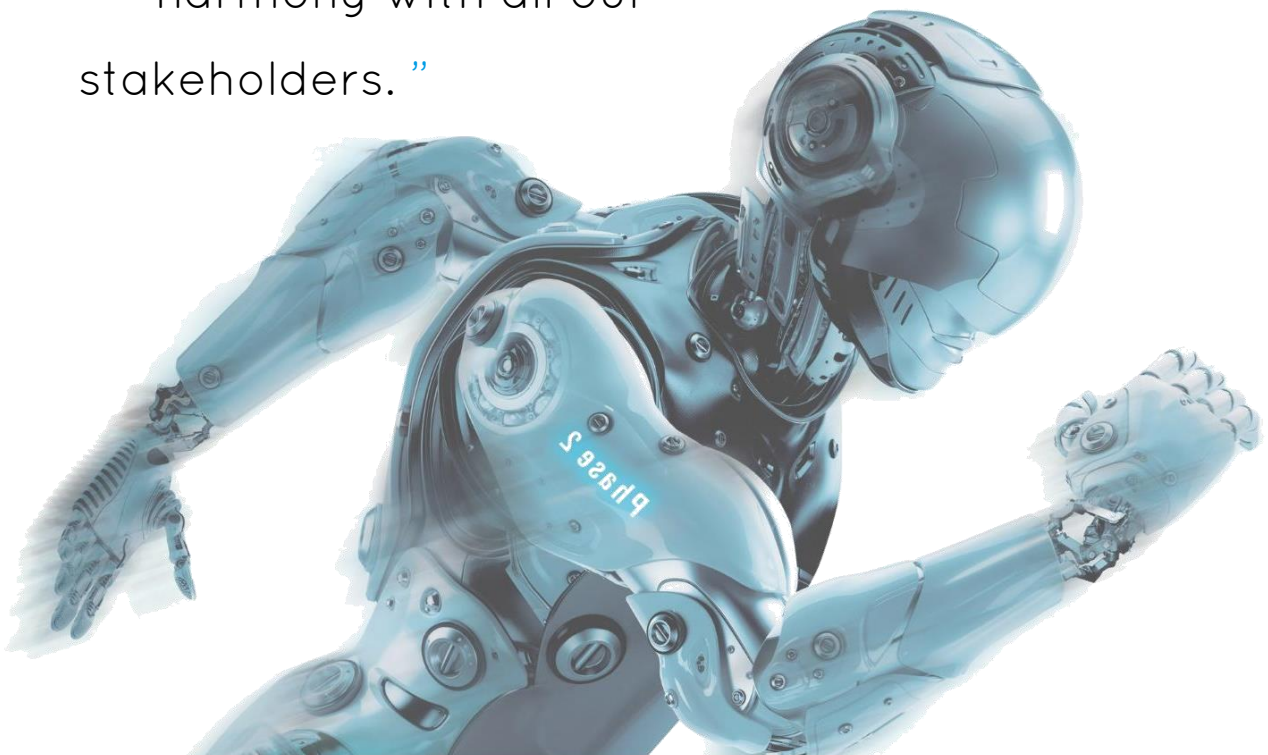
The philosophy of the NTN Group is to contribute to international society by creating new technologies and developing new products to create a **NAMERAKA** society.



NAMERAKA is a Japanese word, a rich term with a variety of meanings. It is an everyday term that conveys a certain vision of the world, with a focus on smoothness, softness, harmony etc.

A **NAMERAKA** society is a world where everyone can live safe, fulfilling lives in harmony with nature.

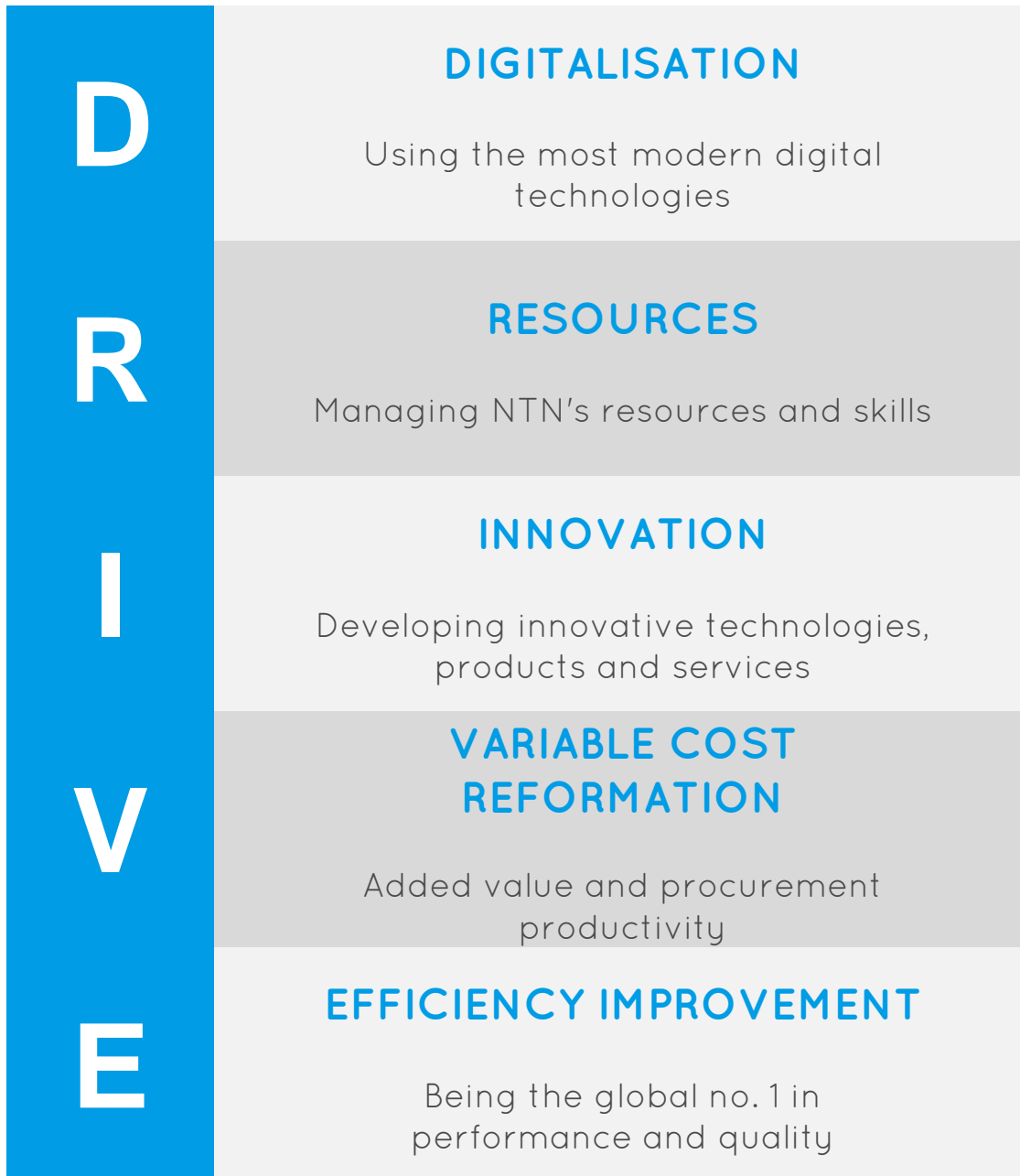
“ Contributing to global society by developing in harmony with all our stakeholders. ”



Alongside this philosophy, the NTN group's vision means:

- Transitioning from a manufacturing company to a company that sells value to its customers through its products and services.
- Addressing changes in our environment: electrification, 4.0, digital transformation etc.

To achieve this, the group relies on the Drive NTN 100 medium-term plan (April 2018 to March 2027), organised around five themes:



2 – MATERIALITIES AND ESG STRATEGY OF THE NTN GROUP

Based on strong values shared by all the group’s entities, and on the philosophy of “Make the World **NAMERAKA**”, the NTN Corp group has constructed its materiality matrix and its ESG strategy based on several of the 17 sustainable development goals defined by the United Nations, to which NTN has subscribed since 2015.

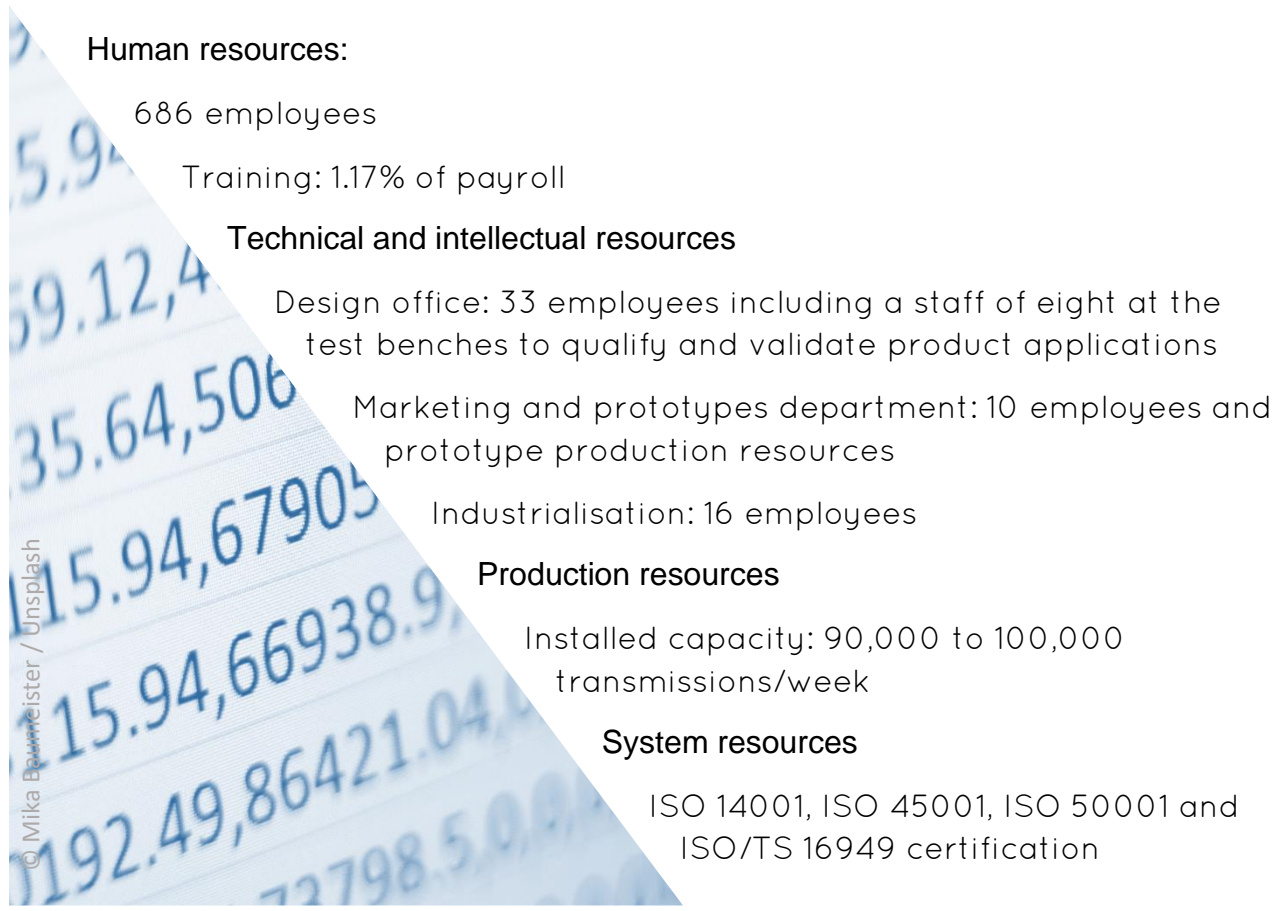
ENVIRONMENT	Contributing to a low-carbon society	1. Reducing energy losses	13 MESURES RELATIVES À LA LUTTE CONTRE LES CHANGEMENTS CLIMATIQUES	7 ÉNERGIE PROPRE ET D'UN COÛT ABORDABLE
		2. Building a sustainable society by using natural energy	13 MESURES RELATIVES À LA LUTTE CONTRE LES CHANGEMENTS CLIMATIQUES	7 ÉNERGIE PROPRE ET D'UN COÛT ABORDABLE
	Achieving carbon neutrality	3. Responding to climate change	13 MESURES RELATIVES À LA LUTTE CONTRE LES CHANGEMENTS CLIMATIQUES	
	Protecting the environment	4. Recycling resources and preventing pollution	12 CONSOMMATION ET PRODUCTION RESPONSABLES	14 VIE AQUATIQUE
SOCIAL	Contributing to prosperity	5. Ensure safety and comfort	9 INDUSTRIE, INNOVATION ET INFRASTRUCTURE	11 VILLES ET COMMUNAUTÉS DURABLES
		Sustainable procurement	6. Improving the reliability of products and services	12 CONSOMMATION ET PRODUCTION RESPONSABLES
	7. Procurement activities emphasising the environment and society		10 INÉGALITÉS RÉDUITES	13 MESURES RELATIVES À LA LUTTE CONTRE LES CHANGEMENTS CLIMATIQUES
	Human development	8. Respecting human rights	10 INÉGALITÉS RÉDUITES	
		9. Promoting health and safety	8 TRAVAIL DÉCENT ET CROISSANCE ÉCONOMIQUE	
		10. Developing human resources	8 TRAVAIL DÉCENT ET CROISSANCE ÉCONOMIQUE	
		11. Promoting diversity	5 ÉGALITÉ ENTRE LES SEXES	
GOVERNANCE	12. Rigorous compliance			
	13. Strengthening governance			



3 – BUSINESS MODEL OF NTN TRANSMISSIONS EUROPE

As an integral part of the NTN group, the world leader in its fields of activity, the third-biggest bearing manufacturer worldwide, the world number one in automotive wheel bearings and number two for transmission joints, NTN Transmissions Europe creates value by defining the applications of NTN Corp products designed with all the knowledge and resources built up over 100 years.

This value creation takes place through processes incorporating R&D, industrialisation, manufacturing, marketing and procurement. It relies on the following resources:



Human resources:

- 686 employees
- Training: 1.17% of payroll

Technical and intellectual resources

- Design office: 33 employees including a staff of eight at the test benches to qualify and validate product applications
- Marketing and prototypes department: 10 employees and prototype production resources
- Industrialisation: 16 employees

Production resources

- Installed capacity: 90,000 to 100,000 transmissions/week

System resources

- ISO 14001, ISO 45001, ISO 50001 and ISO/TS 16949 certification

With the opportunity of vehicle electrification and the efficiency, lightness and mechanical strength specifications required by car manufacturers, NTN Transmissions Europe optimises the value chain in the transmissions sector to guide its business model from a cost strategy towards a differentiation and niche strategy, with new products specifically developed with NTN Corp.

4 – OVERALL POLICY OF NTN TRANSMISSIONS EUROPE

The group's ESG strategy is shared with all its entities, and the plan defined for the future enables NTN TE to set out the themes and priorities of its overall policy.

Overall policy of NTN Transmissions Europe (NTE) for the three-year period (April 2021 to March 2024)

NTE's policy is perfectly aligned with that of our parent company, NTN Corporation, and with the "Drive NTN 100 phase 2" plan, which sets out the following goals over the next three years:

- Improving the profitability of existing businesses – lowering break-even rates by controlling fixed costs and reducing variable costs,
- Reforming the customer portfolio by acquiring business with higher margins,
- Strengthening corporate governance by deploying the code of ethics.

These medium-term goals fit within the target of achieving a "NAMERAKA" society (a society in which people can live safe, fulfilling lives in harmony with nature). In concrete terms, this will involve deploying initiatives in the following 13 areas:

- Reducing energy consumption,
- Building a sustainable society by using renewable energy,
- Promoting the safety and comfort of users and company staff,
- Adapting to climate change,
- Preventing pollution risks and promoting resource preservation,
- Improving the efficiency of products and services,
- Building a virtuous supply chain by emphasising the environment and ethics,
- Respecting human rights,
- Promoting health and safety at work,
- Developing human resources,
- Promoting diversity,
- Respecting regulations,
- Strengthening the monitoring of ethical rules in the general management of the company (governance)

In view of this approach, NTE's priorities in the FY2021/FY2023 plan involve:

- a sharp reduction in accident numbers,
- improved customer satisfaction in terms of both quality delivered and service level,
- a long-lasting return to positive operating results through reforms to the cost structure.

POLICY & STRATEGIC DIRECTIONS

This policy will be implemented within NTE through process management that will ensure deviations are addressed and supervise continuous improvement. It will aim to maintain our certifications in the areas of quality, the environment and energy and achieve new certification in occupational health and safety. This will enable us to reach the best standards in these strategic areas.

The primary outcomes expected are the following:

In the context of Quality certification (ISO 9001/IATF):

- Increasing the satisfaction of our customers (PPM, service level, CSR (customer-specific requirements), warranty costs),
- Managing processes and the continuous improvement plan,
- Improving performance (reducing the costs of achieving quality),
- Strengthening staff motivation.

In the context of Environment and Energy certification (ISO 14001 and ISO 50001):

- Respecting laws and regulations,
- Protecting the environment and preventing pollution, • Reducing the impact of our activities,
- Contributing to a process of adaptation to climate change.

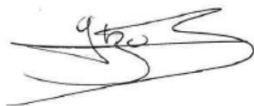
In the context of Occupational Health and Safety certification (ISO 45001), scheduled for the second half of 2022 for Allonnes and the end of 2023 for Crézancy:

- Respecting laws and regulations,
- Promoting continuous improvement,
- Identifying and eliminating risks and consequently cutting the number of accidents,
- Promoting training,
- Promoting active communication,
- Creating a Safety culture.

The commitment of all staff to the three-year plan, with its clear targets and priorities, will enable NTE to ensure its future development within the group's SQCCD targets:

- S for SAFETY: the safety of our staff and our customers through respect for the safety characteristics of our products,
- Q for QUALITY: the quality of our products, working conditions and relationships at work,
- C for COMPLIANCE: respect for the legal and regulatory requirements, safeguarding the environment and upholding our commitments,
- C for COSTS: reducing waste, adjusting our costs and creating profits,
- D for DEADLINES: respecting deadlines, whether they come from customers or from inside the company.

Gilles Botrel
Deputy Chief Executive
15/02/2022




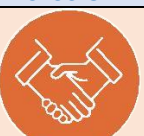

Seiichi Takasugi
Chief Executive
15/02/2022





THE PRIORITIES
OF NTN
TRANSMISSIONS
EUROPE

To place the commitments in its overall policy on a concrete footing and address its 2022 goals, NTN Transmissions Europe based its actions on the following themes and indicators:

		FY20		FY21		FY22	
		Allonnes	Crézancy	Allonnes	Crézancy	Allonnes	Crézancy
 A RESPONSIBLE EMPLOYER							
HEALTH AND SAFETY AT WORK	Accident frequency rate	19.33	28.8	18.0	27.2	9.14	13.0
	Accident severity rate	0.51	0.50	1.26	3.17	0.69	1.05
DEVELOPMENT OF HUMAN CAPITAL	Individual interview campaign completion rate	-	-	84%	-	78%	84%
	Operators' job satisfaction rate	69%	-	71%	-	72%	78%
	% of people trained in the Code of Ethics	28%	-	42%	-	49.1%	85.7%
	Number of agreements signed	3	2	5	5	1	1
	Number of monthly meetings between senior executives and managers	6		11		12	
EMPLOYABILITY	Number of training courses leading to certification	16		16		8	
	Number of trainees	7	1	15	5	24	4
DIVERSITY AND INCLUSION	Monitoring of the professional gender equality index	94		89		94	
 RESPONSIBLE COMMERCIAL PRACTICES							
BUSINESS ETHICS	% of our suppliers who have signed our collaborative and responsible procurement charter	78%		68.1%		84%	
SUPPLIERS WITH ISO 14001 CERTIFICATION	% of suppliers with ISO 14001 certification	70%		65%		76%	
 RESPECT FOR THE PLANET							
GREENHOUSE GAS EMISSIONS	Monitoring of our energy performance	-2.3%		-4.0%		-17.7%	
		+0.1%	-6.6%	-4.6%	-7.9%	-18.7%	-16.6%
	Scopes 1, 2 and 3 [tCO _{2eq}]	-		-		246,000	
		-	-	-	-	234,393	11,264
RESOURCE PRESERVATION	Monitoring of our water consumption	-7.1%		-15.8%		-14.4%	
		+14.5%	-59.6%	-22.2%	42.1%	-20.0%	36.6%
WASTE PROCESSING	% of waste recycled or recovered	98%		96.7%		95.2%	
		-	-	97.0%	96.5%	95.9%	94.1%



1 – HEALTH AND SAFETY AT WORK

As its top priority, NTN Transmissions Europe’s goal is to ensure the health and safety of all its employees.

The approach to preventing workplace accidents and occupational illnesses is based on our Occupational Health and Safety management system, for which ISO 45001 certification was obtained in September 2022 for the Allonnes site.

This fundamental approach has:

- affirmed senior management’s leadership on Health and Safety at work,
- established a continuous improvement process,
- identified operational, ergonomic and chemical risks through the Single Risk Assessment Document (DUER),
- highlighted the necessity of digitalising and modernising our tools for
 - DUER management,
 - action plan analysis and monitoring,
 - creating and supervising our prevention plans,
 - employee participation.



Our occupational health, safety and ergonomics goals for the three-year period (April 2021 – March 2024) are based on the six areas defined in the road map, which have been made clear to all our staff.

ROAD MAP

Occupational Health, Safety and Ergonomics goals for the three-year period (April 2021 – March 2024)

In line with the company’s overall policy, occupational health and safety and workstation ergonomics are strong values within NTE. The company aims to offer a healthy, safe workplace for all its employees, as well as for temporary staff and personnel from external companies. A certified management system for these areas based on the ISO 45001 standard will be introduced within the company (in the second half of 2022 in Allonnes and by the end of 2023 for Crézancy).

In addition to this goal, and with a view to the objectives of the NTN group, we have decided to work on the following six themes as part of the three-year plan for April 2021 to March 2024:



1 - Respecting laws and regulations:

In accordance with the laws and regulations on occupational health and safety, we must:

- Guarantee our compliance with these legal requirements,
- Meet the standards based on our internal rules,
- Learn lessons from any incidents and
- Strive to create a safe, pleasant workplace.

This will be achieved by defining targets and setting up continuous improvement programmes.

2 - Promoting continuous improvement by setting up a management system based on the ISO 45001 standard:

We will work to reduce the number of accidents and define ways of continuously improving our management of these subjects by complying with the technical, organisational and behavioural factors that contribute to guaranteeing staff health and safety, while incorporating the criteria of arduousness and ergonomics.

3 - Identifying and eliminating risks:

We will carry out regular risk assessments for our installations and working environments to eliminate potential dangers. We will prioritise risk prevention from the project design phase, emphasising analysis, communication and the management of risks and dangerous situations.

4 - Promoting training:

Training will be developed and intensified as a means of improving knowledge and raising awareness of safety. Staff will receive training and become active contributors in these areas as soon as they are hired.

5 - Promoting active communication:

Our goal is to intensify information about the prevention of accidents and occupational illnesses in order to maintain staff health and ensure a pleasant working environment.

6 - Creating a Safety culture:

Everyone within the company or working at its sites must be aware of their own responsibility for risk prevention with the aim of achieving “zero workplace accidents” and “zero occupational illnesses”. They actively promote activities relating to health and safety and work to respect and ensure others respect the guidelines, reporting dangerous situations and adopting responsible behaviours.

LET’S WORK TOGETHER TO KEEP OURSELVES AND OTHERS SAFE!

Gilles Botrel
Deputy Chief Executive

The measurement of the Occupational Health and Safety system's effectiveness is transferred monthly to the dashboard, which includes the following themes:

- Internal health and safety communication/awareness campaigns
- Monitoring of ergonomics projects
- Monitoring of risk assessment and associated action plans (subject addressed monthly by the Executive Committee)
- Monitoring of regulatory compliance rates
- Monitoring of internal safety audits
- Safety training levels
- Monitoring of the costs of occupational accidents and illnesses.

Safety indicators	FY 2020	FY 2021	FY 2022	Targ. FY2022	Comments
Safety themes (weekly updates)	12	29	34	45	Including exceptional updates
Safety accident analysis rate	95%	100%	100%	100%	QRQC analysis and presentation to EXCOM
Time to close safety QRQCs	38 d	43 d	56 d	30 d	
Number of ergonomics projects closed	5	4	0	4	Deployment plan formalised
No. of risk assessments revised (DUERP, single occupational risk assessment)	22	32	32	32	DUERP/unit or sector
No. of DUERP scores > 12	9	9	4	-15% per year	Work at heights, pressurised equipment, machinery etc.
Regulation watch compliance rate	98%	98%	-	95%	Regulation watch transferred to Tennaxia January 2023
Rate of regular general checks (VGPs)	98%	98%	100%	100%	Workshop noise measurements in April 2022
Progress of HSE action plan	76%	82%	83%	90%	Medium-term actions
Number of in-house safety audits	86	88	130	90	Simplified field audits

ISO 45001 certification has an impact on this dashboard, and several indicators will be replaced in FY2023 to better:

- identify and reduce health and ergonomics risks in the Single Document (DUER),
- distinguish communication about adverse events from communication about preventive actions and information.

a – Accidentology

April in year N-1 to March in year N		2020	2021	2022
Frequency rate ⁽¹⁾ (Fr)	Allonnes	19.33	18.0	9.14
	Crézancy	28.8	27.2	13.0
Severity rate ⁽²⁾ (Sr)	Allonnes	0.51	1.26	0.69
	Crézancy	0.5	3.17	1.05

⁽¹⁾ The frequency rate (Fr) is calculated as follows for site employees, excluding temporary staff (excluding accidents on the journey to or from work): $\frac{\text{Number of accidents causing absence from work}}{\text{Number of hours worked}} \times 1\,000\,000$

⁽²⁾ The severity rate (Sr) is calculated as follows for site employees, excluding temporary staff (excluding accidents on the journey to or from work): $\frac{\text{Number of days of absence caused by occupational accidents}}{\text{Number of hours worked}} \times 1\,000$

With a reduction of 33% from 2021 to 2022, the number of accidents (Allonnes + Crézancy) has improved steadily since 2020 (-53%).

The frequency and severity rates have halved at the Allonnes and Crézancy sites due to the drop in the number of accidents and the amount of working time lost.

For Allonnes, analysing the eight workplace accidents shows that five of them are associated with pain and three with hand injuries due to the use of tools or part handling.

At Crézancy, the re-assessment of risks across all sectors with managers and employees has helped to raise staff awareness of safety. This approach, conducted with the help of GPA Services, is part of the process of establishing and achieving ISO 45001 certification for the occupational health and safety management system scheduled for FY23.

Every accident and incident is followed by an analysis using the 5W2H problem-solving method. These analyses enable us to put the right corrective and/or preventive measures in place.

b – Prevention of psychosocial risks

With regard to the series of global and/or national events since 2020 (pandemic, war between Ukraine and Russia, inflation), the management of NTN TE has established three levels of action to prevent psychosocial risks:

- **The first level involves identifying the dangers in work situations on a daily basis in order to eliminate them and avoid risky situations.**

Daily meetings led by managers in each unit enable employees to express themselves about failures or annoyances they experience in their working conditions and discuss them with their colleagues. This right to direct, collective expression improves operating conditions and the organisation of work.

The deployment of participatory management within the units of each department at NTN Transmissions Europe helps to create a better working atmosphere and more effective operation in the teams' work based on three fundamental pillars:

- Giving meaning and purpose to the actions taken,
- Promoting working relationships based on respect, listening and trust,
- Offering everyone a framework for personal development.

In addition, monthly inspections of the building are organised with members of the CSSCT (the health, safety and working conditions committee), the health, hygiene and safety engineer and managers in each sector of the company. These visits are an opportunity to discuss the working environment and any improvements that could be made to reduce risks, and to establish action plans and revise the single risk assessment document.

- **The second level is designed to reduce risk through training.**

NTN Transmissions Europe has developed an in-house training programme aiming to prevent the emergence of stress and psychosocial risks. The mandatory training, called "Awareness of psychosocial risks", was deployed in 2022 for members of the Executive Committee, managers and members of the CSSCT. The training will be provided to new arrivals and renewed regularly in Allonnes and Crézancy.

- **The third level addresses critical situations through:**

- o Committees for keeping people in work
- o A system of individual assistance for employees in difficulty

c – Creation of a month dedicated to health and safety

NTN
NTN Transmissions Europe

FLASH SÉCURITÉ - S11 2022

Mois de la Sécurité   

du 4 au 29 Avril

» AU PROGRAMME «

- **1ère semaine :**
Réveil musculaire ou Postures au bureau

- **2ème semaine :**
Trivial poursuit et Sensibilisation sécurité

- **3ème semaine :**
Escape Game et Sensibilisation sécurité
- **4ème semaine :**
Quiz


en partenariat avec 

ENSEMBLE, VEILLONS A NOTRE SÉCURITÉ ET A CELLE DES AUTRES !

To establish a real culture of safety within NTN TE, the management organised a “safety month” in April 2022 with the help of an external organisation specialising in the subject. The goal was to bring all the staff together through fun, friendly workshops about safety, ensuring that these workshops are not seen as a duty but as an opportunity to work better together while protecting individual and collective safety.

The safety month will be repeated in June 2023. The programme focuses on preventive actions in both the personal and the professional spheres.



d – Improving working conditions

NTN Transmissions Europe is re-emphasising its desire to offer every employee a high-quality working environment by adopting a policy to prevent the risks inherent in the metalworking industries and strengthening its ergonomic approach to analysing work situations.

Ergonomics enables employees’ real everyday working situations to be analysed in great detail.

NTN Transmissions Europe thus wants to draw on its experience and its practice of risk assessment to better prevent arduousness by reducing exposure to risks.

With this goal in mind, the company aims to invest over €5 million in future projects to improve working conditions for operators over the next three years.

All improvements in working conditions are communicated to all employees.

Keen also to prevent musculoskeletal disorders in its central departments and production support services, the management of NTN Transmissions Europe aims to create a working environment that is better suited to physical and human constraints and the specific nature of the tasks carried out by staff.

The management of NTN Transmissions Europe wants to ensure employees have ergonomic workstations that are perfectly adapted to everyone without discrimination, whether the user is small or tall or has a disability or not.

In the context of this project to adjust tertiary workstations, a demonstration room was set up from 11 to 21 October 2022 to present employees with a global ergonomic office productivity pack.

A plan of investment in new equipment will be rolled out over three years from 2023.

e – Reduction of operational risks

During FY2022, NTN Transmissions Europe committed itself to reducing not only the risks with the highest scores in the DUER but also other identified risks.

The most significant examples include eliminating the risk of Legionnaires' disease associated with cooling equipment, implemented at the end of FY2022 by replacing cooling towers with hybrid adiabatic coolers at the Allonnes site. This equipment does not disperse the aerosols that are favourable to the spread of *Legionella pneumophila* bacteria.



Interactions between pedestrians and vehicles were also considered at all sites, including protecting traffic areas and introducing autonomous mobile robots.



f – Preventing the effects of exposure to occupational risk factors

Workshop noise levels and air quality were measured during 2022.

These measurements showed that regulatory limits on noise and exposure to chemicals were not being exceeded.

A noise measurement was also made in partnership with the occupational doctor at the Crézancy site at the end of FY2022. The analysis of the results should be available in the first quarter of FY2023.

A plan to replace products that are carcinogenic, mutagenic or toxic to reproduction (CMR) has been deployed at the Allonnes and Crézancy sites in accordance with the REACH regulation. This work has eliminated two products.

g – Risk prevention, information and awareness

Based on national or international awareness days and health themes, NTN Transmissions Europe has begun regular communications to inform and educate its employees:

FLASH SÉCURITÉ

SANTE - L'AVC

Prévenez la sécurité et le reste du travail

L'ACCIDENT VASCULAIRE CÉRÉBRAL (AVC) RESULTE :

- D'UNE ARTERE QUI SE RUPTE (45% DES CAS)
- D'UN VAISSEAU / D'UNE ARTERE QUI SE BOUCHE (55% DES CAS)

LES 3 PRINCIPAUX SIGNES D'ALERTE, D'APPARITION SOUDAINE ET BRUTALE, SONT :

- UNE DÉFORMATION DE LA FEMME**
Ex : lorsque la personne sourit le sourire n'est pas symétrique
- UNE FAIBLESSE D'UN CÔTÉ DU CORPS, UN BRAS OU JAMBE**
Ex : lorsqu'on demande à la personne de lever les deux bras devant elle, l'un des bras ne peut être levé ou rester en l'air, il retombe
- DES TROUBLES DE LA PAROLE**
Ex : lorsqu'on demande à la personne de réciter une phrase, elle a des difficultés à parler ou à comprendre

autres signes d'apparition brutale et inespérée dont il faut aussi alerter :

- troubles de l'équilibre
- maux de tête intenses
- baisse de vision : perte de la vue d'un œil ou vision double

FACTEURS DE RISQUE DE L'ACCIDENT VASCULAIRE CÉRÉBRAL (AVC)

Médicaments

Tabacisme

Taux élevé de cholestérol

Alcool

Tension artérielle élevée

Stress

Diabète

Maladie cardiovasculaire

Sédentarité physique

AVC, réagissez

Vitage paralyté

Impossibilité de bouger un membre

Trouble de la parole

Évitez le pire en composant le **15**

Informations relatives par : SERVICE D'URGENCE 24 HOURS A DOMICILE (appel gratuit, sans frais d'appel, sans frais d'attente au quotidien)

October 2022: Stroke

December 2022: Winter illnesses

February 2023: Musculoskeletal disorders (MSD)

March 2023: Hearing and noise risks

In addition to these communications, three days of training sessions were organised in partnership with Safe Up for all employees (managers, operators, elected officials and staff representatives) at the Crézancy site on the theme of addiction to psychoactive substances (alcohol, drugs, medication) in the workplace.

Prévention des addictions EN MILIEU PROFESSIONNEL

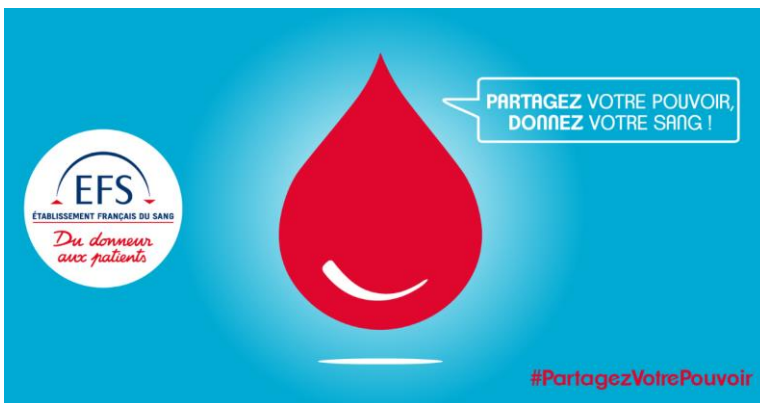


h – Blood donation

Building on the success of the first blood donation event at the Allonnes site, NTN Transmissions Europe organised a further blood donation day on 18 October 2022 in partnership with the Établissement français du sang (EFS).

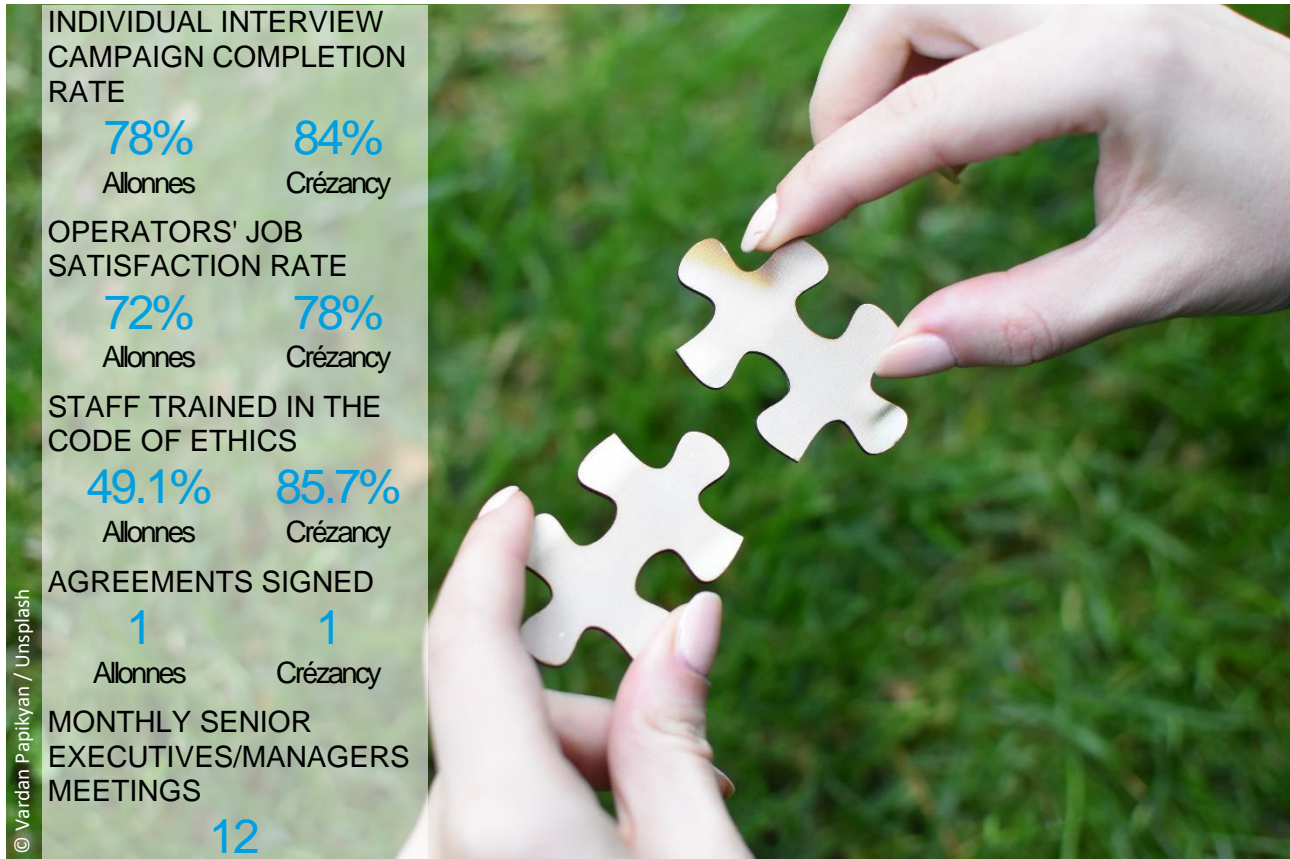
These regular voluntary donations are essential to maintain a constant supply and meet the medical needs of the population and medical research.

As well as being a shared project of generosity, humanity and citizenship, the partnership reassures new donors and strengthens the loyalty of employees who have already taken the step of giving blood.



50 donations taken

9 new donors



As a responsible employer, NTN Transmissions Europe has defined a Human Resources road map for the two sites in Crézancy and Allonnes. This tool, an essential means of aligning HR activities with the company's global strategy, ensures that initiatives are consistent and coherent, manages change and enables progress to be tracked and communication to take place effectively.

It is based on three guidelines for planning and coordinating activities relating to:

- talent management and the development of human capital,
- improving quality of life and working conditions,
- managing organisational change

ROAD MAP

Human Resources targets (April 2023 – March 2024)

In line with the company’s overall policy, NTN Transmissions Europe plans to apply the following guidelines at the Allonnes and Crézancy sites in the area of human resources:



1 – Promoting quality of life and well-being at work:

Quality of life in the company is one of the innovative strategic themes of NTE’s HR policy. NTE is committed to a general, proactive approach aiming to improve working conditions continuously in line with our values. NTE wants to become more inclusive by developing its partnerships with the local voluntary sector. NTE promotes listening and collective intelligence by encouraging all staff to contribute to the momentum of improvement within the company through its units.

A Quality of Life and Working Conditions agreement is currently being negotiated with trade unions.

An “Age measures” agreement supports seniors with the option of early retirement applicable until January 2025.

2 – Ensuring the future of the company by developing its human capital:

Developing the “employer brand” to attract and retain talent is a major priority.

NTE is committed to a proactive approach to give its activity long-term structure by deploying apprenticeships and training courses leading to qualifications (including the CQPM joint qualification certificate in metallurgy). At the same time, NTE prioritises internal progression for its employees into vacant posts by promoting its young executives and technicians to management or expert positions.

3 – Supporting employees through change

NTE ensures that the company’s employees and third parties work within the framework of business ethics and contribute to developing social responsibility through the spirit of “NAMERAKA”. It is essential that everyone adopts a shared line of behaviour, a common direction, to achieve industrial excellence and sustainable performance. Communication, training and support campaigns on the rules of ethics, compliance and regulatory changes are being deployed throughout the company.

Gilles Botrel
Deputy Chief Executive
28/03/2023

The employer brand and corporate social and environmental responsibility (CSR) outline a new relationship with work, from the viewpoints of both the company and its staff. The very meaning given to work is renewed at a deep level. Long synonymous with the obligation and submission necessary to earn a living, work could now more than ever be the bearer of a promise of emancipation, where individual fulfilment comes together with collective improvement.

In 2022, NTN TE continued its career development and talent management programme through:

- Prioritising internal recruitment for vacancies;
- Managing people reviews;
- Developing CQPM (joint qualification certificate in metallurgy)

Note that the metallurgy sector was reformed in 2022, including the reform of classifications, which should be operational from January 2023.

2 – DEVELOPMENT OF HUMAN CAPITAL

a – In-house career development

NTN Transmissions Europe contributes to securing and developing professional pathways that boost internal employability while guaranteeing skills enhancement.

As in 2021, Allonnes and Crézancy saw significant staff turnover in 2022:

- 19 executive departures including 2 retirements – 13 new hires
- 19 clerical departures including 8 retirements – 15 new hires
- 23 manual worker departures including 8 retirements – 10 new hires

As well as the high level of turnover, the company faces recruitment difficulties in all professional categories, including manual workers.

NTN's HR policy of prioritising internal recruitment enabled us to fill key posts quickly while boosting employee loyalty: no fewer than 10 managerial posts (the level below the Executive Committee) were filled internally (eight in Allonnes and two in Crézancy).

Our goal is to expand these possibilities for evolution with NTN SNR companies by creating pathways for support.

Note that the Crézancy site has suffered the lack of a Quality Manager for over eight months due to recruitment difficulties.

b – People reviews for executives, clerical workers, technicians and supervisors

An annual meeting on this subject is held with members of the Executive Committee for executive employees at Allonnes and Crézancy.

People reviews, a vital tool for strategic workforce planning, enable NTN TE to identify employees with potential and help them build career plans in order to retain them while ensuring that the organisation is consistent with the corporate strategy.

They also make it easier to plan skills development and replacements for key posts within the company when their occupants retire.

This programme is important given the current context of skills shortages in the employment market.

An executive people review was held in April 2022, and the next is scheduled for 21 June 2023.

Meetings planned for clerical workers, technicians and supervisors could not be held due to HR posts that have remained vacant because of recruitment problems (six months for the payroll manager and four months for the HR development manager).

d – Career interviews

Our HR strategy also relies heavily on our individual and professional interview tools, which are essential mechanisms for career management.

The completion rate for the individual professional interview campaign in 2022 was 78% (compared with 84% in 2021), with a target of 100%. It was 84% in Crézancy.

The job satisfaction rate for our operators in 2022 was 72%, compared with 71% in 2021 and 69% in 2020 at the Allonnes site. The staff job satisfaction rate in Crézancy was 78%.

Completion rate for the individual professional interview campaign

Allonnes **78%**

Crézancy **84%**

Operators' job satisfaction rate

Allonnes **72%**

Crézancy **78%**

The interview completion indicator is calculated as follows: $\frac{\text{Number of interviews}}{\text{Total number of responses}} \times 100$

The job satisfaction indicator is calculated as follows: $\frac{\text{Number of Satisfied and Very Satisfied}}{\text{Total number of responses}} \times 100$

Employees express their satisfaction by choosing one of four options (none, moderate, good or very good) for nine different themes.

To improve managers' data entry for individual interviews, the Google Forms tool was set up for the 2022 campaign. However, the tool proved inappropriate and interviews conducted using Excel could not be counted via Google Forms. The 78% result is thus lower than the reality.

Plans are in place to digitalise the annual interview campaign using the Talentsoft tool from 2024.

d – Staff induction

The strategic workforce planning unit ensures that every new employee has everything they need to integrate well into NTN TE.

Our goal is to make it easier to adapt to the role and blend into the team. This induction approach ensures new arrivals feel supported and can develop their skills under the right conditions.

We have adapted our induction training into a one-day session for support staff and a two-day session for production staff.

The training helps new recruits to understand the history of NTN TE, its products, customers, safety basics, quality basics, the 5S methodology, the risks associated with chemicals, the code of ethics etc.

Note that the Crézancy quality manager joined the Allonnes site for two weeks on arrival in view of the quality issues encountered in parts deliveries from Crézancy to Allonnes.

This approach led to a positive induction process and facilitated cooperation between the two sites. The process will be repeated for future inductions.

e – Strict respect for ethical rules

Featuring among the world-leading designers and manufacturers of transmissions for the automotive sector, NTN TE has to comply with the ethical principles that apply to the conduct of business and adopt socially responsible behaviour with regard to its staff and all its stakeholders.

The Code of Ethics and Good Conduct in force in the company, which is given to all members of staff, applies to all employees, from new recruits to members of the Executive Committee, in all countries, and includes respect for local laws and regulations.

The NTN Transmissions Europe Code of Ethics and Good Conduct is organised into six areas:



- The company's social and environmental responsibility and values
- Commitment to mutual respect
- Commitments to the company and its shareholders
- Fair treatment for customers and commercial partners
- Fraud and corruption
- Respect for the Code of Ethics and the whistleblowing system

To maintain a strong culture of ethics and good behaviour, a compliance report has been deployed at the monthly executive meetings. These reports have covered a variety of subjects associated with respect for the Code of Ethics, antitrust rules etc.

NTN TE is also continuing to deploy the training initiated in June 2021 to all the company's executives, clerical workers, technicians and supervisors. To ensure ethics is not just a vague, abstract concept, this training incorporates concrete examples experienced by several companies.

In parallel with these training and awareness programmes, an anonymous survey is carried out every year among managers to ensure that practices and behaviours are compliant.

Staff trained in the
code of ethics ^(*)

Allonnes **49.1**

71% executives

38% clerical, technicians

and supervisors

Crézancy **85.7**

87% executives

85% clerical, technicians

and supervisors

* The indicator is calculated as follows:

$$\frac{\text{Number of employees trained since April 2021 (3 – year sliding period)}}{\text{Total number of employees on the payroll on 31 March of the fiscal year in question}} \times 100$$

71% of executives and 38% of clerical workers, technicians and supervisors were trained in the Code of Ethics in Allonnes, representing 49.1% of the population concerned at the site.

85% of executives and 87% of clerical workers, technicians and supervisors were trained in the Code of Ethics in Crézancy, representing 85.7% of the population concerned at the site.

f – Industrial relations

NTN Transmissions Europe is committed to maintaining constructive relations with trade unions and employees.

NTN Transmissions Europe aims to sustain dialogue with the trade union organisations present at Allonnes and Crézancy by regularly sharing the company's fundamental priorities with them.

A new profit-sharing agreement was negotiated for each site for FY2022.

Negotiations on quality of life at work are in progress and should conclude during June for Allonnes and Crézancy.

g – Internal communication to serve our performance

To ensure staff commitment to the corporate strategy, a review of the past year is presented to all staff at a meeting launching the objectives for the coming year.

This launch meeting aims to explain the strategic priorities of the group and the company and to ensure that each unit's actions are consistent with the goals of NTE and NTN Corp.

As internal communication is a driver for team cohesion and success for the company, the Deputy Chief Executive and members of the Executive Committee hold monthly meetings with managers on the following themes:

- Safety,
- Financial results,
- Production,
- Quality,
- Supply chain,
- HR and Compliance.

Specific themes can be added in response to events.

**Number of monthly meetings
between senior executives and
managers**

12



3 – EMPLOYABILITY

a – Support for future generations

Despite the highly unstable situation, NTN TE wants to demonstrate its social commitment by supporting future generations with the development of traineeships within the company to pass on its knowledge and skills.

The deployment of traineeships is a pre-recruitment channel that will ultimately provide us with a pool of qualified young recruits who can be operational immediately in response to staff retiring and/or in anticipation of future needs for skills.

This recruitment strategy also enables us to overcome shortages of certain profiles.

Even if trainees are not offered a permanent contract when they finish, the development of in-work training within the company constitutes a significant step towards a first job for young people.

We currently have 24 trainees at our Allonnes site and four at Crézancy.

Number of trainees

Allonnes **24**

Crézancy **1**

	FY2020		FY2021		FY2022	
	Allonnes	Crézancy	Allonnes	Crézancy	Allonnes	Crézancy
Number of trainees	7	1	15	5	24	4
Number of trainees recruited	1	0	0	0		1

In addition, as recruitment is a major issue for the company, the HR action plan is based on the following themes:

- Developing our presence at annual recruitment fairs
- Developing our attractiveness on social media
- Expanding the scope of our searches via recruitment agencies
- Defining an annual events plan in partnership with targeted schools



[b – Developing CQPM \(joint qualification certificate in metallurgy\)](#)

In 2021, NTN TE continued its policy of developing CQPMs to certify employees' professional skills acquired through training.

These qualification-awarding courses ensure staff members' external employability.

**Number of manual/clerical
workers, technicians and
supervisors certified in 2022**

8

In fact, despite the continuing disruption, we succeeded in arranging three times more training hours than in FY2020 and training 20% more employees.

GENDER EQUALITY AT
WORK

94



4 – DIVERSITY AND INCLUSION

Going beyond its ambition of ensuring professional equality between women and men, NTN TE is committed to eliminating all forms of discrimination and guaranteeing equality of opportunity, both for anyone wishing to join the company and for existing employees throughout the terms of their employment contract (training, professional development, maintenance in work etc.).

Convinced that a rich diversity of team members is a source of innovation and creativity and a driver of performance for the company, NTN TE never applies any distinction between employees on the basis of:

- gender;
- age;
- ethnic, social or cultural origin;
- sexual orientation;
- religion;

- political orientation;
- physical appearance;
- trade union activity;
- health;
- or disability.

NTN TE has formalised its desire for all employees to be able to work in an environment of respect, free from discrimination and any form of bullying, in its code of ethics.

NTN TE rejects and condemns all forms of illegal and undeclared work, and complies with national legislation and regulations on child labour.

[a – Professional gender equality index](#)

The gender equality index consists of five indicators that evaluate inequalities between the genders in the form of a score out of 100:

- The gender wage gap for 40 points
- The gap in individual pay rises for 20 points
- The gap in promotions for 15 points
- The number of female employees receiving a pay rise when returning from maternity leave for 15 points
- Parity among the 10 highest salaries for 10 points

Gender equality index

94

The gender equality index for 2022 in Allonnes was 94 points out of 100, compared with 89 points in 2021.

During the annual pay negotiations in 2022, senior management allocated a budget for a 3.3% pay rise to cover the rate of inflation.

Based on a union proposal, the 3.3% general pay rise was paid in the form of a fixed amount to manual workers calculated as follows:

$$\frac{\text{Total basic salaries x 3.3\%}}{\text{Number of manual worker beneficiaries}}$$

The 3.3% general pay rise for clerical workers, technicians, supervisors and executives was applied to employees' actual basic salaries.

b – Obligation to employ workers with disabilities

The mandatory declaration of employment of workers with disabilities, injured war veterans and assimilated categories reveals a contribution of 0, our quota under the legal obligations.

NTN TE is working to develop subcontracting with companies that employ workers with disabilities:

- EABS to maintain our green spaces;
- ESAT Le Circuit for industrial subcontracting work

As part of a collective severance agreement, NTN TE proposed to allocate the labour market revitalisation tax to a company employing workers with disabilities.

c – Participation in DuoDay

In 2022, NTN Transmissions Europe helped to promote a culture of inclusion in the professional environment by taking part for the first time in the DuoDay event as part of European Disability Employment Week.



DuoDay offers many advantages, both for people with disabilities and for businesses and society in general.

- Awareness: DuoDay raises awareness in business and society as a whole about diversity and inclusion. It combats prejudice and stereotypes about disability by giving people with disabilities the opportunity to demonstrate what they can do.
- Job opportunities: DuoDay creates employment opportunities for people with disabilities. It gives them a chance to show their skills, their

professional value and their motivation, which can lead to job offers or subsequent traineeships.

- Social integration: DuoDay encourages the social integration of people with disabilities by giving them an opportunity to work alongside other employees in a professional environment.
- Promotion of inclusion: the event helps to promote a culture of inclusion in the professional environment and encourages employers to facilitate access and participation by people with disabilities.

We had four job offers at the Allonnes site, and two participants joined our non-manufacturer parts warehouse and R&D teams for the day of 17 November 2022.



The operation will be repeated on 23 November 2023 for the sixth DuoDay to continue building a more inclusive, egalitarian society.

% OF OUR SUPPLIERS
WHO HAVE SIGNED
OUR COLLABORATIVE
AND RESPONSIBLE
PROCUREMENT
CHARTER

84%

% OF SUPPLIERS WITH
ISO 14001
CERTIFICATION

76%

© Alexander Grey / Unsplash



5 – BUSINESS ETHICS

a – Strict respect for ethical rules

Responsible procurement is a major issue given global expenditure amounts, purchasing volumes and the diversity of procurement carried out by NTN TE.

We assess the performance of our BOP suppliers (Bought Out Parts – direct purchases) quarterly on the basis of quality, costs and deadlines, with a supplier risk analysis put in place in FY2020. NTN TE is researching the application of CSR criteria in its supplier selection grid.

The NTN TE collaborative and responsible procurement charter builds on our code of ethics and restates our commitments in terms of human relations, respect for the environment and ethics.



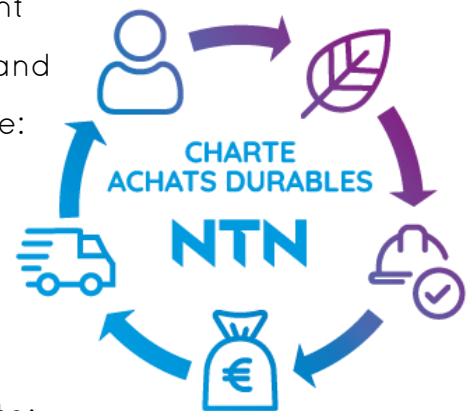
% OF OUR SUPPLIERS WHO HAVE SIGNED OUR PROCUREMENT CHARTER

84%

The indicator is calculated on the basis of suppliers of Bought Out Parts (BOP - direct purchases).

NTN TE selects its suppliers based on their values and commitments in terms of social and environmental responsibility. Over the lifetime of the various projects, suppliers are audited based on several materials including a new CSR framework.

Senior management has entrusted the procurement department with managing supplier relationships and setting up suitable tools for our global performance: supplier manual, CSR audit materials, deployment of version 2 of the Procurement Charter, use of electronic tools...



With regard to its suppliers, NTN TE is committed to:

- safeguarding its collaborations;
- developing a long-term win-win relationship;
- applying a transparent sourcing policy;
- promoting environmentally responsible industries;
- anticipating risks (health, environment etc.)

Our expectations of our suppliers:

- observing human rights guidelines;
- pursuing honesty in business dealings
- taking the initiative in analysing CSR risks;
- making proactive proposals (Q, C, D, CSR etc.)

Beyond the various crises experienced in 2022, NTN Procurement is considering a regionalisation strategy supported by an appropriate supply chain organisation (consignment stock, short sea etc.)

b – Reducing the impact of our activities

Worked components, raw materials and services are purchased from suppliers and subcontractors that NTN TE encourages to take environmental priorities into account through ISO 14001 certification. Particular attention is paid to suppliers with ISO 45001 and 50001 certification. Supplier awareness is raised through audits.

**% OF SUPPLIERS WITH ISO
14001 CERTIFICATION**

76%

GREENHOUSE GAS
EMISSIONS
(Scopes 1, 2 & 3)
246,000 T CO₂eq



For NTN Transmissions Europe, consideration for the environment is a basic principle in the creation of a **NAMERAKA** society. It applies to every stage of activity and every member of staff.

This commitment is a guarantee of sustainable development for the company. It is reflected in the environmental and energy road map, which sets out the following directions for the period from 2021 to 2024:

- Respecting laws and regulations,
- Protecting the environment and preventing pollution,
- Reducing the impact of our activities,
- Incorporating climate priorities.

The approach is based on the Environmental Management System established at the two sites in Allonnes and Crézancy and recognised with ISO 14001 certification in 2003 and 2010 respectively.

Through this Management System, NTN Transmissions Europe aims to:

- develop the environmental awareness of its staff,
- take all the applicable requirements into account through regulatory monitoring,

- carry out surveillance and define a plan to replace SVHCs (Substances of Very High Concern),
- identify significant environmental aspects at each production site,
- promote transmission designs that optimise energy use, quantities of materials required, waste generated and operating efficiency,
- encourage suppliers to take environmental challenges into account through ISO 14001 certification.

All these points, combined with an analysis of priorities, the context and the interested stakeholders, provide the basis for the Environmental Action Plan.

In addition to its Environmental Management System, the Allonnes site also has an Energy Management System, deployed and ISO 50001 certified since 2015. All uses of energy are determined, together with their importance. Consumption is modelled in relation to influence factors over reference periods, and monthly forecasts are reviewed in order to monitor and control consumption.

Based on these analyses, targeted actions to improve energy performance are defined in the Energy Saving Action Plan.

For the Crézancy site, the construction of the Energy Management System began at the end of 2022 with the goal of achieving ISO 50001 certification during FY2023.

ROAD MAP

Environment and Energy goals for the three-year period (April 2021 – March 2024)

In line with the company's overall policy, NTN Transmissions Europe plans to apply the following guidelines at the Allonnes and Crézancy sites in the areas of the environment and energy:



1 – Reducing the impact of our activities:

- Preserving resources by favouring reduction, reuse and recycling,
- Taking environmental and energy performance criteria into consideration in our procurement and in the design process,
- Meeting our compliance obligations according to the regulations and the requirements of our interested parties.

2 – Protecting the environment and preventing pollution:

- Making progress in risk analysis and prevention, taking the contexts of our production sites into account,
- Developing activity monitoring to control our emissions.

3 – Incorporating climate priorities:

- Controlling and improving our energy efficiency,
- Measuring our greenhouse gas emissions and determining our strategy for reducing them.

The commitment and expertise of the women and men who are the backbone of our organisations will enable us to respect our commitments and achieve our ambition to build a sustainable society.


Gilles Botrel
Deputy Chief Executive

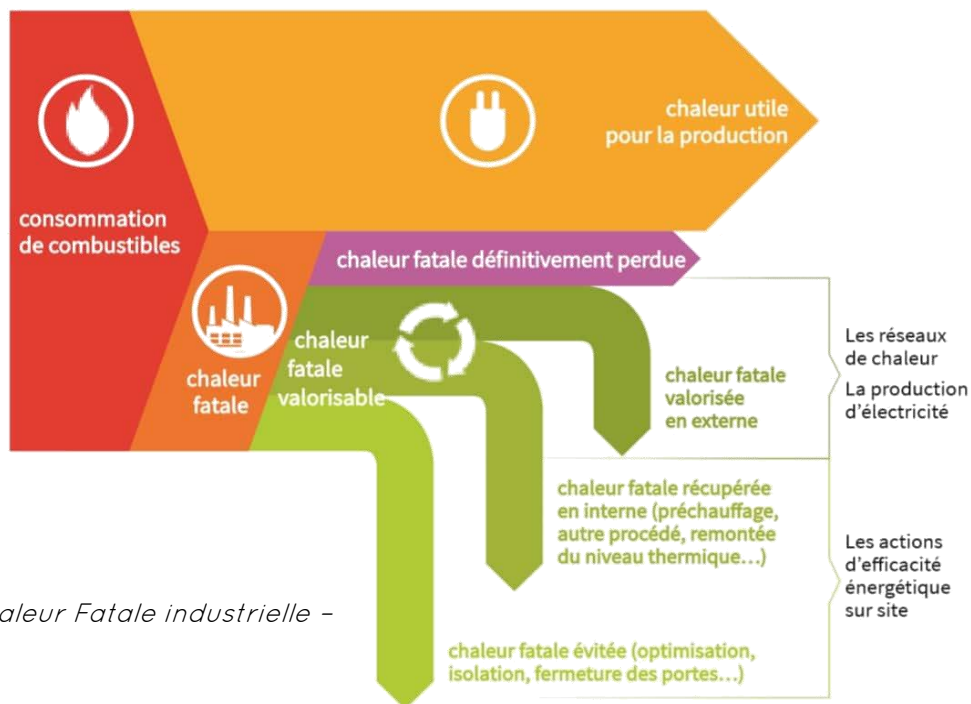
The main action in FY2022 focused on replacing all neon and sodium lighting with smart LED systems for the production building in Allonnes and the Forge sector in Crézancy. This intelligent lighting detects activity and communicates across the lighting network to light areas based on use.

The lighting renovation project will continue in FY2023 for the test hall, administrative areas, roads and exterior lighting.

In addition to this action plan, NTN Transmissions Europe has defined an energy sobriety plan to reduce its gas and electricity consumption by:

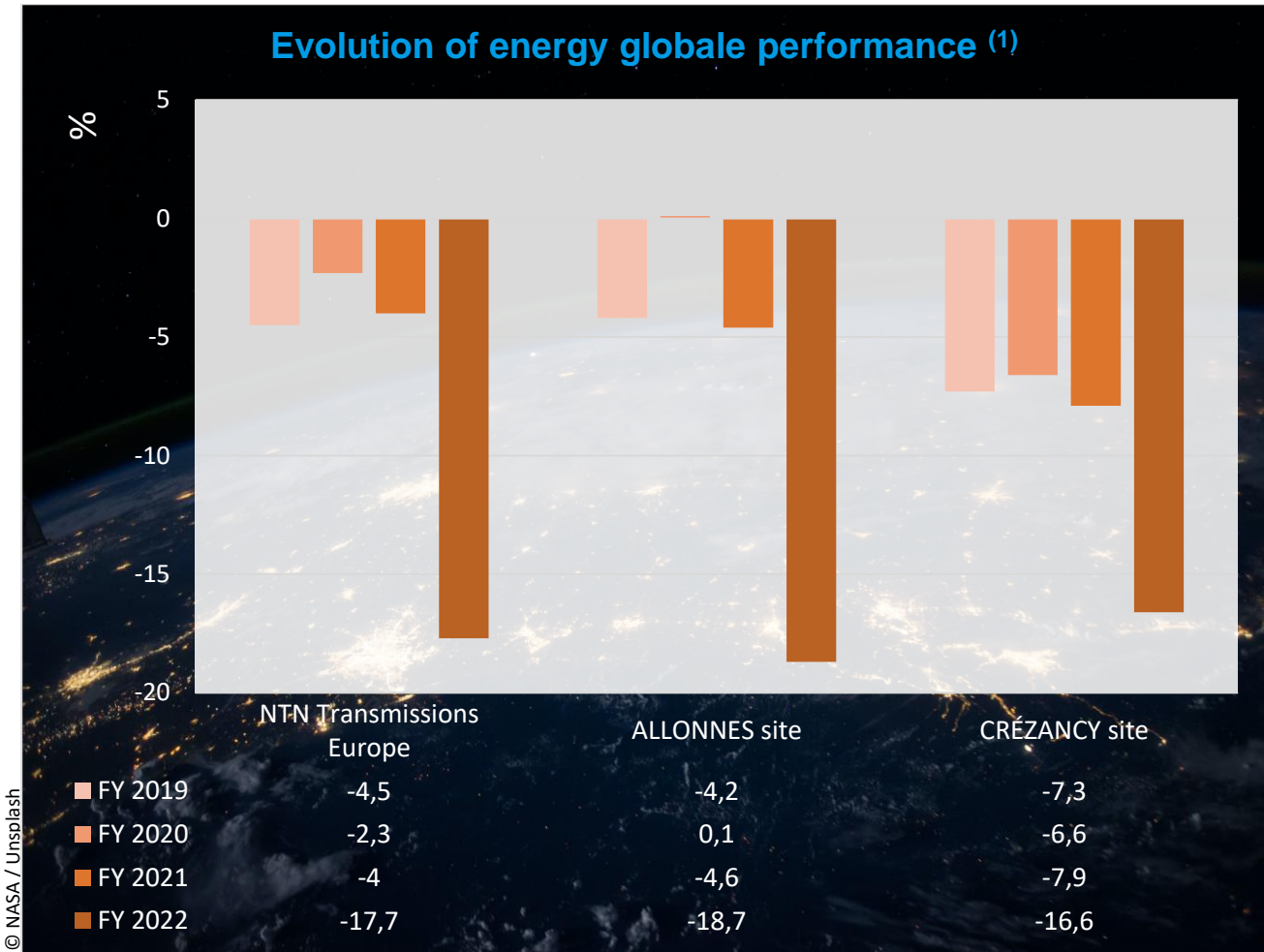
- Reducing temperature settings to a value of 19°C in tertiary and production areas
- Accelerating the transition to LED lighting in CVJ
- Monitoring electricity consumption at weekends to achieve a target of 1.0 MWh

For FY2023, NTN Transmissions Europe will construct its future action plan based on a study of the recovery and reuse of unavoidable energy generated at the sites.



Source: La Chaleur Fatale industrielle - ADEME

Consequently, the FY2022 and energy sobriety plans improved the energy performance of NTN Transmissions Europe in FY2022 by 17.7% relative to the reference index [FY2015–FY2017].



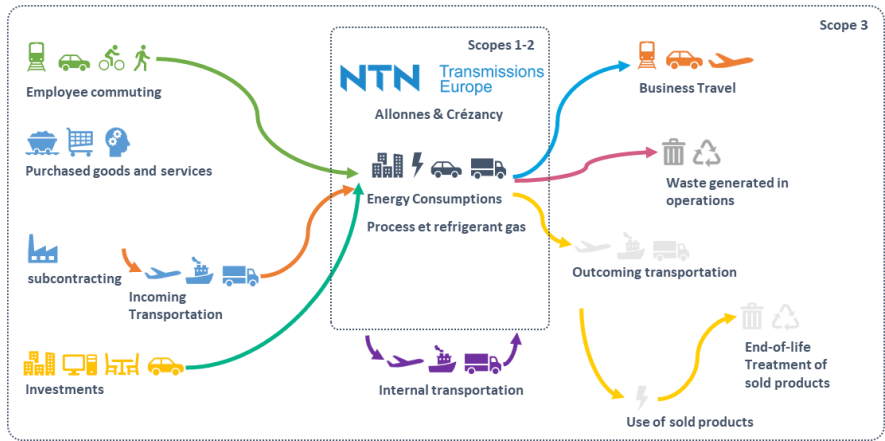
⁽¹⁾This indicator is calculated as follows for Allonnes and Crézancy: % change between the energy performance for the year N and the energy performance for the reference year (index: FY2015-2016-2017). Energy performance is measured as energy consumption (gas and electricity) relative to added value.

6 – GREENHOUSE GAS EMISSIONS

In line with its theme of integrating climate challenges, NTN Transmissions Europe has reviewed its greenhouse gas (GHG) emissions for all of scopes 1, 2 and 3 for FY2022.

The study covered all the direct and indirect activities of the two sites, Allonnes and Crézancy.

All the applicable and non-negligible headings were included.



The result for GHG emissions at the Allonnes and Crézancy sites is:

246,000 TCO₂ eq

for FY2022, with uncertainty of 37%.

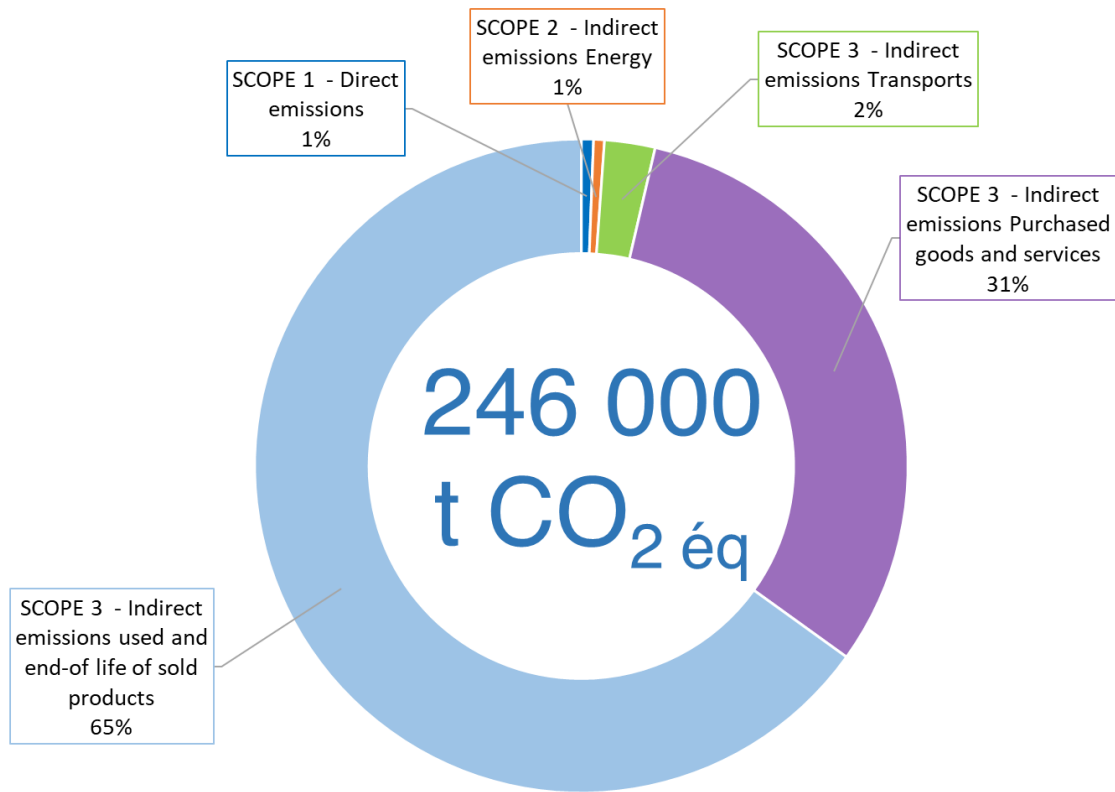
These emissions can be seen in relation to production at each site to better understand their evolution over the coming years.



Allonnes production in FY2022 = 3 million units



Crézancy production in FY2022 = 5 million units



Overall, indirect emissions from products bought and sold represent 96% of the footprint.

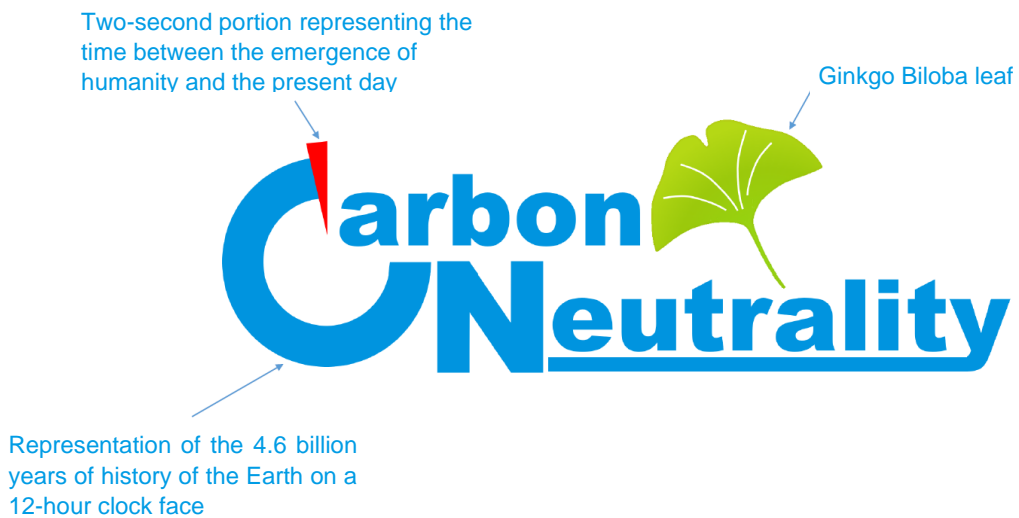
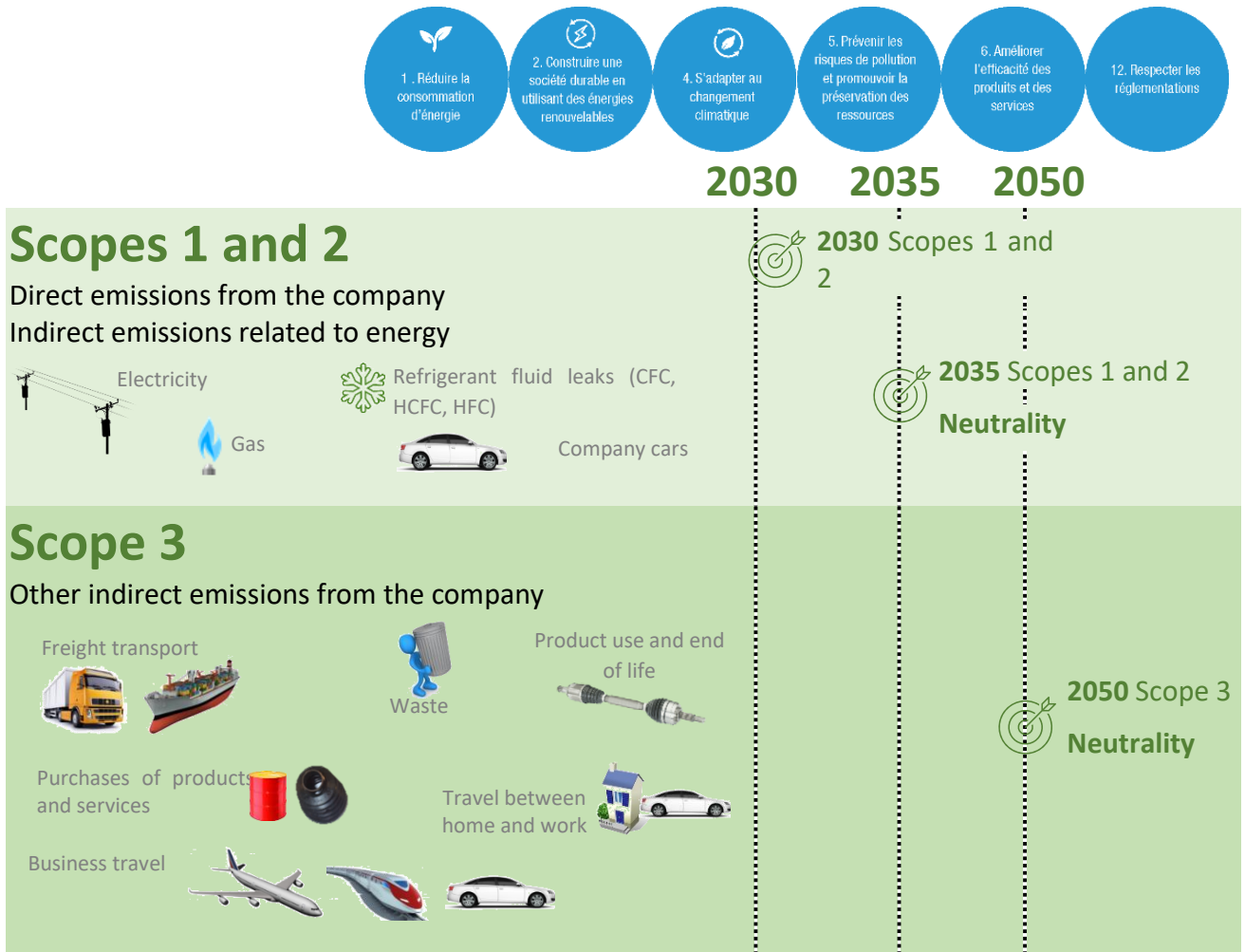
This is due to:

- The large quantities of materials purchased with a considerable carbon footprint (metals, plastics etc.),
- Significant production resources,
- Finished products used in energy-intensive installations.

To better understand its emissions in coming years and improve its footprint and its robustness, NTN Transmissions Europe is moving towards consolidating its environmental data.

- For the use of vehicles, this improvement needs to take place through better knowledge of the emissions characteristics of the vehicles in which each transmission product sold is assembled.
- For purchases of goods and services, a more refined and detailed analysis of each material supply will reduce the level of uncertainty for these categories.

This process of gaining knowledge and measuring all emissions is an integral part of the Carbon targets in the NTN Corporation's **NAMERAKA** road map.



Scopes 1 and 2 of this review supplement the energy-only aspect of the global energy performance indicator.

Scopes 1 and 2 are particularly associated with the following activities:

- Energy consumption:
 - Fossil fuels: natural gas, propane, petrol, diesel
 - Other energy: electricity
- Fugitive emissions:
 - Refrigerant gas leaks: top-ups at Allonnes, no leaks reported for Crézancy.
- Emissions from non-energy processes:
 - Technical gases for specific processes at Allonnes and Crézancy (welding gases)

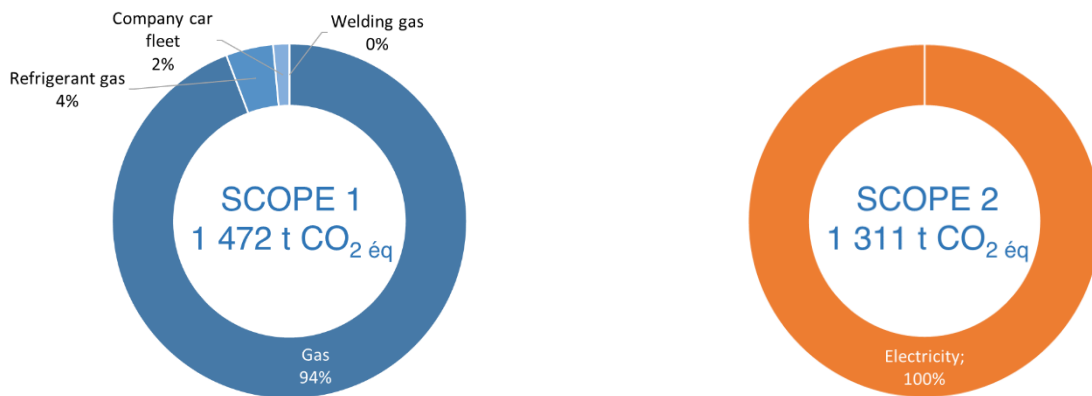
These emissions are generated by activities over which the company has the highest level of control (performance of technical installations, optimisation and management of use, organisation, operating methods, training etc.). They are thus easier to reduce in comparison with scope 3 emissions, which occur outside the company.

This is why NTN Transmissions Europe is examining the possibility of evolving its energy performance indicator to incorporate all or part of scopes 1 and 2 in future financial years.

Scopes 1 and 2 for the Allonnes and Crézancy sites represent

2,783 TCO₂ eq

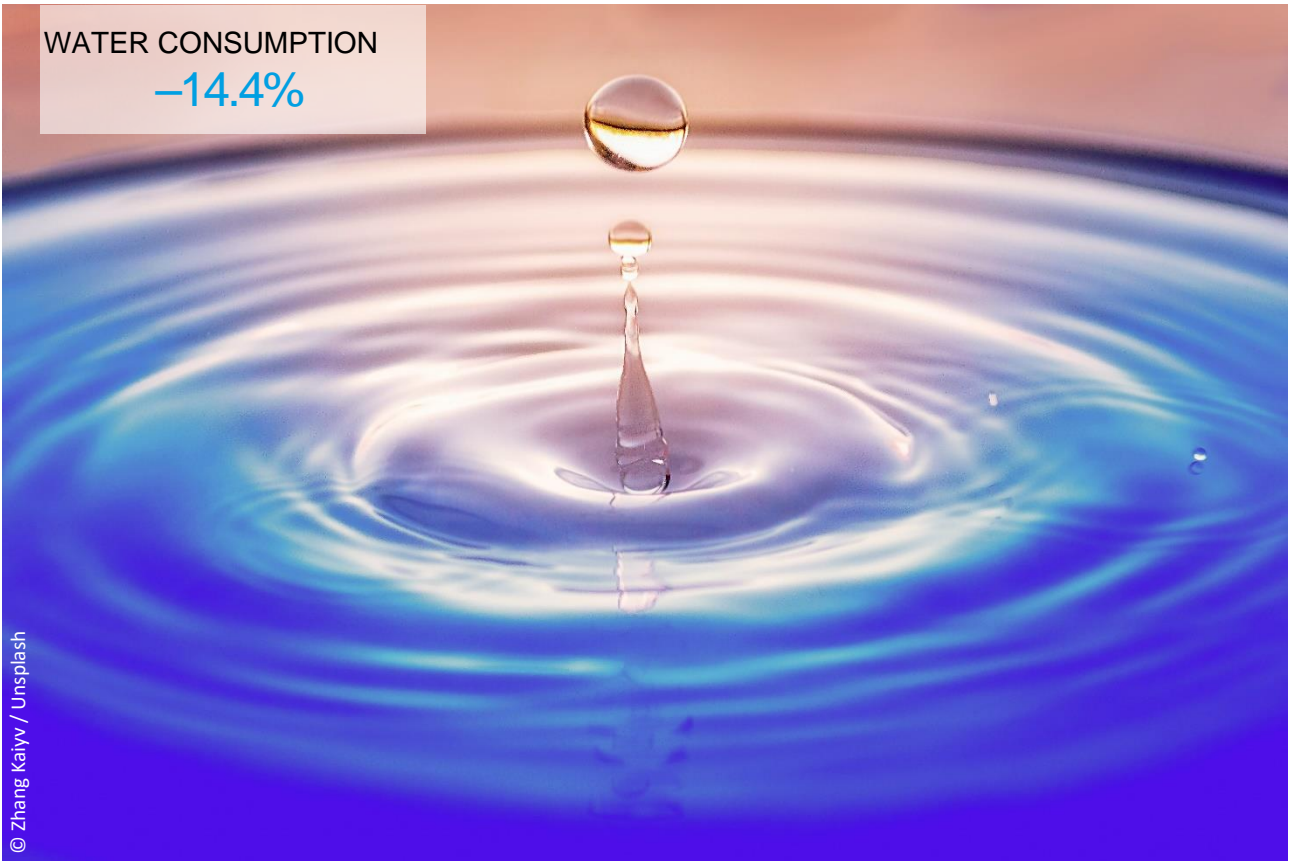
for FY2022, with uncertainty of 5.2%.



The NTN Transmissions Europe transition plan to achieve the target of a 50% reduction by 2030 across scopes 1 and 2 is based on the following three themes:

- Reducing energy consumption and fugitive emissions:
 - Insulating buildings
 - Optimising cooling equipment and replacing refrigerant gases with high global warming potential (GWP)
- Improving energy efficiency:
 - Replacing neon and sodium lighting with smart LED systems
 - Optimising the control of equipment for producing compressed air
- Decarbonising the energy sources used
 - Commissioning a photovoltaic power plant
 - Replacing gas for heating by reusing the unavoidable energy generated by production processes



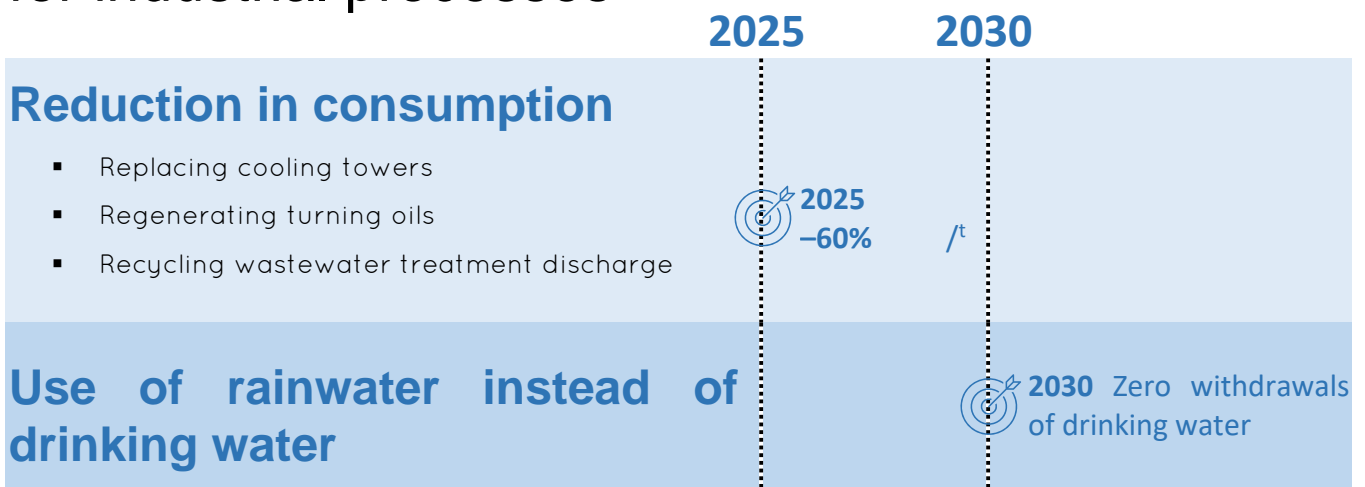
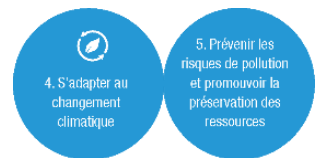


7 – RESOURCE PRESERVATION

Resource preservation is a second environmental priority for which NTN Transmissions Europe is striving to reduce its impact.

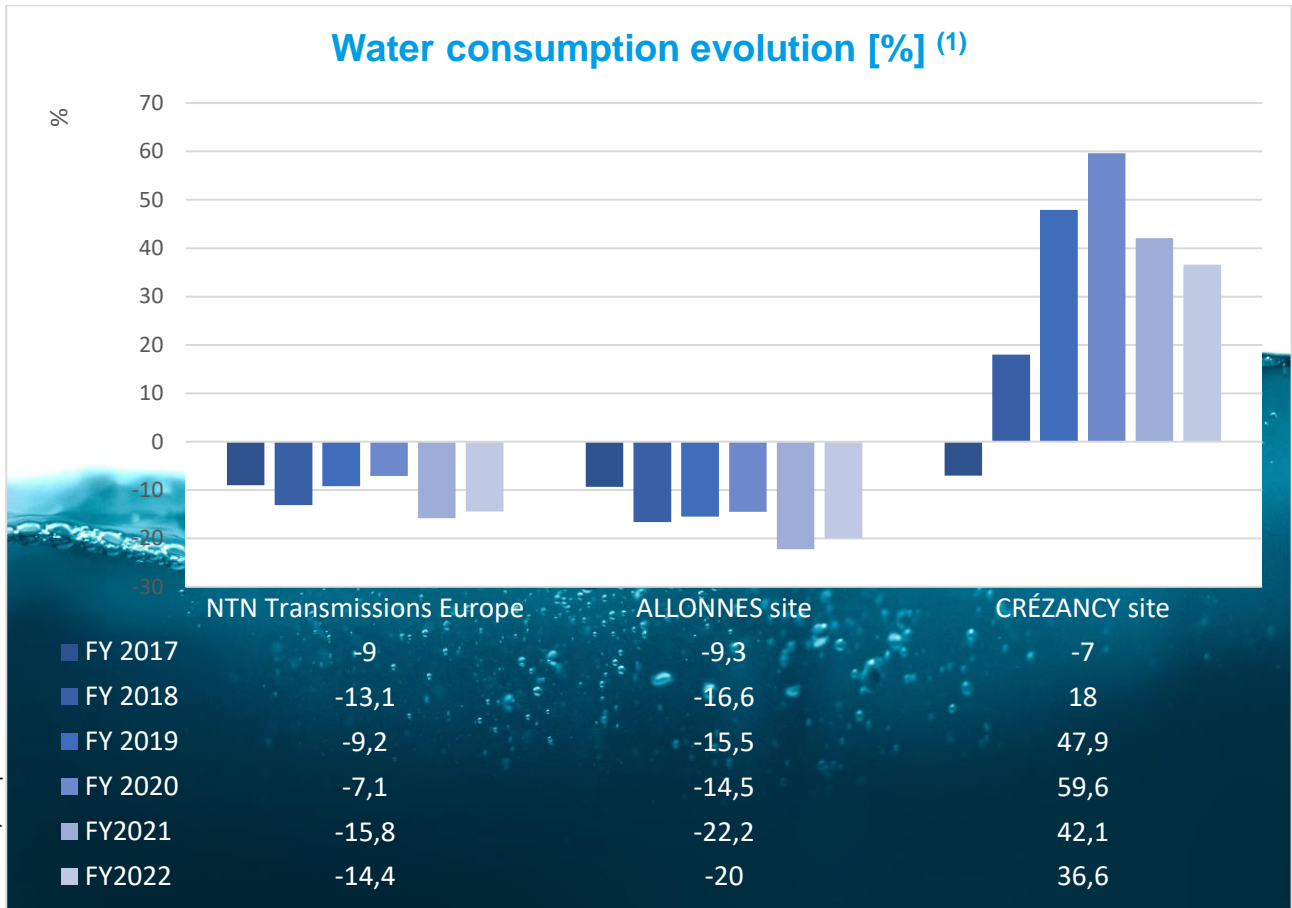
This goal is reflected in the following road map:

Water self-sufficiency for industrial processes



NTN Transmissions Europe’s modelling of water consumption over reference periods has made it possible to produce detailed projections of consumption in view of key parameters at the Allonnes site.

Comparing these projections with actual consumption has highlighted deviations in the main categories of consumption and the positive impacts of technical solutions for the cooling equipment renovation and modification projects.



© Daniel Simoca / Unsplash

⁽¹⁾ Evolution of consumption is calculated as follows: % change between water consumption relative to added value for the year N and water consumption relative to added value for the reference year FY2016.

During FY22, action was taken to replace obsolete installations and add higher-performance equipment. This will help from FY2023 to achieve the long-term target, with a significant drop in water and chemical consumption.



The same process of modelling and identifying deviations will be deployed at the Crézancy site from FY2023 to accelerate the reduction in water consumption begun in FY2021 and achieve the ultimate goal of water self-sufficiency for industrial processes.



8 – WASTE PROCESSING

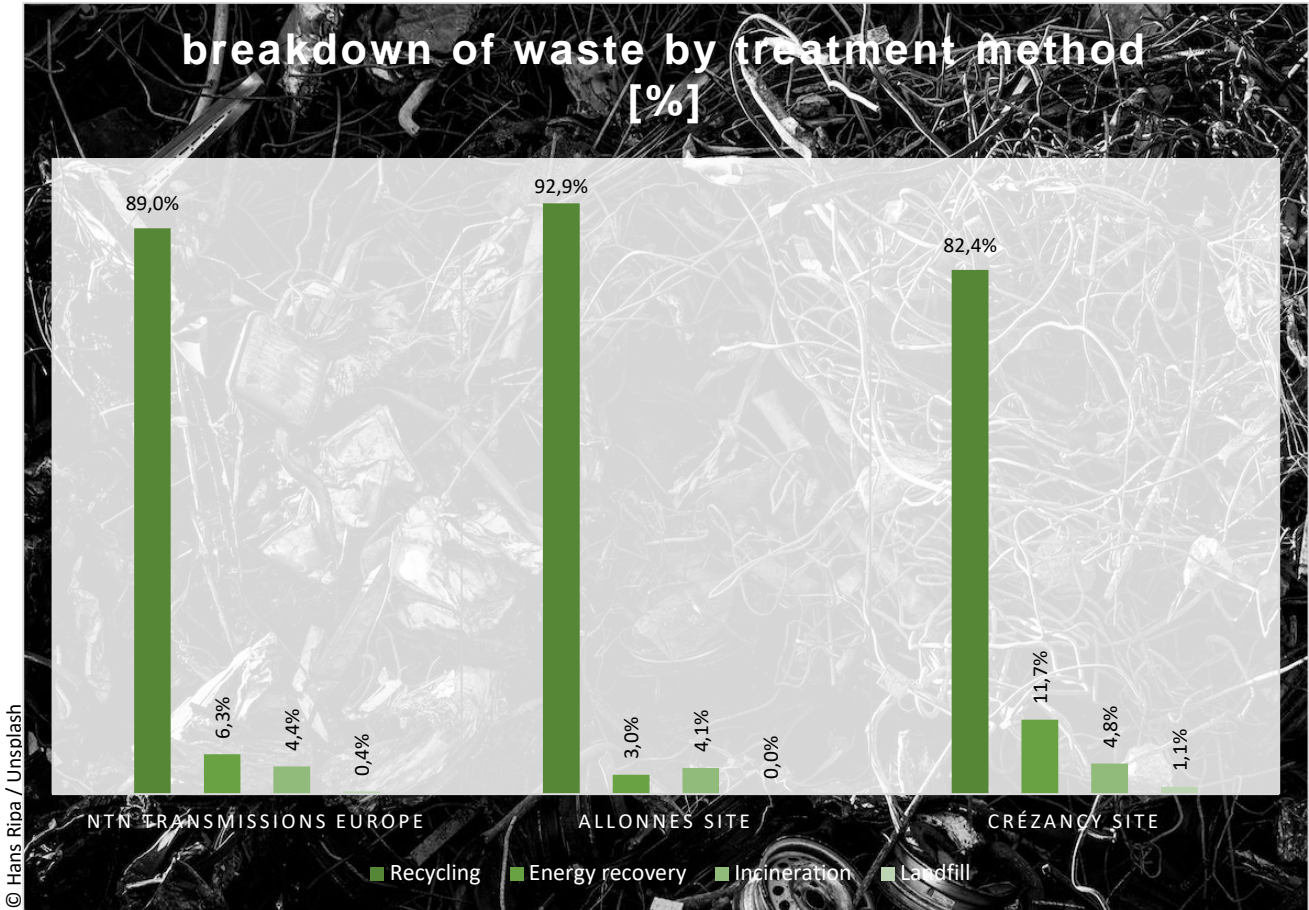
The company's principles are to reduce the quantities of waste produced at production sites and to prioritise recovery and recycling rather than destruction or landfill.

To achieve this, a waste sorting system is in place in all workshops and offices, with suitable containers collected regularly.

Each new item of waste is analysed in order to adapt the collection method and the recovery channel.

NTN TE organises the management of waste from its production sites via specific approved treatment channels in accordance with the regulations.

Across all sites, 95.2% of waste is recovered, through either material recycling or waste to energy.



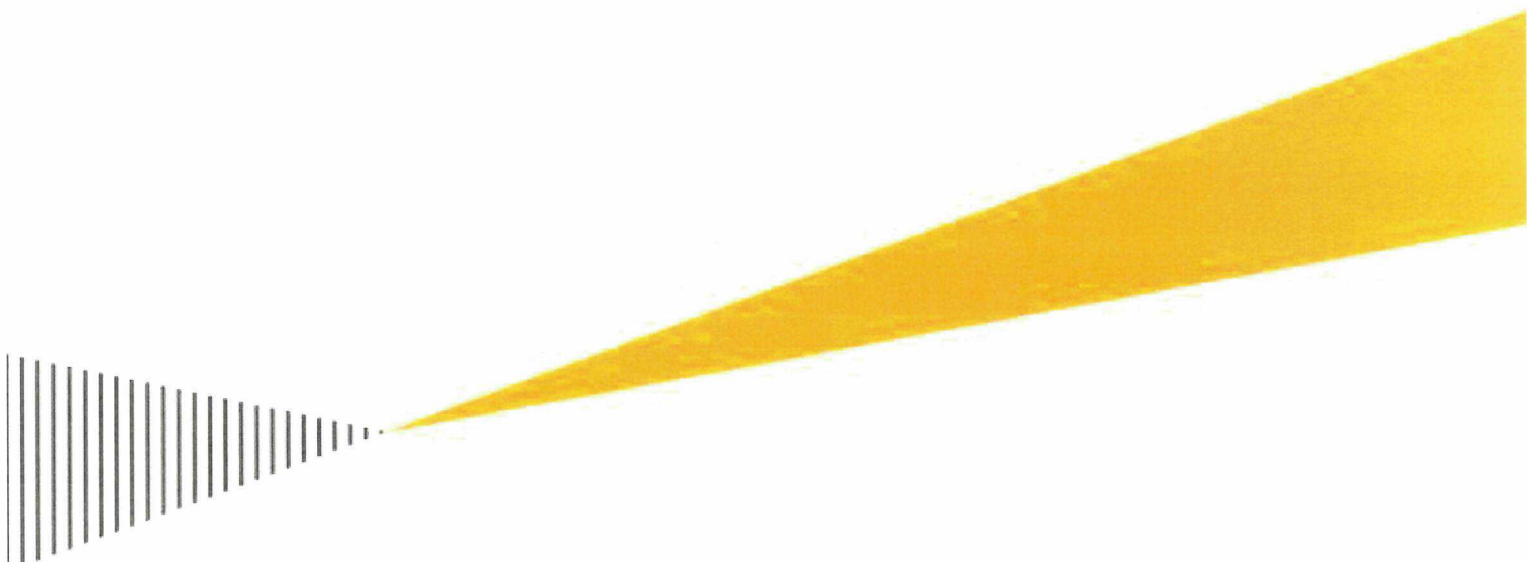
The change between FY2021 (96.7%) and FY2022 (95.2%) is primarily due to a drop in production activity, which had the result of reducing the proportion of waste that could be recovered through recycling, and particularly steel.



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Exercice clos le 31 mars 2023

**Rapport de l'organisme tiers indépendant sur la vérification de la
déclaration consolidée de performance extra-financière**

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NTN Transmissions Europe

Exercice clos le 31 mars 2023

Rapport de l'organisme tiers indépendant sur la vérification de la déclaration consolidée de performance extra-financière

À l'Assemblée Générale,

En notre qualité d'organisme tiers indépendant (« tierce partie »), accrédité par le COFRAC (Accréditation COFRAC Inspection, n°3-1681, portée disponible sur www.cofrac.fr) et membre du réseau du commissaire aux comptes de votre société (ci-après « entité »), nous avons mené des travaux visant à formuler un avis motivé exprimant une conclusion d'assurance modérée sur la conformité de la déclaration consolidée de performance extra-financière, pour l'exercice clos le 31 mars 2023 (ci-après la « Déclaration ») aux dispositions prévues à l'article R. 225-105 du Code de commerce et sur la sincérité des informations historiques (constatées ou extrapolées) fournies en application du 3° du I et du II de l'article R. 225-105 du Code de commerce (ci-après les « Informations ») préparées selon les procédures de l'entité (ci-après le « Référentiel »), présentées dans le rapport de gestion en application des dispositions des articles L. 225-102-1, R. 225-105 et R. 225-105-1 du Code de commerce.

Conclusion

Sur la base des procédures que nous avons mises en œuvre, telles que décrites dans la partie « Nature et étendue des travaux », et des éléments que nous avons collectés, nous n'avons pas relevé d'anomalie significative de nature à remettre en cause le fait que la déclaration consolidée de performance extra-financière est conforme aux dispositions réglementaires applicables et que les Informations, prises dans leur ensemble, sont présentées, de manière sincère, conformément au Référentiel.

Préparation de la déclaration de performance extra-financière

L'absence de cadre de référence généralement accepté et communément utilisé ou de pratiques établies sur lesquels s'appuyer pour évaluer et mesurer les Informations permet d'utiliser des techniques de mesure différentes, mais acceptables, pouvant affecter la comparabilité entre les entités et dans le temps.



Par conséquent, les Informations doivent être lues et comprises en se référant au Référentiel dont les éléments significatifs sont présentés dans la Déclaration.

Limites inhérentes à la préparation des Informations

Comme indiqué dans la Déclaration, les Informations peuvent être sujettes à une incertitude inhérente à l'état des connaissances scientifiques ou économiques et à la qualité des données externes utilisées. Certaines informations sont sensibles aux choix méthodologiques, hypothèses et/ou estimations retenues pour leur établissement et présentées dans la Déclaration.

Responsabilité de l'entité

Il appartient au conseil d'administration :

- de sélectionner ou d'établir des critères appropriés pour la préparation des Informations ;
- d'établir une Déclaration conforme aux dispositions légales et réglementaires, incluant une présentation du modèle d'affaires, une description des principaux risques extra-financiers, une présentation des politiques appliquées au regard de ces risques ainsi que les résultats de ces politiques, incluant des indicateurs clés de performance ;
- ainsi que de mettre en place le contrôle interne qu'il estime nécessaire à l'établissement des Informations ne comportant pas d'anomalies significatives, que celles-ci proviennent de fraudes ou résultent d'erreurs.

La Déclaration a été établie en appliquant le Référentiel de l'entité tel que mentionné ci-avant.

Responsabilité de l'organisme tiers indépendant

Il nous appartient, sur la base de nos travaux, de formuler un avis motivé exprimant une conclusion d'assurance modérée sur :

- la conformité de la Déclaration aux dispositions prévues à l'article R. 225-105 du Code de commerce ;
- la sincérité des informations historiques (constatées ou extrapolées) fournies en application du 3^o du I et du II de l'article R. 225-105 du Code de commerce, à savoir les résultats des politiques, incluant des indicateurs clés de performance, et les actions, relatifs aux principaux risques.

Comme il nous appartient de formuler une conclusion indépendante sur les Informations telles que préparées par la direction, nous ne sommes pas autorisés à être impliqués dans la préparation desdites Informations, car cela pourrait compromettre notre indépendance.



Il ne nous appartient pas de nous prononcer sur :

- le respect par l'entité des autres dispositions légales et réglementaires applicables (notamment en matière de plan de vigilance et de lutte contre la corruption et l'évasion fiscale) ;
- la conformité des produits et services aux réglementations applicables.

Dispositions réglementaires et doctrine professionnelle applicable

Nos travaux décrits ci-après ont été effectués conformément aux dispositions des articles A. 225-1 et suivants du Code de commerce, à la doctrine professionnelle de la Compagnie nationale des commissaires aux comptes relative à cette intervention tenant lieu de programme de vérification et à la norme internationale ISAE 3000 (révisée)¹.

Indépendance et contrôle qualité

Notre indépendance est définie par les dispositions prévues à l'article L. 822-11 du Code de commerce et le Code de déontologie de la profession. Par ailleurs, nous avons mis en place un système de contrôle qualité qui comprend des politiques et des procédures documentées visant à assurer le respect des textes légaux et réglementaires applicables, des règles déontologiques et de la doctrine professionnelle.

Moyens et ressources

Nos travaux ont mobilisé les compétences de trois personnes et se sont déroulés entre mars et juin 2023 sur une durée totale d'intervention de six semaines.

Nous avons fait appel, pour nous assister dans la réalisation de nos travaux, à nos spécialistes en matière de développement durable et de responsabilité sociétale. Nous avons mené sept entretiens avec les personnes responsables de la préparation de la Déclaration, représentant notamment les directions ressources humaines, santé et sécurité, environnement et achats.

Nature et étendue des travaux

Nous avons planifié et effectué nos travaux en prenant en compte le risque d'anomalies significatives sur les Informations.

Nous estimons que les procédures que nous avons menées en exerçant notre jugement professionnel nous permettent de formuler une conclusion d'assurance modérée :

- nous avons pris connaissance de l'activité de l'ensemble des entités incluses dans le périmètre de consolidation et de l'exposé des principaux risques ;

¹ ISAE 3000 (révisée) - Assurance engagements other than audits or reviews of historical financial information



- nous avons apprécié le caractère approprié du Référentiel au regard de sa pertinence, son exhaustivité, sa fiabilité, sa neutralité et son caractère compréhensible, en prenant en considération, le cas échéant, les bonnes pratiques du secteur ;
- nous avons vérifié que la Déclaration couvre chaque catégorie d'information prévue au III de l'article L. 225-102-1 du Code de commerce en matière sociale et environnementale ;
- nous avons vérifié que la Déclaration présente les informations prévues au II de l'article R. 225-105 du Code de commerce lorsqu'elles sont pertinentes au regard des principaux risques et comprend, le cas échéant, une explication des raisons justifiant l'absence des informations requises par le 2^{ème} alinéa du III de l'article L. 225-102-1 dudit Code ;
- nous avons vérifié que la Déclaration présente le modèle d'affaires et une description des principaux risques liés à l'activité de l'ensemble des entités incluses dans le périmètre de consolidation, y compris, lorsque cela s'avère pertinent et proportionné, les risques créés par ses relations d'affaires, ses produits ou ses services ainsi que les politiques, les actions et les résultats, incluant des indicateurs clés de performance afférents aux principaux risques ;
- nous avons consulté les sources documentaires et mené des entretiens pour :
 - apprécier le processus de sélection et de validation des principaux risques ainsi que la cohérence des résultats, incluant les indicateurs clés de performance retenus, au regard des principaux risques et politiques présentés, et
 - corroborer les informations qualitatives (actions et résultats) que nous avons considérées les plus importantes présentées en Annexe 1 ;
- nous avons pris connaissance des procédures de contrôle interne et de gestion des risques mises en place par l'entité et avons apprécié le processus de collecte visant à l'exhaustivité et à la sincérité des Informations ;
- pour les indicateurs clés de performance et les autres résultats quantitatifs que nous avons considérés les plus importants présentés en Annexe 1, nous avons mis en œuvre :
 - des procédures analytiques consistant à vérifier la correcte consolidation des données collectées ainsi que la cohérence de leurs évolutions ;
 - des tests de détail sur la base de sondages ou d'autres moyens de sélection, consistant à vérifier la correcte application des définitions et procédures et à rapprocher les données des pièces justificatives. Ces travaux couvrent 100 % des données consolidées sélectionnées pour ces tests ;
- nous avons apprécié la cohérence d'ensemble de la Déclaration par rapport à notre connaissance de l'ensemble des entités incluses dans le périmètre de consolidation.



Les procédures mises en œuvre dans le cadre d'une mission d'assurance modérée sont moins étendues que celles requises pour une mission d'assurance raisonnable effectuée selon la doctrine professionnelle ; une assurance de niveau supérieur aurait nécessité des travaux de vérification plus étendus.

Paris-La Défense, le 28 juin 2023

L'organisme tiers indépendant
EY & Associés

A handwritten signature in blue ink, consisting of the initials 'CS' followed by a long horizontal line extending to the right.

Christophe Schmeitzky
Associé, Développement Durable



Annexe 1 : informations considérées comme les plus importantes

Informations sociales	
<i>Informations quantitatives (incluant les indicateurs clé de performance)</i>	<i>Informations qualitatives (actions ou résultats)</i>
Taux de satisfaction dans l'emploi des opérateurs (%) Taux de gravité des accidents du travail (Ratio) Taux de fréquence des accidents du travail (Ratio)	Les résultats de la politique sociale (actions de renforcement des compétences des collaborateurs et de développement de la culture sécurité)
Informations environnementales	
<i>Informations quantitatives (incluant les indicateurs clé de performance)</i>	<i>Informations qualitatives (actions ou résultats)</i>
Emissions de gaz à effet de serre - Scopes 1, 2 et 3 (TCO2e) Suivi de la consommation d'eau (%) Part des déchets recyclés ou valorisés (%)	Les résultats de la politique en matière environnementale (actions de préservation des ressources naturelles, de lutte contre le changement climatique et de protection de l'environnement)
Informations sociétales	
<i>Informations quantitatives (incluant les indicateurs clé de performance)</i>	<i>Informations qualitatives (actions ou résultats)</i>
Part des ETAM/cadres formés au code éthique (%) Part des fournisseurs adhérant à la charte des achats collaboratifs et responsables (%) Part des fournisseurs certifiés ISO 14 001 (%)	Les résultats de la politique sociétale (éthique et exemplarité des pratiques)