

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 2023 (April 2023 to March 2024).

NTN Transmissions Europe
Limited company with share
capital of €39,988,327.44
Le Mans commercial and
companies registration (RCS) no.
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Signet non défini.

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Towards a "NAMERAKA" world

Awareness of the importance of sustainable development, global challenges and the need for good quality of life at work has grown considerably over the last two years.

Driven by concern for its environmental impact and its attractiveness to employees, customers and shareholders, NTN Transmissions Europe is continuing its transformation

plan to ensure the company's alignment with society's needs and expectations. On these themes, our group has made a commitment to:

- Reduce carbon emissions with the goal of neutrality by 2035 for scopes 1 and 2
- Stop using drinking water for industrial processes by 2030
- Preserve our ecosystem

To achieve this, actions were taken in 2023 and will continue in 2024, including:

- The installation of adiabatic coolers, reducing our water consumption by 60%
- The systematic use of LED lighting
- The installation of sun shades, a solar photovoltaic array and charging terminals at our Allonnes plant
- Preparation of our Crézancy plant for ISO 45001 and ISO 50001 certification
- Beehives on our land and the prospect of an eco-grazing project in 2025

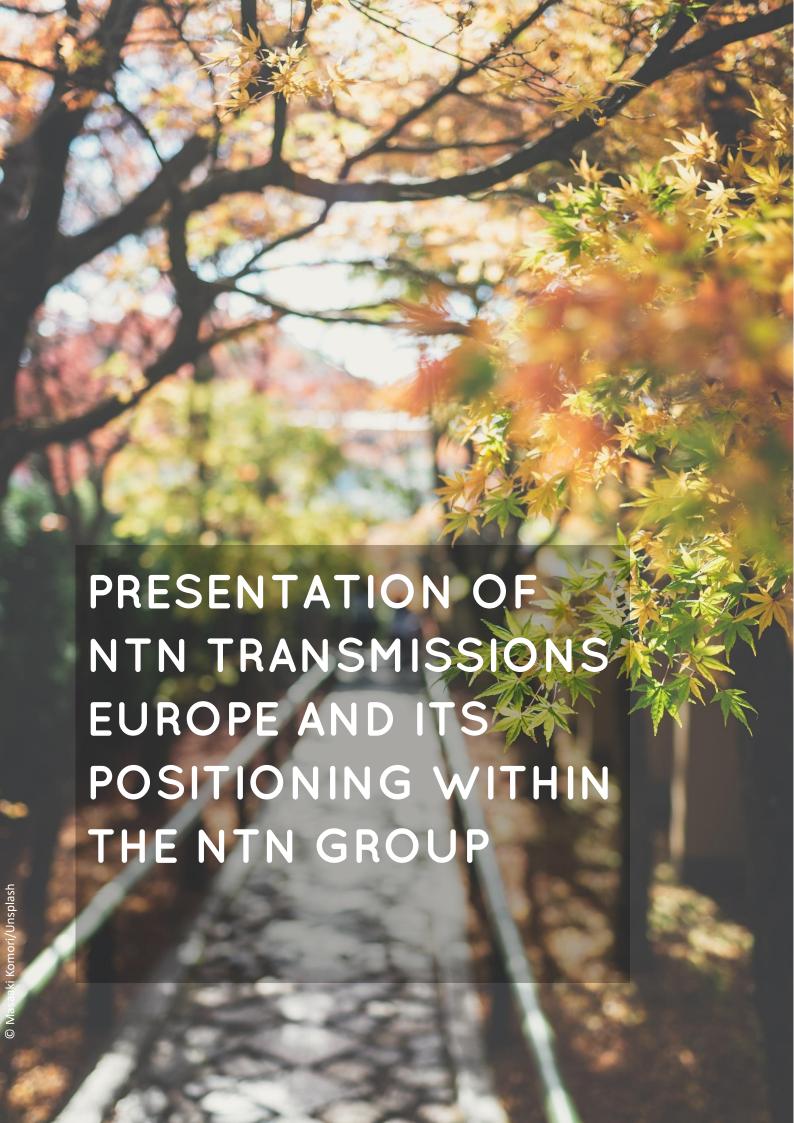
Alongside these environmental aspects, we are working towards an agreement on qualify of life and working conditions and investing to improve the ergonomics of our workstations.

In terms of products, we are developing a range of transmissions for our customers that consume fewer materials and offer high energy efficiency for hybrid and electric vehicles.

The talent, motivation and ideas of our employees, combined with financial support from our shareholder, should enable us to accelerate this virtuous transformation.

Sébastien Nicolaux Deputy Chief Executive NTN Transmissions Europe

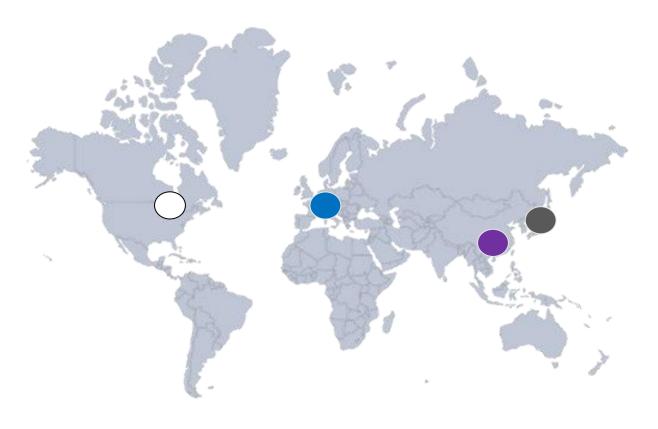




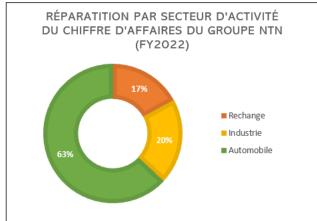
1. PRESENTATION OF NTN CORPORATION

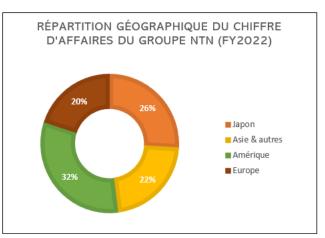
NTN Corporation (New Technology Network) is a global leader in the design, development and production of bearings, linear modules, constant velocity joints, tensioners and suspension parts and the provision of services. NTN Corporation operates in all industrial, automotive and aeronautical markets.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

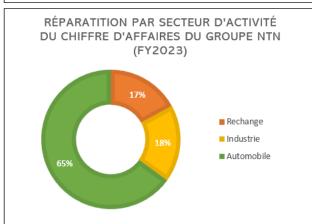
The NTN Group has a global presence, with 72 production sites in 14 countries, sales units and design offices.

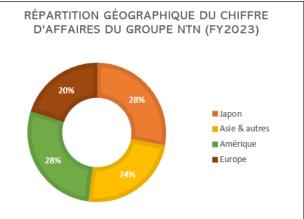












2. PRESENTATION OF NTN TRANSMISSIONS EUROPE

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.

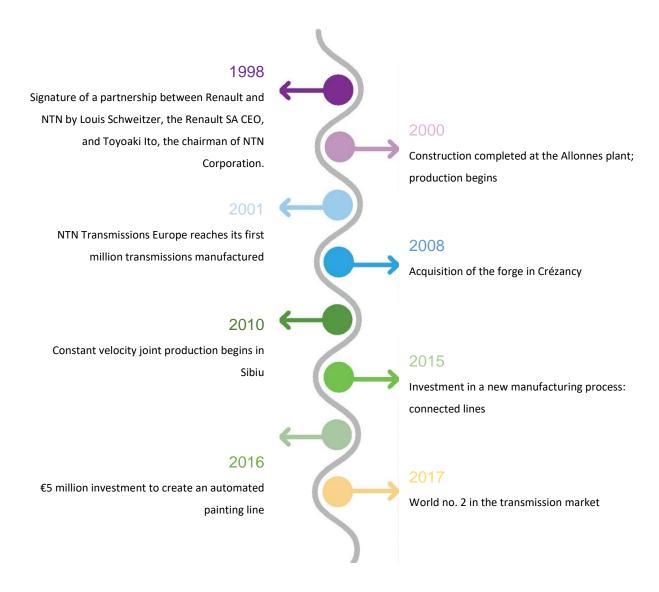
NTN Transmissions Europe has its own wholly-owned subsidiary, NTN Transmissions Europe Crézancy, its main supplier, a manufacturer of forged parts in Aisne.





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 2024

NTN Group workforce	22,617 people
NTN TE Allonnes workforce (fixed-term & permanent)	602 people
NTN TE Crézancy workforce (fixed-term & permanent)	99 people





From product design to delivery

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

a connecting part.

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

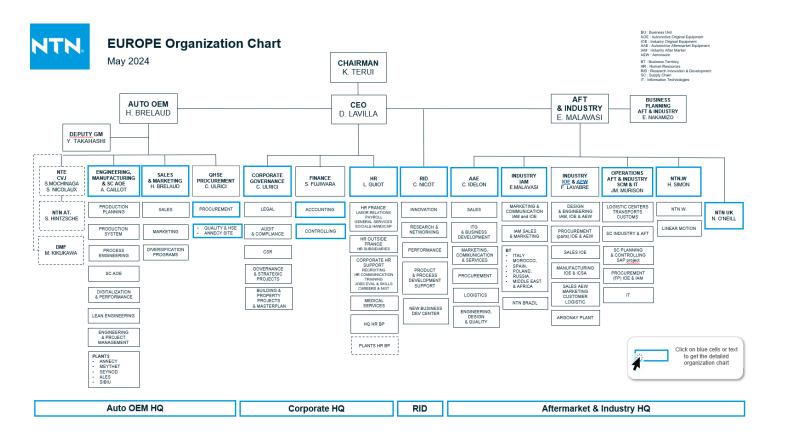
The NTN Transmissions Europe design office incorporates new vehicle architectures into its product designs (including the development of electric vehicles), and produces and markets its production with support from the NTN-SNR sales organisation.



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.

The NTN Europe group is organised as follows:











Automotive technologies



Corporate governance/manage ment The NTN TE board of directors, chaired by
Satoshi Ueda in 2023,
ensures the company's commercial, financial and economic strategy is implemented.
In 2023, the board of directors had seven members. The body met three times during the year



Risk management



Experience in an industrial company



Energy/electri fication



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.

Satoshi Ueda Chief Executive Europe Region

Chairman of NTN Europe

Chairman of NTN Transmissions Europe

Shuji Mochinaga Chief Executive of NTN Transmissions Europe

Alain Caillot Director of the Auto Business Unit

Hervé Brelaud Deputy Chief Executive of NTN Europe

Melinda Mathe Director

Nobuko Nonami NTN Corp

Jean Gregoire Secretary to the Board

Nathalie Thomas Human Resources Director at NTN Transmissions

Europe

Dominique Rousseau CFDT representative

Romain Menage CGT representative

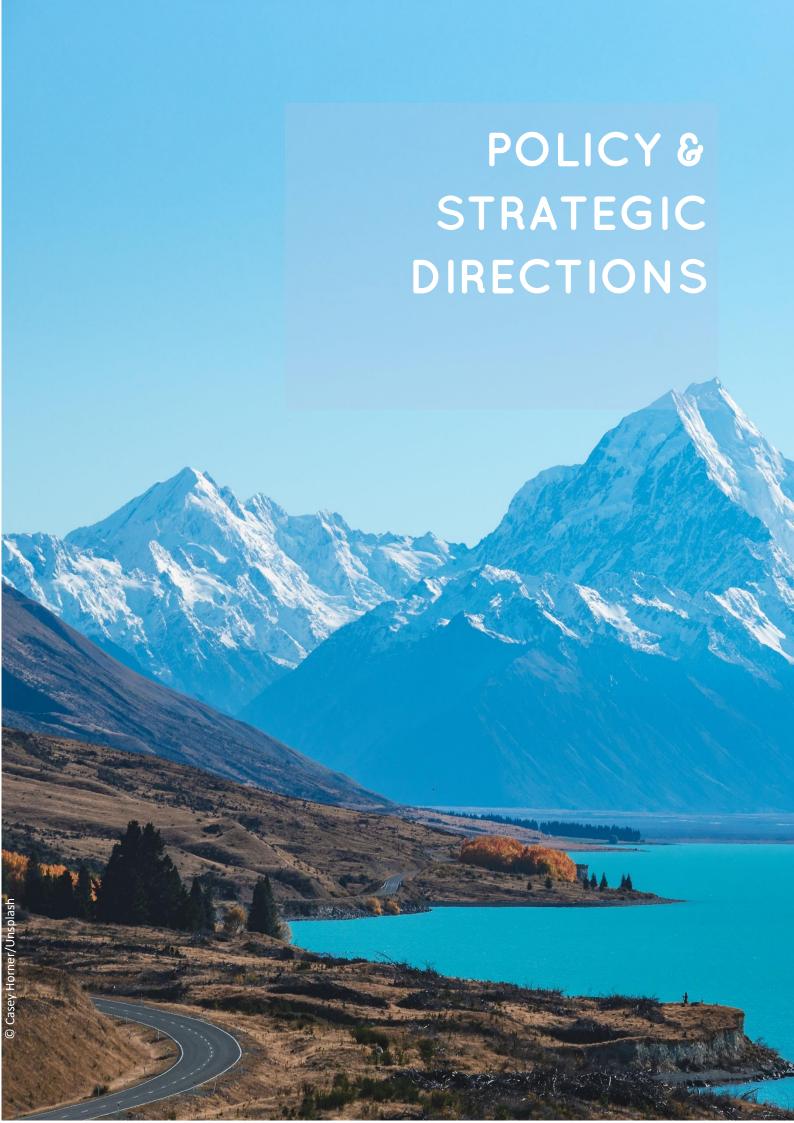
Pascal Froger CFE-CGC representative

The board members meet three times a year.

In fiscal year 2023, the three meetings took place on:

- 21 July 2023
- 25 September 2023
- 31 January 2024





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







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:

	DIGITALISATION
U	Using the most modern digital technologies
R	RESOURCES
	Managing NTN's resources and skills
	INNOVATION
	Developing innovative technologies, products and services
	VARIABLE COST REFORMATION
V	Added value and procurement productivity
-	EFFICIENCY IMPROVEMENT
	Being the global no. 1 in performance and quality



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. NTN TE is thus a stakeholder in achieving these goals.

F	Contributing to a low-carbon society	13. Reducing energy losses 13. Reducing energy losses						
ENVIRONMENT		2. Building a sustainable society by using natural energy	13 MESURIS RELATIVIS LIS CHARACTERIS CLIMATIQUES THE CONTROL OF THE TOP OF T					
IVIRO	Achieving carbon neutrality	3. Responding to climate change	13 MESURES RELATIVES À LA LUTTE CONTRE LES CHAMPAGNETS CLAMATIQUES					
<u>ū</u>	Protecting the environment	4. Recycling resources and preventing pollution	12 CONSCANATION PROPERTY OF THE ADMITTALE PRODUCTION OF THE ADMITTALE PROPERTY OF THE ADMITTALE PROPERTY OF THE ADMITTALE PRODUCTION OF THE ADMITTALE PROPERTY OF THE ADMITTAL					
	Contributing to prosperity	5. Ensuring safety and comfort	9 MOUSTER: 11 VELES IT OMMANAUITS DURASES					
	Sustainable procurement	6. Improving the reliability of products and services	12 CONSCIMILATION ET PRODUCTION RESPONSABLES					
		7. Procurement activities emphasising the environment and society	10 referrifs 13 Acquires entertives 13 Acquire enterties connected to the					
SOCIAL	Human development	8. Respecting human rights	10 refounts					
S)		9. Promoting health and safety	8 TRAVALLOÍCENT ET EPROSSAIGE ÉCHOMONALE					
		10. Developing human resources	8 TRAVALL DÍCENT ET ERRUSSAIGE ÉCHOMONALE					
		11. Promoting diversity						
GOV	ERNANCE	12. Rigorous compliance						
GOVERNANCE		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:



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.

Giles Botrel Deputy Chief Executive 15/02/2022

Seiichi Takasugi Chief Executive 15/02/2022





To place the commitments in its overall policy on a concrete footing and address its 2023 goals, NTN Transmissions Europe has based its actions on the following themes and indicators:

			FY21		FY22		FY23	
			Allonnes	Crézancy	Allonnes	Crézancy	Allonnes	Crézancy
	A RES	PONSIBLE EMPLOYER						
HEALTH AND		Accident frequency rate	18	27.20	9.14	13	20.99	25
SAFETY AT W	ORK	Accident severity rate	1.26	3.17	0.69	1.05	0.56	0.12
		Individual interview campaign completion rate	84%	-	78%	84%	38.5%	99%
		Operators' job satisfaction rate	71%	-	72%	78%	-	66%
DEVELOPMEN HUMAN CAPI		% of people trained in the Code of Ethics	42%	-	49%	85.7%	80.5%	100%
		Number of agreements signed	5	5	1	1	4	3
		Number of monthly meetings between senior executives and managers	11		12		12	
EMPLOYABILI	TV	Number of training courses leading to certification	16		8		14	
EMPLOYABILI	1 Y	Number of trainees	15	5	24	4	24	3
DIVERSITY AN INCLUSION	ID	Monitoring of the professional gender equality index	89		94		93	
(Control of the Control of the Contr	RESPO	ONSIBLE COMMERCIAL PRACTICES						
BUSINESS ETHICS signed our collabor responsible procur		% of our suppliers who have signed our collaborative and responsible procurement charter (BOP)	68.1%		84.0%		74.4%	
SUPPLIERS WITH ISO 14001 CERTIFICATION		% of suppliers with ISO 14001 certification	65%		76%		71.4%	
9	RESPE	ECT FOR THE PLANET						
		Monitoring of our energy performance Scopes 1, 2 and 3 [tCO ₂ eq]	-4.0%		-17.7%		+7%	
GREENHOUSE	GAS		-4.6%	-7.9%	-18.7%		+6.3%	+8.9%
EMISSIONS				-	246	,000	305,	700
		555pc5 1, 2 and 5 [160264]	-	-	234,393	11,264	293,500	12,200
RESOURCE		Monitoring of our water consumption	-15.8%		-14.4%		-37.2%	
PRESERVATIO	N		-22.2% 42.1%		-20.0% 36.6%		-40% -16.7%	
WASTE		% of waste recycled or recovered	96.7%		95.2%		91.1%	
PROCESSING		a service of the serv	97.0%	96.5%	95.9%	94.1%	92.7%	88.9%



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 and confirmed in October 2023 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
 - o DUER management,
 - o Action plan analysis and monitoring,
 - o Creating and supervising our prevention plans,
 - o 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 threeyear 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!

Giles 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 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 2021	FY 2022	FY 2023	Obj. FY2023	Comments
Accident updates	NC	NC	74%	100%	23 updates on 31 accidents
Safety themes (weekly updates)	29	34	46	45	Including exceptional updates
Safety accident analysis rate	100%	100%	86%	100%	QRQC analysis and presentation to EXCOM
Time to close safety QRQCs	43 d	56 d	65 d	30 d	
No. of risk assessments revised (DUERP, single occupational risk assessment)	32	32	32	32	DUERP/unit or sector
No. of DUERP scores > 12	9	4	4	−15% per year	Work at heights, pressurised equipment, machinery etc.
Regulation watch compliance rate	98%	-	93%	95%	Evaluation in progress. Two audits out of three completed.
Rate of regular general checks (VGPs)	98%	100%	NC	100%	Workshop noise measurements in April 2022.
Progress of HSE action plan	82%	83%	30%	70%	Revision of the scope for which the indicator is calculated. Only concerns FY23 and remaining actions.
Number of in-house safety audits	88	130	69	90	Safety Officer post currently being recruited.
Post scoring completed	NC	NC	29%	30%	All scoring being resumed with the KIMEA software

Key: NC - Not calculated

ISO 45001 certification has an impact on this dashboard, and several indicators have been added to provide additional clarity on the following actions:

- o Identifying and reducing health and ergonomics risks in the Single Document (DUER),
- o Distinguishing communication about adverse events from communication about preventive actions and information.



a. Accidentology

April in year N–1 to	March in year N	2021	2022	2023
Frequency rate ⁽¹⁾	Allonnes	18.00	9.14	20.99
(Fr)	Crézancy	27.20	13.00	25.00
Severity rate ⁽²⁾	Allonnes	1.26	0.69	0.56
(Sr)	Crézancy	3.17	1.05	0.12

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

Despite a significant drop in accidents in recent years – a 53% reduction between 2020 and 2022 – this year saw a rise in occupational accidents at both the Allonnes and the Crézancy sites.

However, the severity rate at Allonnes fell by 0.13 points, while the rate at Crézancy dropped by 1.05 points to 0.12 points.

For Allonnes, analysing the 21 workplace accidents causing absence shows that half of them are associated with pain and the remainder with bruising due to the use of tools or part handling. The company suffered from the lack of a safety officer this year. The post has been open for recruitment for several months, but we have not yet found any profiles corresponding to our needs. This has led to difficulties in ensuring a sustained presence on the ground.

At the Crézancy site, 2023 was marked by a change of occupational health and safety manager with no real overlap. This led to delays in several projects, and ISO 45001 certification has been postponed to fiscal year 2024.



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

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. Safety dialogue

In response to the increased accident rate at the Allonnes site, management has initiated a "safety dialogue" process, which aims to promote communication between plant managers and employees on the subject.

Every day, a member of the plant management team talks to an employee about safety at their workstation and their knowledge of risks and best practices in order to report on concrete actions for progress.

All this information is monitored via an action plan and reviewed every two weeks.

Between January 2024, when the process was put in place, and the end of March 2024, 56 conversations took place. These led to 71 actions for progress being identified.

c. Preventing the risk of bullying

In order to address our employees' concerns to the full, a need was identified to set up a working group on bullying. The group consists of a representative of senior management and a representative of each trade union. Substitutes have also been identified to ensure continuity and diversity.

The representatives and their substitutes will receive training to act as contacts for cases of sexual harassment, sexist behaviour and bullying.



d. Implementing a month dedicated to health and safety



To establish a real culture of safety within NTN TE, the management organised a safety month in June 2023 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 three themes covered were:

- Preventing fire risk and handling fire extinguishers
- Training in actions that save lives
- Managing stress and mental load

These workshops took place at both sites, Allonnes and Crézancy.



Safety month 2024 will be divided into three stages taking place over several months. This change is designed to limit the impact on production and ensure that every employee can take full advantage of the opportunities for discussion. The programme focuses on preventive actions in both the personal and the professional spheres.

Week 1: quiz



Week 2: nutrition



Week 3: 2 to 5 April 10 to 14 June 23 to 27 September

MSD prevention



e. Safety reception

NTN Transmissions Europe regularly welcomes visitors to its site. We wanted to reinforce our "safety reception" for both visitors and staff.

To achieve this, we have installed a special stand for communicating about the subject, focusing on our products, safety, occupational health, ergonomics and our CSR goals.





f. 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.

In fiscal year 2023, the company acquired software for ergonomics scoring in order to analyse all its workstations and define priorities for action. As of 1 April 2024, 50% of workstations have been analysed. The aim is to complete the assessment by 1 January 2025.

Following the initial analyses and reports from staff, key projects were identified during 2023:

- Automatic loading of a turning line:



This robotic unit, operating since September 2023, considerably reduces the loads carried by line operators, taking over 25% of the daily load.

As it meets the needs of both staff and the company, the unit is set to be deployed on other lines.



- Reorganisation of the rework area

A working group was set up with employees to redefine the layout of a transmission rework area. A load study, a movement study and an ergonomics study were conducted for the new zone. The area was equipped with ergonomic equipment: lift tables, ergonomic workbenches and handling tools.

- Handling tools



Production units have been equipped with electric handling tools for working safely with heavy equipment. These tools enable items to be slid/pushed.

The main goals for these ergonomics projects in 2024 are:

- Deploying handling tools at the end of the assembly line
- Deploying handling tools for part sorting
- Incorporating a new robotic unit at the beginning of the turning line
- Automatic unloading of welding machines

g. Preventing the effects of exposure to occupational risk factors

Noise levels in the workshop were measured in 2022, and the measurements are valid for five years without exceeding regulatory limits. Air quality is measured every year.

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

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 led to two products being eliminated in 2022 and two more in 2023, amounting to half the site's CMR products. Studies are still in progress on how to replace the other products, and compensatory measures are in place to protect our employees' health.



h. Risk prevention, information and awareness

Based on national or international awareness days and health themes, NTN Transmissions Europe has begun regular communication to inform and educate its employees about a number of subjects:



April 2023: Nutrition focus

May 2023: Addiction & alcohol

June 2023: World Blood Donor Day

July 2023: Drug & tobacco addiction

October 2023: Breast Cancer Awareness

Month

November 2023: No Smoking Month

January 2024: Eye protection

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



i. Blood donation

For the third year in a row, NTN Transmissions Europe organised a further blood donation day on 19 October 2023 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.

54 registrations 40 donations taken Including 12 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.

Giles 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 2023, NTN TE continued its career development and talent management programme through:

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

Note that 2023 was affected by the reform of the metallurgy sector, including the reform of classifications, taking effect from 1 January 2024.

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 previous years, Allonnes and Crézancy saw significant staff turnover:

- 23 executive departures including 3 retirements 23 new hires
- 18 clerical departures including 5 retirements 12 new hires
- 19 manual worker departures including 8 retirements 18 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: 15 people benefited from these moves. Our goal is to expand these possibilities for evolution with NTN SNR companies by creating pathways for support.



b. <u>People reviews for executives, clerical workers, technicians and</u> 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 on 21 June 2023.



c. 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 2023 was 38.5% (compared with 78% in 2022) at the Allonnes site. It was 100% in Crézancy.

The low level of individual interviews at Allonnes is due to the following chance occurrences:

- Absence of four production supervisors during 2023. Our supervisors are responsible for individual interviews for their teams, which each include 30 to 40 people.
- Critical stock levels obliged us to concentrate on production to keep our customers satisfied. These fluctuations were partly due to a high level of variation in customer demand.
- Strong staff commitment to introducing the new collective agreement.

The job satisfaction rate for our operators was not calculated in 2023 for the Allonnes site. This is because the employee satisfaction rate is calculated on the basis of the survey carried out during the individual interviews. As so many of these did not take place, we do not have a satisfaction rate for the 2023 tax year. The staff job satisfaction rate in Crézancy was 66%.

Completion rate for the individual professional	Allonnes 39.9%
interview campaign	Crézancy 99%
Operators' job satisfaction rate	Allonnes — %
	Crézancy 66%

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



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

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

We will be changing the method in the 2024 tax year: six themes will be covered with scores ranging from 0 to 10. The average of this evaluation will give the job satisfaction rate.

A new shared tool was used to enter the individual interviews into the IT system. This was an opportunity to gain familiarity with digitalised interviews. A new version, with greater customisation and robustness, will be deployed for the 2024 tax year to provide a measure of our staff's job satisfaction.

d. New collective agreement for metallurgy

The 2023 tax year was marked by the preparation and implementation of the new classification, applicable from 1 January 2024, in line with the reform to the metallurgy collective agreement.

The HR department and managers jointly drafted or updated the job descriptions for Allonnes (155 job descriptions) and Crézancy (51 job descriptions) and then carried out the ratings. This work occupied the HR teams for eight months. It proved fundamental to thinking about how the departments are organised via the description of significant missions and activities.

e. 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.

As part of this effort, we have adapted our induction training into one- and two-day sessions for support and operational staff depending on the needs identified. 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.

For the year 2024, NTN TE has decided to strengthen this support by hiring an in-house trainer. This person will be responsible for supporting new arrivals but



also for developing the skills of existing employees with targeted training modules.

f. 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:



Code Ethique et de Bonne Conduite



- 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

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.



All NTN TE staff at Allonnes and Crézancy receive training in the code of ethics.

Staff trained in the code of ethics (*)

Allonnes 79.5

86% of executives 75% of clerical staff, technicians and supervisors

Crézancy 100

100% of executives 100% of clerical staff, technicians and supervisors

Total number of employees trained since April 2021 (three – year sliding period) Total number of employees on the payroll on 31 March of the tax year in question

86% of executives and 75% of clerical workers, technicians and supervisors were trained in the Code of Ethics in Allonnes, representing 80.5% of the population concerned at the site.

100% of executives and 100% of clerical workers, technicians and supervisors were trained in the Code of Ethics in Crézancy, representing 100% of the population concerned at the site.

The training methods are not the same in Allonnes and Crézancy. At the Crézancy site, employees are trained during the induction day, while at the Allonnes site the training modules take place all year round.

g. Industrial relations

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



^{*} The indicator is calculated as follows:

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.

Four new agreements were signed in the 2023 tax year: annual pay negotiations, gender equality, value sharing and the extension of the age measurement agreement.

Negotiations on quality of life and working conditions are in progress and should conclude during the 2024 tax year.

h. Quality of life and working conditions

NTN Transmissions Europe wishes to work with employee representative organisations in the context of quality of life at work. A new working group has been set up with a representative from each organisation and representatives of senior management. The group aims to work on quality of life and working conditions projects in order to provide the fullest possible response to our employees' expectations.

In the 2023 tax year, NTN Transmissions Europe chose to prioritise renovation work:

- Renovating part of the staff changing rooms
- Replacing the office sunshades
- Renovating the floors in the administrative building

At our Crézancy site, outdoor relaxation areas were laid out so that staff can enjoy the park: picnic tables, bowling alley...

The 2024 projects identified for the Allonnes site are:

- Integrating outdoor relaxation areas so that our staff can make the most of the company's parkland. Two relaxation areas are planned. The furnishings will be decided with the trade union bodies.
- Still with a focus on improving employee well-being, NTN TE is working with the staff representative bodies on a project to renovate the canteen.
- Continuing the changing room renovations.



At the Crézancy site, the main project identified for 2024 will be the renovation of the site's bathrooms.

As these projects advance in their deployment, other employees will be consulted, with or without union affiliations.

i. Staff engagement

NTN Transmissions Europe aims to engage with its employees through surveys and polls. In the 2023 tax year, four surveys were launched:

- A survey about quality of life at the Allonnes and Crézancy sites
- A survey about expectations from potential future production lines
- A questionnaire to measure satisfaction with the safety month
- A questionnaire to measure satisfaction with the quality month

j. Internal communication to serve our performance

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:

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

Specific themes can be added in response to events.

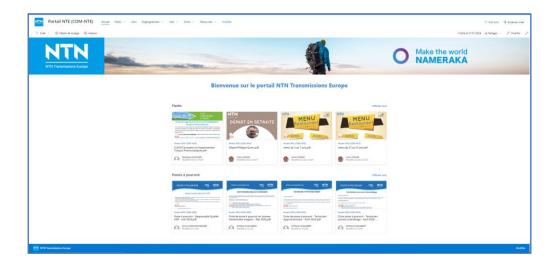
Number of monthly meetings between senior executives and managers

12



To streamline communication with the teams, the company has created and deployed an intranet site enabling news updates to be sent automatically to all employee mailboxes. Information about safety, accidents, health and ergonomics is sent out as quickly as possible.

The intranet site also provides an opportunity to centralise the information our employees need: useful links, organisation charts, documentation resources etc.



The intranet site was developed for our Allonnes production site. Its "twin" has also been created for the Crézancy site.

Alongside the intranet, the first information screen has been installed at the entrance to the production building.

The goal for the 2024 tax year is to deploy screens in staff rooms to continue the programme of encouraging communication,





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 three at Crézancy.



Number of trainees

Allonnes 24 Crézancy 3

	FY2021		FY2022		FY2023	
	Allonnes	Crézancy	Allonnes	Crézancy	Allonnes	Crézancy
Number of trainees	15	5	24	4	24	3
Number of trainees recruited	0	0	0	0	1	0

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 annual events plan in partnership with targeted schools





b. <u>Development of CQPM (joint qualification certificate in metallurgy) and training leading to qualifications</u>

In 2023, 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 2023

14

We provided support for 14 people in the 2023 tax year, which is six more than in 2023, with a wider range of courses:

- 10 employees with CQPMs for industrial equipment drivers
- two employees with CPQMs for digital control operators and technicians
- one CQP for quality technicians
- one senior industrial maintenance technician's qualification





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

93

The gender equality index for 2023 in Allonnes was 93 points out of 100, compared with 94 points in 2022.

During the annual pay negotiations in 2023, senior management allocated a budget for a 3.3% pay rise to cover the rate of inflation.

This was allocated as follows:

- An overall pay rise of €63.61 for manual workers
- An overall pay rise of 3.3% for clerical staff, technicians and supervisors



- For executives: a 2% overall rise and an envelope of 1.3% for individual increases

In 2023, a review clause resulted in a fixed overall pay rise being awarded in June 2023 (paid retrospectively in July):

- €56.57 gross for manual workers, clerical workers, technicians and supervisors with a gross basic salary of €1,793 to €2,079 per month
- €47 gross for manual workers, clerical workers, technicians and supervisors with a gross basic salary above €2,080 per month
- €47 gross for executives (excluding members of the Executive Committee)

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.

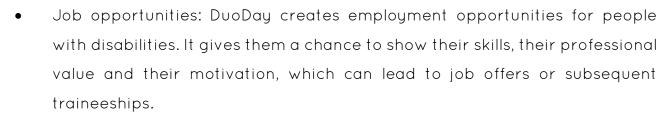


c. Participation in DuoDay

In 2023, NTN Transmissions Europe wanted to repeat this day in order to help promote a culture of inclusion in the professional environment by taking part 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.



- 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 five roles available at the Allonnes site, one more than in 2022.

After hosting these job seekers, we offered two trainees the opportunity of a week's immersion at our premises.







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

BOP = 74.4% Non-manufacturer = 81.4%

The indicator is calculated on the basis of suppliers of Bought Out Parts (BOP – direct purchases) for over ϵ 10,000/year, representing more than 80% of the portfolio.

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 since 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

71.4%

In the BOP scope.





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 and continued throughout the 2023 tax year. The goal for Crézancy is to achieve ISO 5001 and ISO 45001 certification by the end of the 2024 calendar year.



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.

Giles Bottel
Deputy Chief Executive

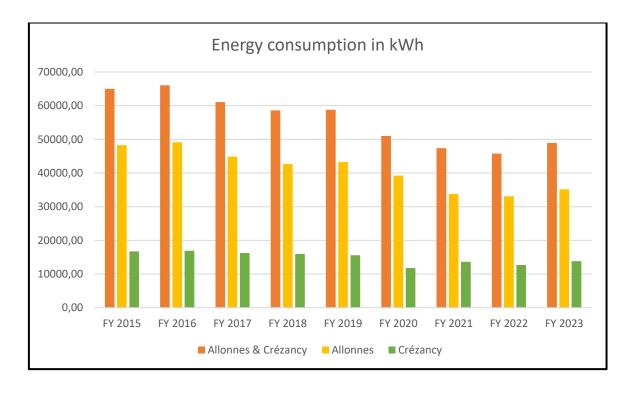


A major project launched in FY2022 and completed in FY2023 involved replacing all neon and sodium lighting with smart LED systems for the production building in Allonnes and the Forge sector in Crézancy. This intelligent lighting detects activity and communicates across the lighting network to light areas based on use.

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.

This work has enabled NTN Transmissions Europe to reduce its energy consumption:



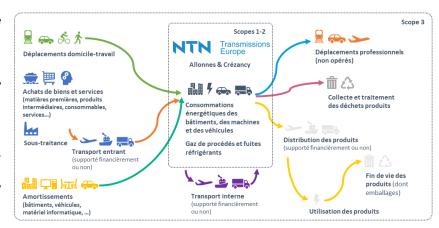


6. GREENHOUSE GAS EMISSIONS

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 FY2023.

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

All the applicable and nonnegligible headings were included.



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

305,700 tCO₂eq

for FY2023, with uncertainty of 22%. This result increased by 60,000 tCO₂ between FY22 and FY23 for the following reasons:

- Improved calculation precision thanks to more reliable data
- Increased volume of products sold

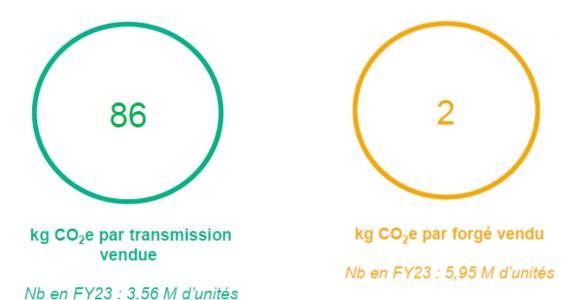
For FY22, we analysed the volumes we produced, allocating transmissions to automotive segments A to F (city car/supermini/small family car/large family car/executive/luxury saloon/SUV) and using ADEME emissions factors.

This year, we wanted to increase the precision of our carbon footprint figures and thus increase our maturity. To achieve this, we analysed 80% of the volumes we produced, matching transmissions to vehicles exactly, and extrapolated the figures for the remaining 20%. We also used emissions factors supplied by automotive manufacturers for each engine, which are stricter than ADEME's factors.

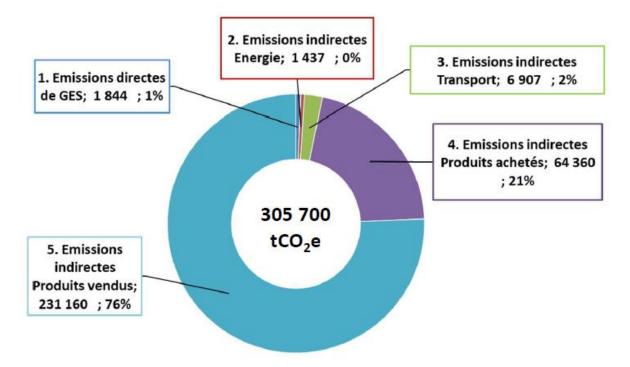
Our target for the 2024 carbon footprint will be to achieve this level of precision for 100% of our production.



These emissions can be seen in relation to production at each site to better understand their evolution over the coming years. The 2 kg of CO_2 for each forged element, two per transmission, are included in the 86 kg CO_2 .



Here are the details of our emissions:



Overall, indirect emissions from products bought and sold represent 97% of the footprint.

This is due to:



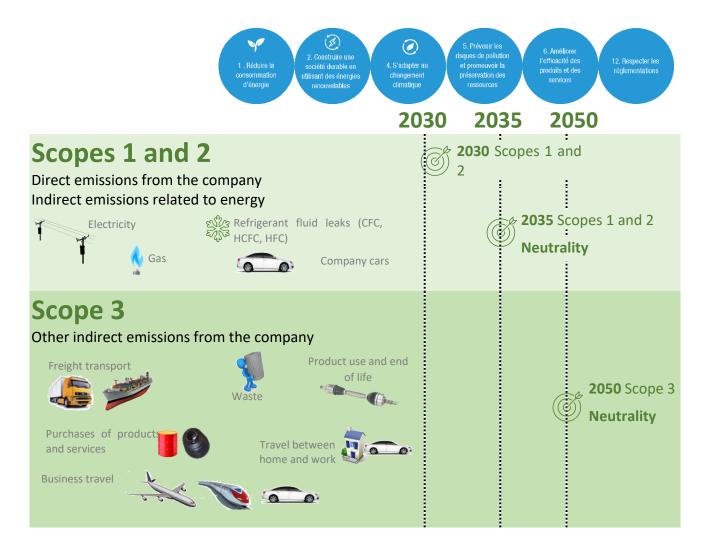
- The large quantities of materials purchased with a considerable carbon footprint (metals, plastics etc.),
- Significant production resources,
- Finished products used in installations with large carbon footprints.

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.

- By analysing 100% of our products against their respective vehicles and engines.
- 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. This is because NTN Transmissions Europe is a stakeholder in the goals of the NTN Corp group.





Representation of the 4.6 billion years of history of the Earth on a 12-hour clock face



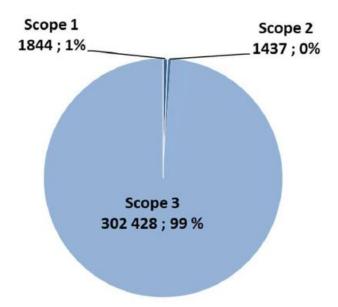
Scopes 1 and 2 of this review supplement the energy-only aspect of the global energy performance indicator.

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

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

Distribution of scopes for the Allonnes & Crézancy sites:



Greenhouse gas emissions per scope in tCO2e and in %



To achieve its target for reducing direct and indirect emissions, NTN TE has constructed a three-pronged transition plan:

- Reducing energy consumption and fugitive emissions:
 - o Insulating buildings
 - o Optimising cooling equipment and replacing refrigerant gases with high global warming potential (GWP)
- Improving energy efficiency:
 - o Replacing neon and sodium lighting with smart LED systems
 - o Optimising the control of equipment for producing compressed air
- Decarbonising the energy sources used
 - o 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 specific to NTN Transmissions Europe Allonnes:

Water self-sufficiency for industrial processes



for industrial processes			
,	2025	2030	
Reduction in consumption Replacing cooling towers Regenerating turning oils Recycling wastewater treatment discharge	2025 -60% / ^t	2021	
Use of rainwater instead of drinking water		$((\mathcal{C}_{i}))$	Zero withdrawals



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.

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.



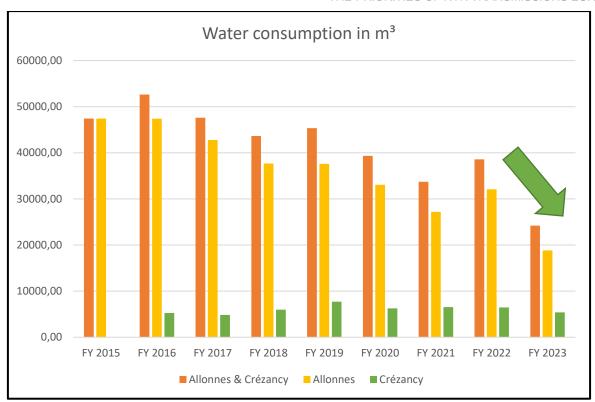


The same process of modelling and identifying deviations will be deployed at the Crézancy site from FY2023 to accelerate the reduction in water consumption begun in FY2021 and achieve the ultimate goal of water self-sufficiency for industrial processes.

In FY2023, we saw the benefits of these

new installations for ourselves, with a reduction in consumption from 32,100 m³ in the 2022 calendar year to 18,810 m³ in 2023 at the Allonnes site.









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.

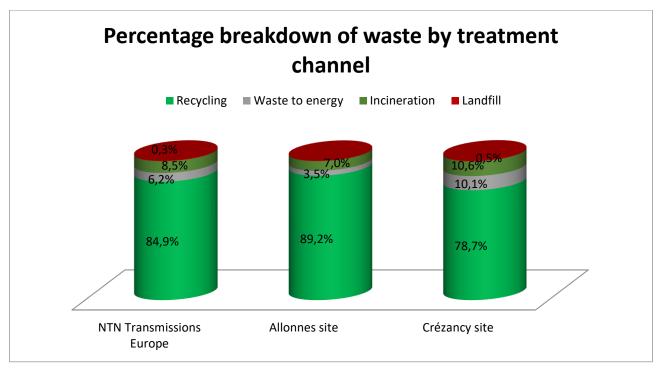
To achieve this, a waste sorting system is in place in all workshops and offices, with suitable containers collected regularly.

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, 91.13% of waste is recovered, through either material recycling or waste to energy.





Our goal for the 2024 tax year is to establish a system for collecting biowaste onsite. The regulations in force since 1 January 2024 require this type of collection. To achieve this, we will renew all our collection bins located outdoors, in break rooms and in the canteen.



9. INTEGRATION OF BIODIVERSITY

An on-the-ground survey of our staff was conducted in the 2023 tax year. All our employees were surveyed.

During the survey, employees told us they were interested in animals and would like to have some at the site.

In response, a partnership with a local beekeeper was set up during FY23. In spring 2024, we welcomed two hives to our site.

The new residents were introduced to employees through a communication programme aiming to educate them about pollinating insects, and with a honey tasting.

These opportunities for discussion took place with all three teams.

In fiscal year 2024, we would like to increase the number of hives at our site to six.









NTN Transmissions Europe

Exercice clos le 31 mars 2024

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 2024

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

A l'Assemblée Générale.

En notre qualité d'organisme tiers indépendant (« tierce partie »), accrédité par le COFRAC (Accréditation COFRAC Validation/Vérification, n° 3-1891, portée disponible sur www.cofrac.fr) et membre du réseau de l'un des commissaires aux comptes de votre société (ci-après l'« 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 2024 (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 à la direction de :

- sélectionner ou d'établir des critères appropriés pour la préparation des Informations;
- préparer 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;
- préparer la Déclaration en appliquant le Référentiel de l'Entité tel que mentionné ci-avant ;
- ainsi que mettre en place le contrôle interne qu'elle 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 par le conseil d'administration.

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° 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 notre programme de vérification constitué de nos procédures propres (*Programme de vérification de la déclaration de performance extra-financière*, du 7 juillet 2023) et à la doctrine professionnelle de la Compagnie nationale des commissaires aux comptes relative à cette intervention, notamment l'avis technique de la Compagnie nationale des commissaires aux comptes, *Intervention du commissaire aux comptes - Intervention de l'OTI - Déclaration de performance extra-financière*, 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. 821-28 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 2024 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;
- 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 et comprend, le cas échéant, une explication des raisons justifiant l'absence des informations requises par le 2e alinéa du III de l'article L. 225-102-1 du Code de commerce;

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



- 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;
- 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;
 - corroborer les informations qualitatives (actions et résultats) que nous avons considéré 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 considéré 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 3 juillet 2024

L'organisme tiers indépendant EY & Associés

Christophe Schmeitzky Associé, Développement Durable



Annexe 1 : informations considérées comme les plus importantes

Informations sociales					
Informations quantitatives (incluant les indicateurs clés de performance)	Informations qualitatives (actions ou résultats)				
Taux de réalisation de la campagne entretiens individuels et professionnels (%) 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					
Informations quantitatives (incluant les indicateurs clés de performance)	Informations qualitatives (actions ou résultats)				
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					
Informations quantitatives (incluant les indicateurs clés de performance)	Informations qualitatives (actions ou résultats)				
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)				