# NOK
# ESG DATA BOOK
# 2025

NOK CORPORATION

# Content, Editorial Policy

This Data Book summarizes the NOK Group's performance data, policies, and initiatives related to the environment, society, and governance (ESG). Referring to multiple reporting guidelines, we have organized related numerical data for each ESG category. We consider this Data Book to be a vital means of improving communication with all of our stakeholders. We would appreciate your candid opinions and feedback on the report.

**Period Covered**
Most of the activities described in this report took place in fiscal 2024 (April 1, 2024 to March 31, 2025)
* Some activities prior to the period covered and recent activities are also included

**Publication Date**
July 2025 (published annually)

**Scope**
NOK Corporation and 92 consolidated subsidiaries

**Referenced Guidelines**
- ISO 26000: 2010 - Guidance on social responsibility
- Global Reporting Initiative (GRI) Standards
- United Nations Global Compact
- Task Force on Climate-related Financial Disclosures (TCFD)

**Contact**
Corporate Communication Dept., Corporate Affairs,
CEO Office, NOK CORPORATION
1-12-15 Shiba Daimon, Minato-ku, Tokyo 105-8585, Japan
TEL: +81-3-5405-6372


| | | |
|---|---|---|
| Basic Information | Company Profile | |
| Environment | Environmental Management | 01 |
| | Information Disclosure Based on TCFD Recommendations | 04 |
| | Climate Change Countermeasures | 07 |
| | Resource Conservation and Waste Recycling | 10 |
| | Conservation of Water Resources | 11 |
| | Management of Substances of Concern | 13 |
| | Environmentally Friendly Products | 14 |
| | Conservation of Biodiversity | 16 |
| Society | Human Rights | 23 |
| | Human Resources Development | 25 |
| | Human Resources Management | 27 |
| | Diversity, Equity & Inclusion (DE&I) | 28 |
| | Labor Practices | 29 |
| | Occupational Safety and Healthcare | 30 |
| | Supply Chain Management | 33 |
| | Product Quality and Safety | 36 |
| | Coexistence with Local Communities and Society | 40 |
| Governance | Corporate Governance | 46 |
| | Compliance | 49 |
| | Risk Management | 52 |
| Engaging in Initiatives | | 59 |

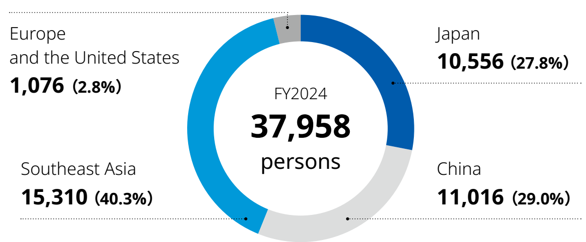

**Disclaimer**
This Data Book contains forward-looking statements regarding the plans, strategies and performance of the Group. These statements are based on information available at the time of issue and involve risks and uncertainties. Please understand that future performance may differ from these statements due to changes in the Business environment and other factors.

# Basic Information

## Company Profile

| | |
|---|---|
| Company Name | NOK CORPORATION |
| Head Office | 1-12-15 Shiba Daimon, Minato-ku,<br>Tokyo 105-8585, Japan |
| Established | December 2, 1939 |
| Founded | July 9, 1941 |
| Capital | 23,335 million yen (as of March 31, 2025) |
| Number of Employees | 37,958 (consolidated, as of March 31, 2025)<br>3,251 (non-consolidated, as of March 31, 2025) |
| Consolidated Subsidiaries | 92 companies |

### Composition of employees by region (consolidated)




**NOK Philosophy** ▶ https://www.nokgrp.com/en/aboutus/company/philosophy/

**NOK Charter of Corporate Behavior** ▶ https://www.nokgrp.com/en/sustainability/esg_strategy/

**Sustainability Statement** ▶ https://www.nokgrp.com/en/sustainability/management/

# Environment

## Environmental Management

### Basic Concept

The NOK Group has established a system in accordance with ISO 14001 standards, promotes environmental management, and strives to implement environmental management with the next generation in mind, thereby reducing its environmental burden. The current percentage of NOK Group establishments with ISO 14001 certification is 100%.

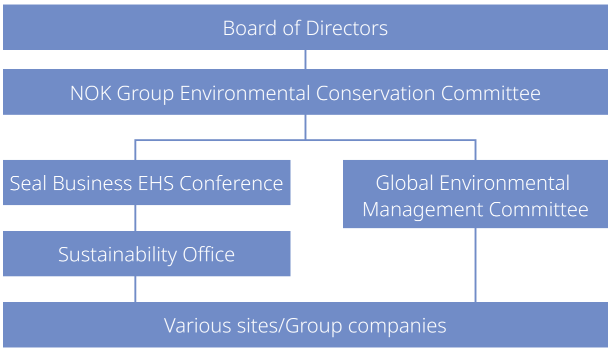
### Environmental Management Systems

We have established an environmental statement with the approval of the Group CEO. We recognize that the environment is a crucial issue in realizing a sustainable society, so we have established a groupwide environmental management system to facilitate reliable environmental conservation and management.

The Group Environmental Conservation Office identifies environmental risks and opportunities and enacts specific measures for priority issues under the leadership of the Group Environmental Conservation Manager. All business sites conduct environmental conservation activities in line with our environmental targets and policies.

The Secretariat reports the outcomes of these initiatives and other important matters to the NOK Group Environmental Conservation Committee, which is chaired by the Group CEO, before reporting to the Board of Directors.

**<Environmental Management Promotion Framework>**




### NOK Group Environmental Statement

As NOK Group is a part of society, all employees recognize that the company's operations, products, and services have a significant impact on the environment on a global scale. To foster the development of a sustainable society, we establish NOK Group Environmental Statement and strive for environmental conservation management that considers future generations and beyond. We also work with internal and external stakeholders, including employees, shareholders, local communities, and business partners in the value chain from raw material procurement, production, distribution, use, and disposal to continuously reduce our environmental impact.

1. Based on our existing proprietary technologies, we strive to reduce environmental impact by promoting the improvement of technologies and the development of products that take environmental conservation into consideration.
2. We comply with environmental laws and regulations, local government ordinances, and regional agreements, etc., and promote activities for environmental conservation.
3. We promote reduction of using fossil fuels and greenhouse gas emissions in its business activities to achieve a decarbonized society.
4. We comply with efficient of energy use and expansion of renewable energy to effective use of energy resources.
5. We strive to procure sustainable raw materials and contribute to a circular society by using of raw materials, reducing, reusing, and recycling waste.
6. To conserve water resources, we promote efficient water use and appropriate management of water quality.
7. We assess our impact on biodiversity and promote biodiversity conservation activities tailored to local characteristics in cooperation with business partners and external organizations.
8. We strive to prevent environmental pollution and reduce environmentally hazardous substances by thoroughly managing all chemical substances.
9. We disclose proper information on the environment and proactively communicate with local and broader society and strive to raise awareness of the global environment and promote environmental education for all our employees.
10. We strive to continuously improve our environmental management system by setting targets, promoting activities to reduce environmental impact, and regularly assessing progress.

Enacted on September 17, 2001 Revised on December 17, 2024

Representative Director, Group Chief Executive Officer, NOK CORPORATION

**Masao Tsuru**

## NOK's Environmental Strategy : NOK Twin Green Plan 2030

In response to the global trend toward carbon neutrality and the results of TCFD scenario analysis, we revised the NOK Twin Green Plan 2030, formulated in 2018, and declared that we will aim to achieve carbon neutrality by 2050.

Under this long-term vision, the Group will work together to realize a sustainable society through the provision of eco-friendly products and business activities in response to electrification of automobiles and carbon neutrality.

* For details, please refer to NOK's website : https://www.nokgrp.com/en/sustainability/twingreen/

## Compliance with Environmental Laws and Regulations

The NOK Group faced no major fines, surcharges, or lawsuits related to environmental accidents or complaints in FY2024.

## Material Balance

### INPUT

| Raw materials | | |
|---|---|---|
| Total raw-material input | 81,108 | tons |
| Rubber | 11,756 | tons |
| Formulation & Adhesives | 10,649 | tons |
| Plastics | 1,042 | tons |
| Metals | 57,661 | tons |

| Energy | | |
|---|---|---|
| Total energy input | 1,169 | TJ |
| Electric/heat | 1,033 | TJ |
| Gasoline | 5 | TJ |
| Kerosene | 2 | TJ |
| Heavy Oil A | 28 | TJ |
| Light Oil | 2 | TJ |
| Liquefied Petroleum Gas (LPG) | 90 | TJ |
| City Gas | 10 | TJ |

| Water | | |
|---|---|---|
| Total water withdrawals | 692 | 1,000 $m^3$ |
| Drinkable water | 502 | 1,000 $m^3$ |
| Industrial water | 35 | 1,000 $m^3$ |
| Groundwater | 155 | 1,000 $m^3$ |

| Environmentally hazardous substances | | |
|---|---|---|
| Chemical substances subject to the Pollutant Release and Transfer Register (PRTR) system | 1,477 | tons |

### FY2024 NOK

**Design**
- Environmental Conservation Assessment of Products, etc.
- Environmental Impact Assessment

**Procurement**
- Environmental Impact Assessment
- Green Procurement
- Environmental Conservation Inspection of Machinery and Equipment

**Production**
- Life Cycle Assessment (LCA)
- Pollution Prevention
- Chemical Substances Control
- Energy Conservation
- Waste Reduction
- Environmental Impact Assessment

**Logistics**
- Improvement of Transportation Efficiency
- Promotion of Modal Shift

**Customers**

### OUTPUT

| Gas emissions | | |
|---|---|---|
| Total $CO_2$ emissions (Scope 1 + Scope 2) *1 | 127 | 1,000 t-$CO_2$ |
| Scope 1 (Fuel) | 13 | 1,000 t-$CO_2$ |
| Scope 2 (Electricity/heat) | 114 | 1,000 t-$CO_2$ |
| Scope 3 (Indirect emissions) | 2,215 | 1,000 t-$CO_2$ |
| $NO_x$ (Nitrogen Oxides) *2 | 4.7 | tons |
| $SO_x$ (Sulfur Oxides) *2 | 2.7 | tons |
| VOCs (Volatile Organic Compounds) | 2.6 | 1,000 tons |

| Wastewater | | |
|---|---|---|
| Total wastewater | 542 | 1,000 $m^3$ |
| Rivers | 488 | 1,000 $m^3$ |
| Sewage system | 54 | 1,000 $m^3$ |
| BOD load *3 | 5.1 | tons |

| Industrial waste, etc. | | |
|---|---|---|
| By-product generation | 37 | 1,000 tons |
| Industrial waste | 13 | 1,000 tons |
| Amount of waste recycled | 13 | 1,000 tons |
| Landfill disposal | 0.02 | 1,000 tons |
| Valuable waste | 24 | 1,000 tons |

| Environmentally hazardous substances | | |
|---|---|---|
| Chemical substances subject to the Pollutant Release and Transfer Register (PRTR) system (discharge volume) | 106 | tons |
| Chemical substances subject to the Pollutant Release and Transfer Register (PRTR) system (amount of movement) | 45 | tons |

*1 Total $CO_2$ emissions: Calculated based on the "Greenhouse gas emissions accounting and reporting manual." The emission factor is based on the national emission factor by country published by the International Energy Agency (IEA).
*2 $NO_x$ (nitrogen oxides) and $SO_x$ (sulfur oxides): Total amount of $NO_x$ and $SO_x$ generated from specified facilities under the Air Pollution Control Act.
*3 BOD load: Biochemical oxygen demand (BOD) is one of the indicators of water pollution, and represents the amount of oxygen used by bacteria to decompose pollutant organic material in water. The figure for BOD load was obtained by multiplying the BOD measurement by the amount of effluent entering rivers.

## Environmental Education

The NOK Group conducts a variety of education programs to foster a company-wide environmental awareness. We offer tiered training for our employees as part of our specialized education that covers ISO 14001 management, energy conservation, resource-saving, waste reduction, addressing water risks (water withdrawals and quality), and chemical substance management. We also conduct drills based on emergency scenarios. The result is raising the environmental awareness of every employee.

<table>
<tr><th></th><th>New employee</th><th>General employee</th><th>Management positions</th></tr>
<tr><td rowspan="3">Tiered education</td><td>New employee training</td><td></td><td></td></tr>
<tr><td colspan="2">General employee education</td><td></td></tr>
<tr><td></td><td></td><td>Education for management positions</td></tr>
<tr><td rowspan="5">Specialized education (for eligible employees)</td><td colspan="3">Emergency-related education</td></tr>
<tr><td colspan="3">Education for internal auditors</td></tr>
<tr><td colspan="3">Resource (waste, water)-related education</td></tr>
<tr><td colspan="3">Energy-related courses</td></tr>
<tr><td colspan="3">Chemical substances-related education</td></tr>
</table>

## Working with Suppliers

We administer a sustainable procurement survey to our suppliers to promote CSR initiatives such as reducing environmental impact and working together across the supply chain. Through this survey, we further mutual understanding and cooperation with our business partners and strengthen our efforts to realize a sustainable society.

*For more details, please refer to page 33

# Information Disclosure Based on TCFD Recommendations

In line with the recommendations of the TCFD, we disclose the NOK Group's business strategies related to climate change.

## Governance (Climate Change)

The NOK Group has established a Sustainability Committee to have discussions, set policies, and make decisions on climate change and other sustainability-related topics on an organizational level. The Group CEO chairs the Sustainability Committee, which generally meets four times a year. In addition to the discussions, setting policies, and making decisions with a view to promoting sustainability measures, the Committee discusses materiality related to our core business and shares these matters with executives for further deliberation. The results of these deliberations are regularly reported to the Board of Directors, which reviews and approves the reports. We have established these systems so the Board of Directors can oversee our climate change initiatives.

## Risk Management

The Sustainability Committee and the Risk Management Committee work together to address sustainability-related risks because they are closely linked to the Group's operational risks.

The Climate Change Scenario Analysis Subcommittee, under the Sustainability Committee, works with internal operational departments to identify climate change risks and opportunities, and to assess the magnitude and duration of their operational impact. The Sustainability Committee evaluates and reviews the results of these assessments, considers the measures needed, and incorporates them into business strategies.

## Strategy

We recognize that climate change is a material management issue that will continue to impact our business in the future. We conducted scenario analyses aligned with the TCFD recommendations to assess climate change impacts and incorporate climate change countermeasures into our management strategy. In the scenario analysis for fiscal 2024, we used scenarios with increases of 1.5 °C, 2 °C, and 4 °C by 2050 and evaluated the risks and opportunities for our business from the perspectives of government policy and regulations, technology, markets, reputation, and physical risks (acute and chronic).

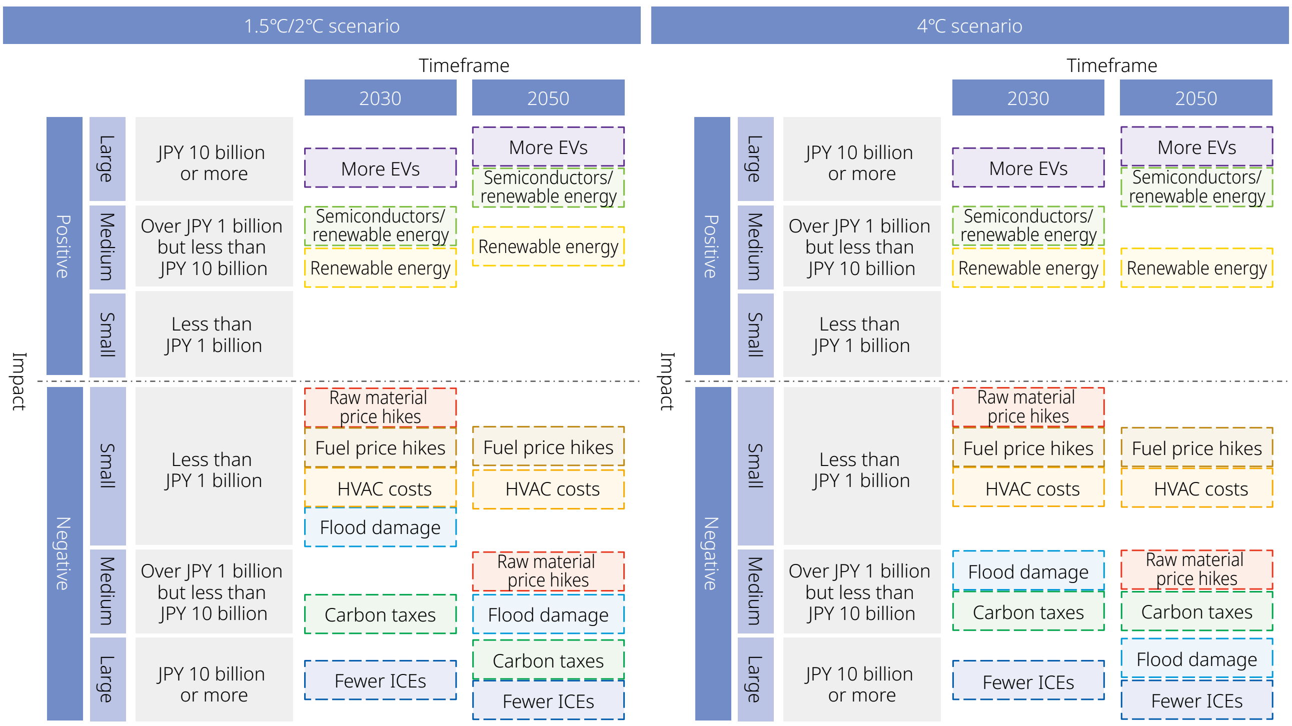
Based on the results of these scenario analyses, we will take actions to address the identified risks and opportunities of NOK Group. We will also continue to expand our scenario analyses and incorporate those results into our business strategies and management plans. We strive to improve the resilience of our management strategies.

| Item | 1.5°C/2°C scenario | 4°C scenario |
|---|---|---|
| Regulations and government policy (laws and regulations) | The introduction of carbon taxes and other measures is accelerating the shift toward decarbonization, with significant implications for business operations | Decarbonization policies will not progress significantly, and the operational impact will be limited |
| Procurement | Progress toward oil independence increases pressure to replace petroleum-derived raw materials<br>Stronger regulations on deforestation and other factors lead to higher natural rubber prices<br>The shift toward decarbonization puts pressure on steel and copper supplies<br>Increased procurement costs and impacted supply because of the factors above | Increases in procurement costs and impacts on supply will be limited |
| Production | Increased electricity demand due to advances in electrification<br>Significant growth in renewable energy use demands a response | Progress will be made alongside increased electricity demand and the introduction of renewable energy, but changes will be moderate compared to the 1.5°C/2°C scenarios |
| Sales (automobiles) | Despite expectations that sales will increase in the medium term, they will decline in many regions over the long term<br>Rapid progress overall in ZEVs, but the speed and composition of their popularity growth vary by region, requiring sales strategies tailored to local characteristics | Sales volumes will decrease, and progress in the shift toward ZEVs will be gradual compared to the 1.5°C/2°C scenarios |
| Other market trends (besides automobiles) | Hydrogen demand will remain limited until 2030, but is expected to expand significantly by 2050<br>Semiconductor demand will also increase due to decarbonization | Expansion of new green markets will be limited |
| Physical (chronic): Changing climate patterns | Changes will occur, but will be relatively small | Significant changes will occur |
| Physical (acute): Extreme weather events | Changes will occur, but the impact will be limited | Significant changes will occur |

Scenario definition period covered: 2050 Scope of coverage: Consolidated
Referenced scenarios: WEO STEPS, WEO APS, WEO NZE, RCP2.6, RCP4.5, RCP6.0, RCP8.5, etc.

| Impacts | Item | Contributing factors | Timeframe* | | | Countermeasures |
|---|---|---|---|---|---|---|
| | | | Short | Medium | Long | |
| Risks | Government policy, regulations | Introduction of high carbon taxes | ● | ● | ● | ▪ Formulating and implementing a CN roadmap<br>▪ Adopting CN fuels and increasing adoption of renewable energy |
| | Procurement | Rising raw material costs due to decarbonization (e.g., fossil fuel-derived materials, steel, copper) | | ● | ● | ▪ Monitoring raw material supply and demand forecasts and optimizing procurement costs and prices (e.g., fossil fuel-derived materials, steel, copper)<br>▪ Reducing generated waste (improving yield) |
| | Production | Rising fuel costs due to decarbonization (Fossil fuel price hikes) | | | ● | ▪ Optimizing energy procurement sources and fuel use |
| | Sales | Reduced demand for internal combustion engines (ICE, HEV) | ● | ● | ● | ▪ Shifting from ICE-oriented products to EV-oriented products |
| | Physical (chronic) | Increasing HVAC costs due to rising temperatures | | | ● | ▪ Advancing automation in production processes<br>▪ Introducing highly energy-efficient HVAC equipment |
| | Physical (acute) | Damage caused by typhoons and flooding (Group companies and suppliers) | | ● | ● | ▪ Assessing hazard risks at all locations and countering typhoon and disaster damage (flood prevention)<br>▪ Securing inventory according to risk |
| Risks and Opportunities | Reputation | Impact of disclosure measures on corporate value | ● | ● | ● | ▪ Actively communicating with stakeholders |
| Opportunities | Technology | Reduced costs through energy conservation<br>Reduced fuel and electricity consumption | ● | ● | ● | ▪ Reducing generated waste (improving yield)<br>▪ Shifting to renewable energy for production processes |
| | Sales | Increased demand for electric vehicles (BEVs, FCVs) | ● | ● | ● | ▪ Developing and expanding sales of EV-oriented products (xEV and FCV markets)<br>▪ Expanding sales to growth industries (e.g., renewable energy, semiconductors) |
| | | Expansion of the semiconductor and renewable energy markets | ● | ● | ● | |

* Short: -2030, Medium: 2030-2040, Long: 2040-2050



## Risks and Opportunities

### Physical Risks and Our Measures

More than 90% of the NOK Group's production sites are located in Asia, including Japan. Among 74 production sites, eight have been assessed to be of high risk by the AQUEDUCT* flood risk assessment tool (rivers and coastline). The scale and frequency of floods and typhoon damage in the Asian region are expected to increase in the future as the impact of climate change worsens. Accordingly, all of NOK Group's sites, not just those currently designated as high risk, carry the risk of impacting operations and upstream/ downstream supply chains.

Our latest analysis of the 4 °C scenario indicated that acute physical risks would have a moderate to significant impact between 2030 and 2050. Given this forecast, we are assessing the risk of hazards from natural disasters at each site and implementing longer-term (at least five years) plans to install water gates and other disaster-prevention measures to address the flood risk at all sites. We are also ensuring we have enough raw materials and product inventory to cope with such risks in an effort to minimize the impacts on upstream and downstream supply chains.

* AQUEDUCT is a water risk assessment tool made available by the World Resources Institute (WRI). It is presented in the form of a world map that shows water risks in terms of quantity, quality, and regulatory and reputational risks.

### Transition Risks and Our Measures

■ Sales risks and opportunities

Oil seals, one of the NOK Group's main products, have been widely used in internal combustion engines for automobiles. With the transition to a low-carbon society, we anticipate a risk of reduced sales of oil seals for internal combustion engines due to the increased adoption of electric vehicles and the resulting decline in demand for internal combustion engines. In our latest scenario analyses, we confirmed that the negative impact of reduced demand for internal combustion engine vehicles is significant under both the 1.5°C/2°C and 4°C scenarios.

On the other hand, increased demand for electric vehicles presents opportunities for increased sales of seal products for electrical units and batteries, as well as flexible printed circuit boards (FPC), and should have a significant positive impact. Therefore, we will respond to risks by promoting product development and sales expansion for electric vehicles, which promise future growth. We will also focus on developing products and expanding sales for growth industries that promise increased demand, such as semiconductors and renewable energy.

■ Government policy and regulatory risk

It has become clear that, under the 1.5°C and 2°C scenarios, the global trend toward decarbonization will lead to introducing and bolstering carbon taxes in various countries, significantly impacting operating costs. Approximately 90% of the NOK Group's $CO_2$ emissions are derived from electricity. We are concerned that operating costs will increase through two main channels: taxation on $CO_2$ emissions directly emitted by the NOK Group and carbon taxes added to electricity costs. To address these risks, we will promote the use of carbon-neutral (CN) fuels and expand our use of renewable energy to reduce our $CO_2$ emissions, while also establishing a CN roadmap and advancing decarbonization in our production processes.

## Indicators and Targets

As part of our climate change actions, the NOK Group formulated the NOK Twin Green Plan 2030, and has been promoting the reduction of $CO_2$ emissions and development of next-generation eco-technologies. Our latest scenario analysis clarifies the impact of climate change and indicates the necessity of bolstering our efforts to reduce $CO_2$ emissions from 2030 onward. In light of these results and the current social climate, we plan to formulate a CN roadmap and decarbonization plan for 2030 and beyond while updating our $CO_2$ emission reduction targets.

### Targets

| | | |
|---|---|---|
| 2050 | Aiming to achieve carbon neutrality | |
| 2030 | NOK consolidated (domestic) | 50% reduction in $CO_2$ emissions (compared to 2018) |
| | NOK consolidated (overseas) | 30% reduction in $CO_2$ emissions per unit (compared to 2018) |

# Climate Change Countermeasures

## Basic Concept

In recent years, climate change has come to the fore as a global challenge. Efforts to reduce carbon emissions have accelerated in Japan and around the world, as instanced by the entry into force of the 2016 Paris Agreement and Japan's declaration on 2050 carbon neutrality pledge.

Recognizing that climate change is an important global issue that must be addressed to realize a sustainable society, the NOK Group is working to achieve carbon neutrality by 2050. Following the TCFD recommendations, we analyze the risks and opportunities that climate change presents for the company and incorporate relevant countermeasures into our management strategies. We also strive to reduce energy use thoroughly across our value chain, including production and logistics, and actively introduce renewable energy to cut $CO_2$ emissions.

## Roadmap to achieving carbon neutrality by 2050

In 2022, the NOK Group updated the NOK Twin Green Plan 2030, which it established in 2018, and declared its commitment to achieving carbon neutrality by 2050, a response to the global trend toward decarbonization and the results of its TCFD scenario analysis. Under this long-term vision, the Group is united in its efforts to promote automotive electrification and carbon neutrality and is committed to realizing a sustainable society by providing environmentally friendly products and other relevant business activities.

Furthermore, the NOK Group is working toward achieving this long-term vision, having established milestones for 2030 and short-term goals in its Ninth Groupwide Environmental Conservation Targets for FY2023 to FY2025, as part of its efforts to implement climate change countermeasures. In our constant commitment toward reducing $CO_2$ emissions, we will maintain updates to our roadmap for hitting reduction targets by 2030 and 2050 while continuing to implement specific reduction measures.

## Policy Views

The NOK Group supports the Paris Agreement enacted in November 2016, which aims to hold "the increase in the global average temperature to well below 2°C above pre-industrial levels" and pursue efforts "to limit the temperature increase to 1.5°C above pre-industrial levels."

With over 50% of our key production facilities located in Japan, we advance measures in compliance with the government's climate change policies, such as the Act on Promotion of Global Warming Countermeasures and the Act on Rationalization of Energy Use and Shift to Non-fossil Energy. We also support the government's goal of carbon neutrality by 2050 and related policies. The NOK Group has set targets for achieving carbon neutrality by 2050 as we work to reduce greenhouse gas (GHG) emissions and promote appropriate and transparent reporting.

## Relations with Industry Associations

The NOK Group participates in formulating through industry associations to set industry-wide guidelines for achieving carbon neutrality. We also align our own action plans with these guidelines to maintain consistency.

If an industry association's policy significantly diverges from societal trends, we will take responsible action, such as recommending policy revisions.

## Main associations in which we participate

### Japan Auto Parts Industries Association (JAPIA)

The Japan Auto Parts Industries Association (JAPIA) is an industry association with many Japanese automotive parts manufacturers as members. Its role is to reduce the environmental impact of its members and lobby the government and other economic organizations. It is also cooperating with climate change initiatives under government policy. Moreover, it identifies issues facing Japanese automotive parts manufacturers and engages in activities such as making proposals to the government and related organizations and participating in international initiatives, recognizing that these activities may have a direct or indirect impact on climate change-related policies and regulations.

NOK has a secretary or member in each JAPIA subcommittee, contributing to discussions, sharing information on our own initiatives, and helping to formulate JAPIA's Environmental Voluntary Action Plan. When formulating our own environmental conservation management policies and plans, we ensure that they are consistent with JAPIA's guidelines by fully integrating JAPIA's Environmental Voluntary Action Plan.

## Managing $CO_2$ Emissions and Energy Consumption

In FY2024, our domestic group companies reduced $CO_2$ emissions by 33.2% compared to FY2018. Our overseas group companies reduced $CO_2$ emission intensity by 34.3% compared to FY2018. We are on track to meet the NOK Group's FY2030 reduction targets.

We have set ourselves a new target; that 15% of our domestic energy consumption will be from renewable sources. We will thus also be systematically introducing measures to achieve this goal.

| NOK Group Three-Year Targets | Scope of coverage | Unit | Baseline figure/ Base year | Target figure/Target year | FY2024 results |
|---|---|---|---|---|---|
| $CO_2$ emissions reduction | Domestic group companies | 1,000 t-$CO_2$ | 258.61/2018 | 183.18/2025 (29% reduction) | 172.65 (33.2% reduction) |
| $CO_2$ emissions intensity reduction | Overseas group companies | ton-$CO_2$/ millions of yen | 1.31/2018 | 1.08/2025 (18% reduction) | 0.86 (34.3% reduction) |
| Increase in renewable energy ratio | Domestic group companies | % | 0.01/2018 | 15/2025 | 5.50 |

| NOK Group Medium- to Long-Term Targets | Scope of coverage | Unit | Baseline figure/ Base year | Target figure/Target year | FY2024 results |
|---|---|---|---|---|---|
| $CO_2$ emissions reduction | Consolidated | 1,000 t-$CO_2$ | 759.49/2018 | Carbon neutral/2050 | 540.76 (28.8% reduction) |
| $CO_2$ emissions reduction | Domestic group companies | 1,000 t-$CO_2$ | 258.61/2018 | 129.3/2030 (50% reduction) | 172.65 (33.2% reduction) |
| $CO_2$ emissions intensity reduction | Overseas group companies | ton-$CO_2$/ millions of yen | 1.31/2018 | 0.92/2030 (30% reduction) | 0.86 (34.3% reduction) |
| Reduction in electricity consumption (energy saving) | Domestic group companies | GWh | 455.5/2018 | 373.5/2030 (18% reduction) | 373.81 (17.9% reduction) |
| Increase in renewable energy ratio | Consolidated | % | 0.01/2018 | 10/2030 | 14.6 |

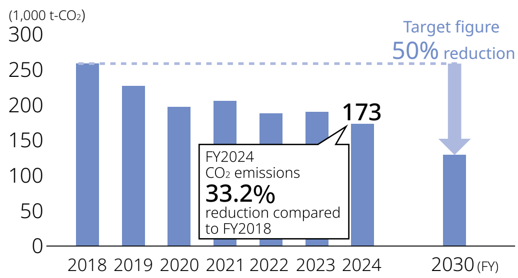
* $CO_2$ emissions are the sum of fuel and electricity consumption multiplied by the conversion factor. Fuel $CO_2$ conversion factors are calculated using emission factors based on the Law Concerning the Promotion of Measures to Cope with Global Warming. The electric power $CO_2$ conversion factors are: domestic—emission factors by electric utility; and overseas—"$CO_2$ Emissions from Fuel Combustion" by the International Energy Agency (IEA) (using both market-based and location-based methods).
The renewable energy ratio includes $CO_2$-free electricity, credits, and certificates.

### Greenhouse gas breakdown (domestic)

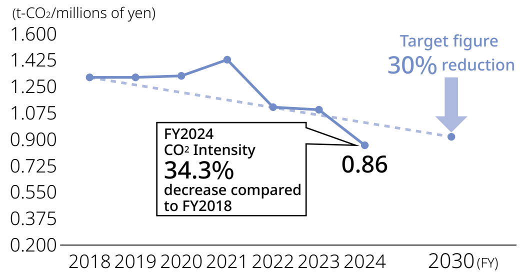
(t-$CO_2$)

| Greenhouse gas | $CO_2$ emissions | GWP reference |
|---|---|---|
| $CO_2$ emissions not from energy sources | 3,665 | IPCC Fifth Assessment Report (AR5 value for a 100-year time horizon) |
| $CH_4$ | 381 | IPCC Fifth Assessment Report (AR5 value for a 100-year time horizon) |
| $N_2O$ | 384 | IPCC Fifth Assessment Report (AR5 value for a 100-year time horizon) |
| HFCs | 1,069 | IPCC Fifth Assessment Report (AR5 value for a 100-year time horizon) |
| PFCs | 70 | IPCC Fifth Assessment Report (AR5 value for a 100-year time horizon) |
| $SF_6$ | 1,104 | IPCC Fifth Assessment Report (AR5 value for a 100-year time horizon) |
| $NF_3$ | 0 | IPCC Fifth Assessment Report (AR5 value for a 100-year time horizon) |

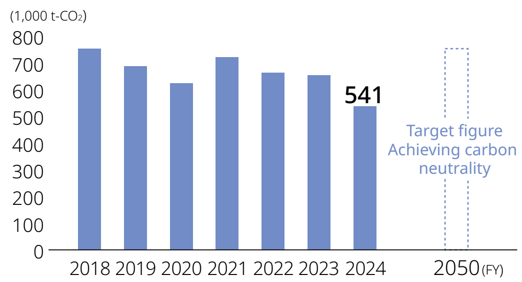
### $CO_2$ emissions reduction target (domestic)



## $CO_2$ emissions intensity (overseas)




## $CO_2$ emissions reduction target (consolidated)




## FY2024 Scope 3 breakdown

(1,000 t-$CO_2$)

| | Category | $CO_2$ emissions |
|---|---|---|
| 1 | Purchased goods and services | 1,905 |
| 2 | Capital goods | 180 |
| 3 | Fuel- and energy-related activities (not included in Scopes 1 and 2) | 88 |
| 4 | Upstream transportation and distribution | 10 |
| 5 | Waste generated in operations | 10 |
| 6 | Business travel | 5 |
| 7 | Employee commuting | 15 |
| 8 | Upstream leased assets | 0.25 |
| 9 | Downstream transportation and distribution | — |
| 10 | Processing of sold products | 0.04 |
| 11 | Use of sold products | N/A |
| 12 | End-of-life treatment of sold products | 1 |
| 13 | Downstream leased assets | N/A |
| 14 | Franchises | N/A |
| 15 | Investments | N/A |
| Total | | 2,215 |

* Category 9 is not included in the calculation because it is difficult to calculate its current status.

## Adoption of Internal Carbon Pricing

The NOK Group is promoting the adoption of internal carbon pricing (ICP) to further measures aimed at reducing $CO_2$ emissions with a view to achieving carbon neutrality. Internal carbon pricing is a mechanism that we use to attach our own monetary value (carbon price) to $CO_2$ emissions. In doing so, it provides a frame of reference for investment, thereby facilitating investment in equipment that contributes to $CO_2$ emission reductions. We have set a carbon price of 30,000 yen/ton-$CO_2$ for capital investments (environmental investments) that help lower $CO_2$ emissions (Scope 1 and 2), such as extremely energy-efficient equipment and renewable energy equipment (solar power generation). Using this mechanism, we intend to step up the pace of efforts to reduce $CO_2$ emissions and do everything we can to achieve carbon neutrality.

## Researching, Developing, and Implementing Energy Conservation Technologies

We have set an energy conservation development goal to "develop production facilities that cut energy usage by 20%." Specifically, we test energy conservation measures for production equipment, including introducing heat equalization and new heating methods in vulcanizing machines.

Other initiatives in our continual efforts to conserve energy include adopting an approach that limits pressure and flow rate outputs to precisely what is needed by replacing the fixed-speed motors in hydraulic equipment with servo or inverter-controlled motors, as well as updating any aging equipment and replacing equipment that malfunctions with energy-efficient alternatives.

## Reducing Energy Usage with Heat Shielding

Kikugawa Seal Industry has installed heat shielding sheets (thermal barriers) on the folded plate roof of the assembly building (868 m²). During the summer, the surface temperature of the corrugated roof reached 70°C to 80°C, and the radiant heat was impacting human health. Installing the thermal barriers significantly reduced the radiant heat effects, improving working conditions and reducing electricity consumption by 42 MWh/year (19.3 t-$CO_2$/year).

# Resource Conservation and Waste Recycling

## Basic Concept

In recent years, many around the world are calling for a shift to a recycling society and demanding that businesses further promote the efficient use of resources, taking into account entire product lifecycles, as well as the 3Rs (Reuse, Reduce and Recycle). The NOK Group contributes to realizing a recycling-oriented society through a range of measures throughout the product life cycle, including the efficient use of resources such as raw materials, water, and energy as well as waste reduction and recycling of resources by improving each process.

## Resource Use and Waste Management

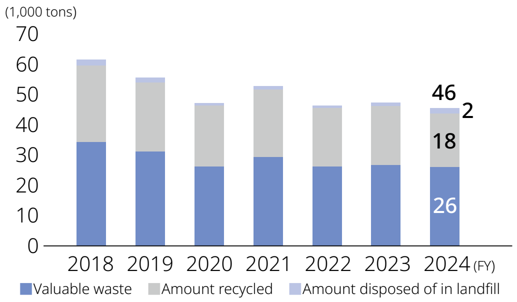
In FY2024, our domestic landfill disposal amounted to 1,732 tons, an increase from the previous fiscal year. As a result of this increase, the recycling rate stood at 96.2%. In addition, we achieved a 15.9% reduction in average emissions over the past five years, significantly exceeding our target.

| Resource use targets and results for FY2024 | Scope of coverage | Unit | Baseline figure/Base year | Target figure/Target year | FY2024 results |
|---|---|---|---|---|---|
| Increase in by-product recycling rate | Domestic group companies | % | 96.8/2018 | 100/2030 | 96.2 |

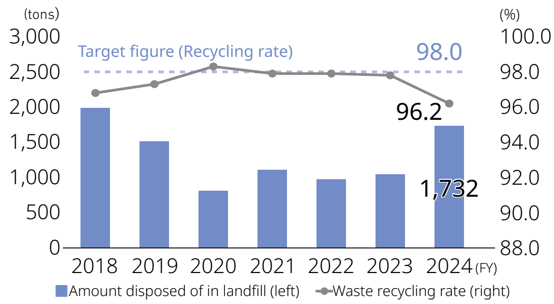
* By-product: General term for industrial waste and valuable resources.
* Recycling rate: Recycling rate = 1 – amount of landfill disposal / amount of by-product generated × 100

| Waste-related targets and results for FY2024 | Scope of coverage | Unit | Baseline figure/Base year | Target figure/Target year | FY2024 results |
|---|---|---|---|---|---|
| Reduction in industrial waste against average of past 5 years | Domestic group companies | tons | 20,583/2023 | 21,722/2024 (1.0% reduction) | 19,582 (15.9% reduction) |

### Amount of industrial waste generated (domestic)




### Amount disposed of in landfill and by-product recycling rate (domestic)




## Reusing rubber flash

NOK generates approximately 9,500 tons of rubber flash (unwanted parts generated during molding and processing) annually in the production of rubber products. Against this backdrop, we established a working team consisting of multiple departments, including R&D, Sustainability Promotion, and Sales, to examine ways to utilize rubber flash. As part of these efforts, we have successfully developed recycled rubber mats molded from reused rubber flash.

NOK handles many types of high-performance rubber, and recycled rubber mats made from fluorine rubber flash are heat-resistant to temperatures of 200°C and offer excellent oil, water, and chemical resistance. They also have high flame resistance and self-extinguishing properties, contributing to fire prevention in areas where sparks may fly.

## Converting Waste into Valuable Resources

As part of its waste reduction efforts, Mektec is converting flammable waste oil into valuable resources. We have reduced industrial waste by 21.9 tons by recycling what was once considered industrial waste into valuable resources. Additionally, we are exploring the possibility of recycling FPC with metal components as valuable resources once we have accumulated a significant amount.

## Reducing Septic Tank Sludge

As part of its waste reduction efforts, Mektec has optimized the reverse wash timer for blowers in septic tanks. This optimization has led to a 90% reduction in septic tank sludge (general waste). It has also improved the quality of the treated water from the contact aeration tank to maintain a transparency of 30 degrees, compared to the legal requirement of 20 degrees, contributing to overall water quality improvement.

# Conservation of Water Resources

## Basic Concept

Currently, the global shortage of water resources is seen as a problem. It has become increasingly important for companies to make effective use of water resources to bring about a sustainable society. The NOK Group works to conserve water resources by identifying and reducing the amount of water used in its production processes, and by taking thorough measures to purify wastewater. In addition, we assess the water risks in each country and region and promote the conservation of water resources tailored to the local area.

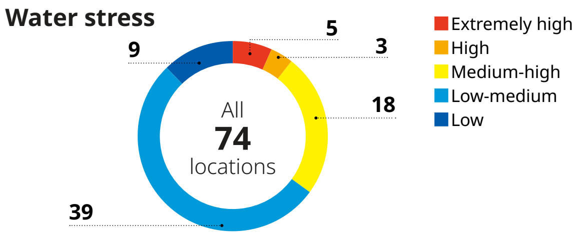
## Response to Water Risk

The NOK Group uses high-quality water in its production processes. Ensuring a stable supply of high-quality water is vital for our business operations. If a natural disaster or other event prevents a stable supply of high-quality water, we expect this to impact our value chains and disrupt supply chains. Water resources are deeply tied to our business activities.

Moreover, since wastewater generated in the production process may contain harmful substances, there is a concern that if wastewater exceeds the legally prescribed standard, it may cause environmental pollution and harm the local community. For this reason, we regularly carry out thorough wastewater treatment control, run emergency drills, and review response procedures.

## Assessment of Water Risks with AQUEDUCT

The NOK Group conducts water risk assessments across the Group to efficiently promote response measures to water risks. The results of the study on water stress at all of our production locations obtained by using AQUEDUCT*, which is operated by the World Resources Institute (WRI), are as follows:




The survey revealed that of 74 production sites—six cities in Thailand and China, and two sites in Germany— are located in areas with high water stress. The NOK Group is currently working to identify and reduce our global water withdrawals. In addition, we will conduct water risk assessments when building new facilities and strive to promote production and conserve water resources, taking into account water withdrawals and wastewater.

* A water risk assessment tool published by the World Resources Institute (WRI) that uses a world map to show various information on water risks, such as water quantity, water quality, regulations, and reputation.

### Water withdrawals in certain water-stressed regions

($m^3$)

| Country | Production sites | No. of sites | Water stress | Water withdrawals |
|---|---|---|---|---|
| Thailand | Thai NOK Co., Ltd | 2 | Extremely High | 486,444 |
| China | Changchun NOK-Freudenberg Oil seal Co., Ltd. | 1 | Extremely High | 47,845 |
| Thailand | Mectec Manufacturing Corporation (Thailand) Ltd. | 1 | High | 863,313 |
| Thailand | Mectec Precision Component (Thailand) Ltd. | 1 | High | 74,099 |

## Water Management

At the NOK Group, our water management approach focuses on wastewater quality and volume of water withdrawals. For wastewater quality, we set stricter internal standards than those legally mandated globally and conduct regular wastewater analyses to ensure cleaner wastewater. Our water withdrawals management aims to control the increase in water withdrawals with consolidated goals as we actively work to reduce water usage. In FY2024, the total water withdrawal for all our factories worldwide was 8.728 $m^3$, while the total wastewater was 6.126 $m^3$. Water withdrawal volume increased compared to FY2023. In the next fiscal year, we will start being more proactive in conserving water resources.

| Water resource targets, and results for FY2024 | Scope of coverage | Unit | Baseline figure/Base year | Target figure/Target year | FY2024 results |
|---|---|---|---|---|---|
| Increase-controlled water withdrawals | Consolidated | 1,000 $m^3$ | 8,691/2023 | 8,691/2024 | 8,728 |

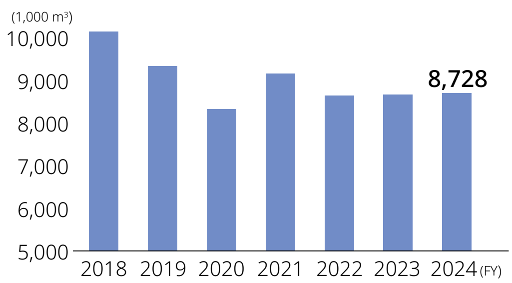
The Electronic Products Business has production sites in water-risk areas and involves some of the highest water use in the NOK Group. As part of our measures to address future water risks, we have developed a water management plan* for this business that aims to reduce water withdrawals by 6.4% compared to 2022 levels.

Specific initiatives in this plan include optimizing the amount of water supplied to air conditioning equipment and used to clean pure water generators in our production processes. We also recycle wastewater generated during water purification using NOK UF membranes, diverting it to domestic use, such as in toilets.

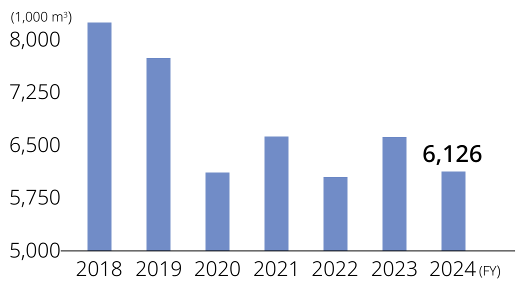
* This water management plan applies to 9 out of 52 main production sites in the NOK Group (17%), and 61% of the Group's total water withdrawals.

| Water resource targets and results for FY2024 | Scope of coverage | Unit | Baseline figure/ Base year | Target figure/Target year | FY2024 results |
|---|---|---|---|---|---|
| Reduction of water withdrawals | Electronic Products Business (domestic) | 1,000 $m^3$ | 816/2022 | 702/2025 | 713 (12.6% reduction) |
| Reduction of water withdrawals | Electronic Products Business (overseas) | 1,000 $m^3$ | 4,516/2022 | 4,290/2025 | 4,271 (5.4% reduction) |

## Water withdrawals (consolidated)




## Wastewater (consolidated)




## Violation of Laws and Regulations on Water Withdrawal and Wastewater

In FY2024, there were no significant non-conformities in the NOK Group related to water volume or water quality.

* For details on fines, surcharges, and lawsuit costs, please refer to page 15.

## Rice Paddy Ownership Program

Since FY2019, the NOK Kumamoto Plant has been supporting a groundwater recharge project by the Kumamoto Groundwater Foundation as part of its efforts to protect water resources. Businesses and groups sign agreements with local farmers who have rice paddies in groundwater recharge zones. As they grow rice together, the water stored in the paddies soaks into the ground, recharging groundwater levels. In FY2024, 51 people took part in planting rice, and 35 helped with the harvest. They managed to recharge 4,495 $m^3$/year of groundwater.

## Efforts to Reduce Water withdrawals

Mektec is taking measures to reduce water withdrawals by controlling water withdrawal valves. Its initiatives reduced water withdrawals in fiscal 2024 by 12.6% compared to 2022. Going forward, we will pursue activities that reduce water consumption in production facilities and other areas.

Mektec Manufacturing Corporation (Suzhou) has optimized the conductivity control values of its cooling towers, achieving water savings of approximately 22,000 $m^3$/year. It saved an additional 28,803 $m^3$/year by optimizing the water supply time and volume for regularly used water in faucets and toilets.

# Management of Substances of Concern

## Basic Concept

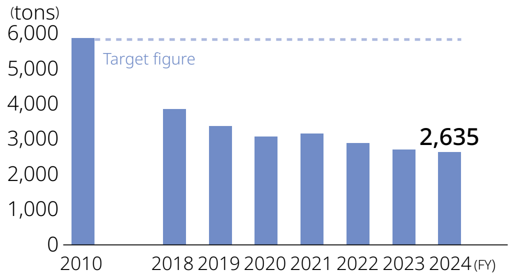
Owing to the problem of chemical substances destroying ecosystems and harming people's health, global regulations on substances of concern are becoming increasingly stringent every year. The NOK Group will reduce the substances of concern used and emitted in its business activities, minimize and try to eliminate the impacts of pollutants in society, identify and manage chemical substances throughout the product life cycle, and help reduce the environmental impacts in the entire supply chain.

## Chemical Substance Management

The NOK Group's VOC emissions for FY2024 were 2,600 tons, below our target of 5,860 tons.

| VOC emission targets and FY2024 results | Scope of coverage | Unit | Baseline figure | Target figure | FY2024 results |
|---|---|---|---|---|---|
| Controlling VOC emissions | Consolidated | 1,000 tons | — | 5.86 or less | 2.6 |

### VOC emissions (consolidated)




## Managing Substances of Concern in Products

The NOK Group manages substances of concern in its products in accordance with the EU's RoHS 2 Directive, REACH regulation, and other relevant laws and regulations in every country where it operates. Internally, we continuously monitor legal and regulatory information and ensure that environmental and engineering departments collaborate to conduct prior verification in cases of potential conflict.

Moreover, we trace our supply chain at our clients' requests to confirm the presence or absence of substances and provide them with various data we prepare, including substance content investigation reports, IMDS, JAPIA sheets, and chemSHERPA.

## Developing and Marketing Environmentally Compliant Products

NOK Klueber is responding to PFAS regulations in the EU and the US by developing and expanding PFAS-free coatings and greases. Alongside our agile response to global regulations, we are also focusing on providing environmentally acceptable lubricants (EAL)* that help mitigate environmental damage and biodiversity loss.

* Environmentally acceptable lubricants are designed to have characteristics such as biodegradability and low toxicity, minimizing their impact on ecosystems even in the event of leakage.

# Environmentally Friendly Products

## Basic Concept

To minimize the impacts of climate change, the depletion of resources, waste treatment, the growing demand for water resources, and other environmental risks, and to create a sustainable society, we cannot ignore the environmental burden of products we use on a daily basis. Companies are required to help address environmental problems by developing products and technologies with consideration for their entire life cycle, from procurement of raw materials to production, transportation, use, and disposal of products, thereby contributing to environmental conservation.

The NOK Group is committed to developing products that contribute to the next-generation eco-technologies by taking the entire product lifecycle in consideration.

## Product Assessment

In the document, "Environmental Preservation Assessment Standards for Products" which is intended for new product design, we include new designs for material formulation, manufacturing process, and production facility. Based on this standard, we conduct environmental assessments throughout the entire product life cycle from the raw material procurement stage through product, processes, and manufacturing facility design, as we promote the development of environmentally friendly products.

| Assessment | Design | Production | Use | Disposal |
|---|---|---|---|---|
| Green procurement | ○ | ○ | | |
| Disuse of substances of concern (regulatory compliance, minimizing external discharge and dispersion) | ○ | ○ | | ○ |
| Reduction of energy consumption (using energy-efficient materials and equipment, contributing to energy savings during use) | ○ | ○ | ○ | |
| Use of resources (recyclable materials, fewer resources used, improved yields, improved service life) | ○ | ○ | ○ | |
| Reduction of waste (ease of disassembly, reuse, low disposal ratio) | ○ | ○ | | ○ |

## Quantitative Data on Eco-Friendly Products (Production Volume, Waste Amount, Recycling Amount, etc.)

As part of the Green Product component of the Twin Green Plan 2030, the NOK Group has continued to engage in business activities with the stated aim of helping to reduce $CO_2$ emissions through its products. To efficiently and effectively promote this initiative, we have calculated, based on our own standards, the size of our contributions to $CO_2$ reductions at the NOK product use stage. These calculations showed that we cut emissions by 1.35 million t-$CO_2$ in FY2024. We will continue to contribute to the goal of carbon neutrality by developing and expanding sales of products that help reduce $CO_2$ emissions.

**Approach to calculating size of contributions to $CO_2$ reductions**

$CO_2$ reduction contribution [$CO_2$] = contribution to $CO_2$ reductions per product [$CO_2$/items/hours] x duration of use [hours] x annual sales volume [items]

*Only automotive products were included in the scope of calculation

## Environmental Accounting

In targeting sustainable development and with the aim of efficiently and effectively taking action to address environmental conservation issues, we grasp how much we need to invest and spend on environmental conservation in our business activities every year.

| Trends in environmental investments and costs | Scope of coverage | Unit | FY2020 | FY2021 | FY2022 | FY2023 | **FY2024** |
|---|---|---|---|---|---|---|---|
| Environmental conservation investments | Non-consolidated | millions of yen | 464 | 495 | 544 | 637 | **1,827** |
| Environmental conservation costs | Non-consolidated | millions of yen | 620 | 550 | 556 | 655 | **928** |
| Total | Non-consolidated | millions of yen | 1,084 | 1,045 | 1,100 | 1,293 | **2,754** |

| Environmental conservation costs and investments | Scope of coverage | Unit | FY2022 | FY2023 | FY2024 |
|---|---|---|---|---|---|
| Pollution and resource costs | Non-consolidated | millions of yen | 168 | 166 | **149** |
| Pollution and resource investments | Non-consolidated | millions of yen | 2 | 9 | **25** |
| Water risk costs | Non-consolidated | millions of yen | 49 | 24 | **19** |
| Water risk investments | Non-consolidated | millions of yen | 33 | 23 | **70** |

In terms of potential future costs, or shadow costs, we expect 205 million yen in pollution and resource-related costs, which relate to measures such as waste treatment and analysis of environmentally hazardous substances. We also anticipate 19 million yen in water risk costs, which relate to measures such as wastewater and groundwater analysis and the purchase of wastewater treatment equipment and chemicals.

| Effects of environmental conservation | Scope of coverage | Unit | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|---|---|---|---|---|---|---|---|
| Reduction of power consumption | Non-consolidated | GWh | 5 | 9 | 11 | 12 | **8** |
| Reduction of $CO_2$ emissions | Non-consolidated | t-$CO_2$ | 2,033 | 4,258 | 5,006 | 5,586 | **4,530** |

| Economic effects of environmental conservation measures | Scope of coverage | Unit | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|---|---|---|---|---|---|---|---|
| Energy-saving effect | Non-consolidated | millions of yen | 61 | 107 | 194 | 259 | **198** |
| Gain on sales of recyclable materials | Non-consolidated | millions of yen | 248 | 1,256 | 1,145 | 1,083 | **999** |

| FY2024 NOK environmental accounting | | | | |
|---|---|---|---|---|
| Category | Main contents | Unit | Investments | Costs |
| Business area costs | Environmental conservation costs to control environmental burden caused by business activities within business areas | millions of yen | 820 | 279 |
| Pollution prevention costs | Investment, and maintenance and management costs related to pollution prevention activities | millions of yen | 265 | 67 |
| Global environmental conservation costs | Investment, and maintenance and management costs related to global warming countermeasures, including energy conservation | millions of yen | 539 | 63 |
| Resource circulation costs | Investment, and maintenance and management costs related to resource recycling activities, including waste disposal and recycling | millions of yen | 17 | 149 |
| Upstream and downstream costs | Costs of controlling the environmental burden that occurs in upstream and downstream processes, such as green procurement, etc. | millions of yen | 0 | 0 |
| Management activity costs | Costs associated with management activities such as ISO 14001 maintenance and operation | millions of yen | 0 | 68 |
| Research and development costs | Costs of research and development that contributes to the environment, such as the development of environmentally friendly products | millions of yen | 1,006 | 579 |
| Social activity costs | Costs related to greening of business establishments and support for the activities of environmental conservation groups | millions of yen | 0 | 1 |
| Costs involved in dealing with environmental damage | Costs associated with the removal of environmental burdens, such as special equipment and facilities | millions of yen | 0 | 0 |
| Fines, penalties and/or legal costs associated with the settlement of environmental accidents and complaints | | millions of yen | 0 | 0 |
| Subtotal | | millions of yen | 1,827 | 928 |
| Total | | millions of yen | 2,754 | |

# Conservation of Biodiversity

## Basic Concept

In recent years, species have become extinct mainly as a result of the destruction of the natural environment, overexploitation, and climate change, and subsequently, the world's biodiversity is shrinking at an alarming rate. A new set of 23 targets for biodiversity through to the year 2030, known as the Kunming-Montreal Global Biodiversity Framework, was adopted. The conservation of biodiversity is one of the global challenges, and efforts are being made in various countries.

The NOK Group undertakes no business activities in regions designated as a World Heritage Site and has no plans to do so. As part of our efforts to protect biodiversity, we will carry out risk assessments and partner with external organizations to implement measures to help prevent deforestation and alleviate the impacts on ecosystems.

We also ask that our suppliers take biodiversity into account when doing business and we intend to strengthen partnerships to ensure that net-positive impacts are felt across the entire supply chain, not just by our primary suppliers.

## Biodiversity Conservation Guidelines

The NOK Group advances initiatives to conserve biodiversity, aiming to achieve a net positive impact.

- We assess biodiversity risks in our business and identify the impact of our activities on biodiversity.
- Based on the mitigation hierarchy (precedence of avoid, minimize, restore, offset), we develop and implement policies to prevent deforestation and conserve biodiversity.
- We do not conduct business activities in globally important biodiversity areas such as UNESCO World Natural Heritage sites.
- We work with suppliers, external groups, and other stakeholders to help prevent forest destruction and preserve biodiversity.

## Biodiversity Risk Assessments

The NOK Group assesses the risks of how its business activities might affect biodiversity groupwide. We used the ENCORE*1 tool to identify the NOK Group's dependency on natural capital and the relevant impacts. The results did not reveal any high risks in terms of dependencies, but we did identify impact risks in multiple areas.

*1 ENCORE: A tool developed jointly by the Natural Capital Finance Alliance (NCFA), the United Nations Environment Programme World Conservation Monitoring Centre (UNEP-WCSC), and other organizations to assess the risks and opportunities posed by business to natural capital

| Related risks | Items classified as Very High or High | Risks |
|---|---|---|
| Dependencies (11 items) | No items | |
| Impacts (7 items) | GHG emissions | VH |
| | Soil pollutants | H |
| | Water pollutants | H |
| | Solid waste | H |
| | Water use | H |

'Next, we used the IBAT*2 to study the relationships between our 74 production sites and key biodiversity areas. The results of the study revealed that there is one wetlands area designated under the Ramsar Convention and five IUCN Category II (national parks) protected sites within a 5 km radius of the production sites. We confirmed that none of our operations are in areas of globally vital biodiversity, such as World Heritage sites.

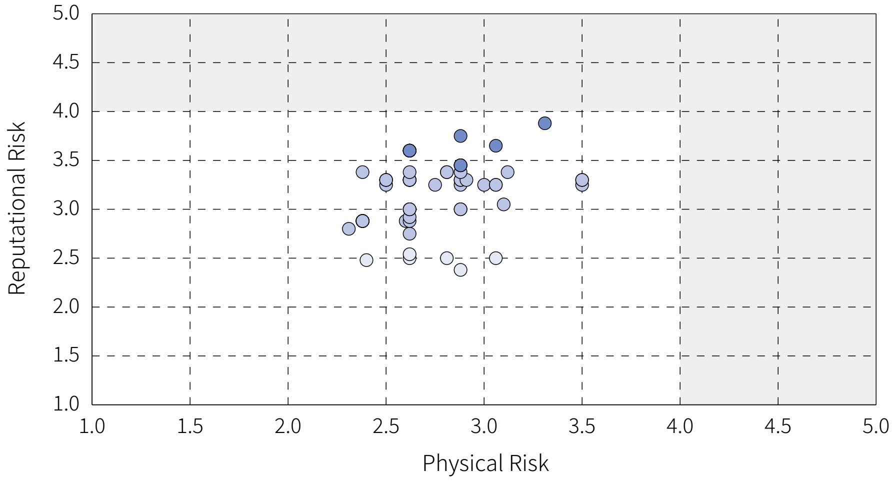
*2 IBAT is a biodiversity information database tool developed by an alliance comprising the IUCN, the UNEP-WCMC, Birdlife International (an international environmental NGO), and Conservation International.

| | No. of sites | World Heritage | Ramsar | MAB | IUCN | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | Ia | Ib | II | III |
| Domestic production sites | 49 | 0 | 1 | 0 | 0 | 0 | 5 | 0 |
| Overseas production sites | 25 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 74 | 0 | 1 | 0 | 0 | 0 | 5 | 0 |

* World Heritage: Sites chosen by UNESCO for their cultural, historical, or scientific importance
Ramsar: a wetland designated by a country under the Ramsar Convention
MAB: Areas internationally recognized as biosphere reserves under the UNESCO Man and the Biosphere (MAB) Programme
IUCN: Areas inhabited by species listed as critically endangered or endangered on the IUCN Red List

Furthermore, we used the WWF Biodiversity Risk Filter*3 to assess biodiversity risks at NOK Group's 74 production sites. None of our production sites were found to be "very high" or "High" risk in terms of biodiversity risks (either physical or reputational). We will continue to perform risk assessments of biodiversity and our business activities, leverage this time results of these studies in our measures for safeguarding biodiversity, and press ahead with initiatives best suited to the characteristics of each region.

*3 The WWF Biodiversity Risk Filter is a risk assessment tool for biodiversity made available by the World Wide Fund for Nature.




## Biodiversity education through nature observation

Under the guidance of Fujisawa City Hall, the NOK Shonan R&D Center held a nature observation event at Hikiji River Wetland Park. Employees and their families attended the event, observing endangered species such as Penthorum chinense and the Japanese freshwater crab, deepening their understanding of the connection between the local wildlife and the natural environment.

Synztec also participated in a coastal observation event at Tenjin Island and water quality and ecological surveys along the Sekine River, both organized by the Yokosuka City Regional Water Quality Board. Participants learned about the habitats of creatures such as the kebukagani crab and sea cucumbers, and gained a deeper understanding of the effects of global warming from experts.

## Conserving the Kyushu azalea

As part of our biodiversity activities, Kumamoto NOK employees took part in a project to conserve the Kyushu azalea conducted by the Ministry of the Environment. They removed dead branches and yashabusi trees (deciduous trees) that hinder the azalea's growth. The Ministry of the Environment also held a lecture on biodiversity before the conservation activity, providing our employees with a valuable opportunity to engage with the natural environment.

## Environmental Performance Data

| Input | | Scope of coverage | Unit | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|---|---|---|---|---|---|---|---|---|
| Total consumption of raw materials | | Non-consolidated and manufacturing subsidiaries | tons | 80,646 | 89,157 | 79,183 | 85,516 | **81,108** |
| | Rubber | Non-consolidated and manufacturing subsidiaries | tons | 11,742 | 13,154 | 11,994 | 12,297 | **11,756** |
| | Compounding ingredients and adhesives | Non-consolidated and manufacturing subsidiaries | tons | 9,921 | 11,012 | 10,188 | 10,884 | **10,649** |
| | Plastics | Non-consolidated and manufacturing subsidiaries | tons | 965 | 1,149 | 1,039 | 1,086 | **1,042** |
| | Metals | Non-consolidated and manufacturing subsidiaries | tons | 58,018 | 63,842 | 55,962 | 61,249 | **57,661** |
| Total energy consumption | | Non-consolidated and manufacturing subsidiaries | TJ | 1,156 | 1,245 | 1,230 | 1,173[※1] | **1,169**[※1] |
| | | Consolidated | TJ | 4,709 | 5,276 | 4,958 | 5,014 | **5,191**[※1] |
| | Electricity/Heat | Non-consolidated and manufacturing subsidiaries | TJ | 1,039 | 1,118 | 1,104 | 1,043[※1] | **1,033**[※1] |
| | | Consolidated | TJ | 4,079 | 4,600 | 4,319 | 4,415 | **4,567**[※1] |
| | Fuels | Non-consolidated and manufacturing subsidiaries | TJ | 118 | 127 | 127 | 130[※1] | **136**[※1] |
| | | Consolidated | TJ | 630 | 676 | 639 | 599 | **623**[※1] |
| Energy emissions intensity | | Non-consolidated and manufacturing subsidiaries | TJ/millions of yen | 0.010 | 0.010 | 0.010 | 0.009 | **0.009** |
| | | Consolidated | TJ/millions of yen | 0.010 | 0.010 | 0.008 | 0.008 | **0.008** |
| Renewable energy ratio | | Consolidated | % | 0.2 | 0.4 | 3.8 | 12.2 | **14.6** |
| Total water withdrawals | | Non-consolidated and manufacturing subsidiaries | 1,000 $m^3$ | 809 | 832 | 792 | 712 | **692**[※1] |
| | | Consolidated | 1,000 $m^3$ | 8,347 | 9,187 | 8,667 | 8,691 | **8,728**[※1] |
| | City water | Non-consolidated and manufacturing subsidiaries | 1,000 $m^3$ | 612 | 664 | 620 | 503 | **502**[※1] |
| | | Consolidated | 1,000 $m^3$ | 4,575 | 4,961 | 4,269 | 4,112 | **3,952**[※1] |
| | Industrial water | Non-consolidated and manufacturing subsidiaries | 1,000 $m^3$ | 27 | 31 | 34 | 32 | **35**[※1] |
| | | Consolidated | 1,000 $m^3$ | 3,505 | 4,012 | 4,192 | 4,344 | **4,577**[※1] |
| | Ground water | Non-consolidated and manufacturing subsidiaries | 1,000 $m^3$ | 171 | 137 | 139 | 177 | **155**[※1] |
| | | Consolidated | 1,000 $m^3$ | 267 | 214 | 207 | 236 | **200**[※1] |
| Inputs (water withdrawals) emissions intensity | | Non-consolidated and manufacturing subsidiaries | $m^3$/millions of yen | 5.9 | 5.6 | 5.7 | 5.5 | **5.3** |
| | | Consolidated | $m^3$/millions of yen | 17.0 | 16.6 | 14.1 | 14.0 | **14.0** |
| Water consumption | | Non-consolidated and manufacturing subsidiaries | 1,000 $m^3$ | 302 | 235 | 218 | 150 | **150**[※1] |
| | | Consolidated | 1,000 $m^3$ | 2,237 | 2,568 | 2,625 | 2,078 | **2,473**[※1] |
| Consumption of substances subject to PRTR | | Non-consolidated and manufacturing subsidiaries | tons | 1,455 | 1,573 | 1,456 | 1,316 | **1,477** |

| Output | | Scope of coverage | Unit | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|---|---|---|---|---|---|---|---|---|
| Total $CO_2$ emissions Location based*2 | Scope1 | Non-consolidated and manufacturing subsidiaries | 1,000 t-$CO_2$ | 7 | 8 | 8 | 8[※1] | **13**[※1] |
| | Scope2 | | 1,000 t-$CO_2$ | 140 | 149 | 129 | 128[※1] | **117**[※1] |
| | Scope1+2 | | 1,000 t-$CO_2$ | 147 | 156 | 137 | 136[※1] | **130**[※1] |
| | Scope1 | Consolidated | 1,000 t-$CO_2$ | 38 | 41 | 39 | 36 | **44**[※1] |
| | Scope2 | | 1,000 t-$CO_2$ | 598 | 700 | 633 | 621 | **507**[※1] |
| | Scope1+2 | | 1,000 t-$CO_2$ | 636 | 741 | 672 | 657 | **551**[※1] |

| OUTPUT | | Scope of coverage | Unit | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|---|---|---|---|---|---|---|---|---|
| Total $CO_2$ emissions Market based*2 | Scope1 | Non-consolidated and manufacturing subsidiaries | 1,000 t-$CO_2$ | 7 | 8 | 8 | 8 | **13**[※1] |
| | Scope2 | | 1,000 t-$CO_2$ | 137 | 140 | 128 | 134 | **114**[※1] |
| | Scope1+2 | | 1,000 t-$CO_2$ | 144 | 148 | 136 | 142 | **127**[※1] |
| | Scope1 | Consolidated | 1,000 t-$CO_2$ | 38 | 41 | 39 | 36 | **44**[※1] |
| | Scope2 | | 1,000 t-$CO_2$ | 590 | 685 | 628 | 622 | **520**[※1] |
| | Scope1+2 | | 1,000 t-$CO_2$ | 628 | 727 | 667 | 658 | **564**[※1] |
| $CO_2$ emissions for Scope 3 | | Consolidated | 1,000 t-$CO_2$ | 269 | 2,169 | 2,137 | 2,192 | **2,215** |
| $NO_x$ | | Non-consolidated and manufacturing subsidiaries | tons | 3.4 | 3.2 | 4.5 | 4.3 | **4.7** |
| | | Domestic group companies | tons | 9.1 | 8.2 | 8.5 | 6.3 | **7.3** |
| $SO_x$ | | Non-consolidated and manufacturing subsidiaries | tons | 2.0 | 1.7 | 2.3 | 2.2 | **2.7** |
| | | Domestic group companies | tons | 3.0 | 2.6 | 3.1 | 4.8 | **3.4** |
| VOC emissions | | Non-consolidated and manufacturing subsidiaries | 1,000 tons | 1.7 | 1.8 | 1.6 | 1.6 | **1.4** |
| | | Consolidated | 1,000 tons | 3.1 | 3.2 | 2.9 | 2.7 | **2.6** |
| Emissions of substances subject to PRTR | | Non-consolidated and manufacturing subsidiaries | tons | 102 | 123 | 68 | 104 | **106** |
| Total wastewater | | Non-consolidated and manufacturing subsidiaries | 1,000 $m^3$ | 507 | 597 | 574 | 562 | **542**[※1] |
| | | Consolidated | 1,000 $m^3$ | 6,111 | 6,619 | 6,043 | 6,613 | **6,126**[※1] |
| | River/lake | Non-consolidated and manufacturing subsidiaries | 1,000 $m^3$ | 451 | 538 | 510 | 506 | **488**[※1] |
| | | Consolidated | 1,000 $m^3$ | 2,755 | 3,014 | 2,647 | 3,107 | **2,757**[※1] |
| | Sewage system | Non-consolidated and manufacturing subsidiaries | 1,000 $m^3$ | 56 | 58 | 64 | 56 | **54**[※1] |
| | | Consolidated | 1,000 $m^3$ | 3,356 | 3,605 | 3,396 | 3,506 | **3,369**[※1] |
| BOD load | | Non-consolidated and manufacturing subsidiaries | tons | 3.53 | 5.34 | 4.04 | 5.92 | **5.07** |
| | | Domestic group companies | tons | 5.36 | 6.96 | 7.92 | 12.77 | **8.89** |
| Industrial waste | | Non-consolidated and manufacturing subsidiaries | 1,000 tons | 14 | 15 | 14 | 14[※1] | **13**[※1] |
| | | Consolidated | 1,000 tons | 49 | 57 | 50 | 46 | **39**[※1] |
| | Amount of waste recycled | Non-consolidated and manufacturing subsidiaries | 1,000 tons | 14 | 15 | 14 | 14 | **13**[※1] |
| | | Consolidated | 1,000 tons | 44 | 51 | 44 | 43 | **36**[※1] |
| | Landfill disposal amount | Non-consolidated and manufacturing subsidiaries | 1,000 tons | 0.03 | 0.02 | 0.02 | 0.01 | **0.02**[※1] |
| | | Consolidated | 1,000 tons | 5 | 6 | 5 | 3 | **4**[※1] |
| Valuable waste | | Non-consolidated and manufacturing subsidiaries | 1,000 tons | 24 | 27 | 24 | 25[※1] | **24**[※1] |
| | | Consolidated | 1,000 tons | 47 | 55 | 51 | 55 | **53**[※1] |
| Recycling rate | | Non-consolidated and manufacturing subsidiaries | % | 99.92 | 99.95 | 99.93 | 99.96 | **99.94**[※1] |
| | | Consolidated | % | 94.77 | 94.59 | 95.11 | 97.25 | **96.22**[※1] |
| Major environmental fines | | Consolidated | yen | 0 | 0 | 0 | 0 | **0** |
| Number of major non-compliance incidents related to water withdrawals and wastewater | | Consolidated | Number | 0 | 0 | 0 | 0 | **0** |
| $CO_2$ emissions reductions during product usage phase | | Non-consolidated and manufacturing subsidiaries | 10,000 t-$CO_2$ | — | — | 108 | 135 | **135** |

*1 This data has been verified by a third party.
*2 $CO_2$ emissions are the sum of fuel and electricity consumption multiplied by a conversion factor. The $CO_2$ conversion factor for fuel uses an emission factor based on Japan's Act on Promotion of Global Warming Countermeasures. For electric power $CO_2$ conversion factors, in Japan we use the emission factors of different general transmission and distribution utilities; overseas we use the $CO_2$ Emissions from Fuel Combustion factor of the International Energy Agency (IEA) (combining market- and location-based methods)

# Environmental Performance Results Aggregation Range

| Page | Theme | Item | | Aggregation range |
|---|---|---|---|---|
| P.2 | Material Balance | Input | Raw materials | Non-consolidated and domestic manufacturing subsidiaries |
| | | | Energy | Non-consolidated and domestic manufacturing subsidiaries |
| | | | Water | Non-consolidated and domestic manufacturing subsidiaries |
| | | | Environmentally hazardous substances | Non-consolidated and domestic manufacturing subsidiaries |
| | | Output | Gas emissions | Non-consolidated and domestic manufacturing subsidiaries |
| | | | Wastewater | Non-consolidated and domestic manufacturing subsidiaries |
| | | | Industrial waste, etc. | Non-consolidated and domestic manufacturing subsidiaries |
| | | | Environmentally hazardous substances | Non-consolidated and domestic manufacturing subsidiaries |
| P.7-9 | Climate Change Countermeasures | NOK Group Three-Year Targets | $CO_2$ emissions | Domestic group companies |
| | | | $CO_2$ emissions intensity | Overseas group companies |
| | | | Increase in renewable energy ratio | Domestic group companies |
| | | NOK Group Medium- to Long-Term Targets | $CO_2$ emissions | Consolidated |
| | | | $CO_2$ emissions | Domestic group companies |
| | | | $CO_2$ emissions intensity | Overseas group companies |
| | | | Electricity consumption | Domestic group companies |
| | | | Increase in renewable energy ratio | Consolidated |
| | | | GHG | Domestic group companies |
| | | | Scope 3 | Consolidated |
| P.10 | Resource Conservation and Waste Recycling | | Landfill disposal amount | Domestic group companies |
| | | | By-product recycling rate | Domestic group companies |
| | | | Industrial waste | Domestic group companies |
| P.11-12 | Conservation of Water Resources | | Water risk assessment | Consolidated |
| | | | Total water withdrawals | Consolidated |
| | | | Wastewater | Consolidated |
| P.13 | Management of Substances of Environmental Concern | | VOC emissions into the atmosphere | Consolidated |
| P.14-15 | Environmentally Friendly Products | Environmental Accounting | Various costs and investments | Non-consolidated |
| P.18-19 | Environmental Performance Data | Input | Raw materials | Non-consolidated and domestic manufacturing subsidiaries |
| | | | Energy | Consolidated |
| | | | Water | Consolidated |
| | | | PRTR results | Non-consolidated and domestic manufacturing subsidiaries |
| | | Output | $CO_2$ emissions | Consolidated |
| | | | $NO_x$ | Domestic group companies |
| | | | $SO_x$ | Domestic group companies |
| | | | VOC emissions into the atmosphere | Consolidated |
| | | | Wastewater | Consolidated (BOD figures are for domestic group companies) |
| | | | Industrial waste, etc. | Consolidated |
| | | | PRTR results | Non-consolidated and domestic manufacturing subsidiaries |

## List of ISO 14001-certified companies

In the NOK Group, 100% of plants/offices have obtained ISO 14001

| Country/Region | ISO 14001-certified companies |
|---|---|
| Japan | NOK CORPORATION |
| | Tenei Seal Industry Corporation |
| | NOK METAL Co., Ltd. |
| | Miyagi NOK Corporation |
| | Miharu Industry Corporation |
| | Tohoku Seal Industry Corporation |
| | Nihonmatsu NOK Corporation |
| | Isohara Polyurethane Industry Corporation |
| | Isshin Industries Corporation |
| | Kanasei Corporation |
| | Kikugawa Seal Industry Co., Ltd. |
| | MYK Corporation |
| | TVC Co., Ltd. |
| | Saga NOK Corporation |
| | Kumamoto NOK Corporation |
| | Kusu NOK Corporation |
| | Nichinan NOK Corporation |
| | Aso NOK Corporation |
| | MEKTEC CORPORATION |
| | MEKTEC-J Co., Ltd. |
| | NOK KLUEBER CO., LTD. |
| | UNIMATEC CO., LTD. |
| | Synztec co., ltd. |
| | Kuki Roll Industry Co., Ltd. |
| | ESTOH Co., Ltd. |
| | NOK Elastomers Processing Co., Ltd. |
| | NOK Fugaku Engineering Co., Ltd. |
| | Kusu Seimitsu Co., Ltd. |
| Thailand | Thai NOK Co., Ltd. |
| | Mektec Manufacturing Corporation (Thailand) Ltd. |
| | Mektec Precision Component (Thailand) Ltd. |
| Malaysia | Synztec (Malaysia) Sdn. Bhd. |
| Vietnam | Vietnam NOK Co., Ltd. |
| | Mektec Manufacturing Corporation (Vietnam) Ltd. |
| | Synztec Vietnam Co., Ltd. |
| Indonesia | PT. NOK Indonesia |
| | PT. NOK Freudenberg Sealing Technologies |
| | PT. NOK Precision Component Batam |
| China | Wuxi NOK-Freudenberg Oil Seal Co., Ltd. |
| | Changchun NOK-Freudenberg Oil seal Co., Ltd. |
| | Taicang NOK-Freudenberg Sealing Products Co., Ltd. |
| | NOK (Wuxi) Vibration Control China Co., Ltd. |
| | NOK (Wuxi) Water Treatment Technology Co., Ltd. |
| | Mektec Manufacturing Corporation (Zhuhai) Ltd. |
| | Mektec Manufacturing Corporation (Suzhou) |
| | Synztec Precision Parts (Shenzhen) Co., Ltd. |
| Taiwan | Mektec Manufacturing Corporation (Taiwan) Ltd. |
| Germany | Mektek Europe GmbH |
| Czech Republic | Mektec Manufacturing Corporation Europe CZ s.r.o. |
| Hungary | Mektec Manufacturing Corporation Europe HU Kft. |
| Singapore | Unimatec Singapore Pte. Ltd. |
| | NOK Precision Component Singapore Pte. Ltd. |

## Independent Verification Report

No.1811004986

# Independent Verification Report

## To: NOK CORPORATION

### 1. Objective and Scope

Japan Quality Assurance Organization (hereafter "JQA") was engaged by NOK CORPORATION (hereafter "the Company") to provide an independent verification on the statement of information regarding Greenhouse gas emissions, Energy use, Water intake and drainage (including the sewage volume) and By-products generated amount (Industrial waste emissions and Valuable waste emissions) for FY2024[*1]. The content of our verification was to express our conclusion, based on our verification procedures, on whether the statement of information regarding Greenhouse gas emissions, Energy use, Water intake and drainage (including the sewage volume) and By-products generated amount (Industrial waste emissions and Valuable waste emissions) on "Monthly report of Environmental Performance for FY2024" (hereafter "the Report") was correctly measured and calculated, in accordance with the "Calculation procedure of Environmental Performance" (hereafter " the Rule") established by the Company. The purpose of the verification is to evaluate the Report objectively and to enhance the credibility of the Report.

[*1] The fiscal year 2024 of the Company ended on March 31, 2025.

### 2. Procedures Performed

JQA conducted verification in accordance with "ISO 14064-3" for Greenhouse gas emissions and with "ISAE3000" for Energy use, Water intake and drainage (including the sewage volume) and By-products generated amount (Industrial waste emissions and Valuable waste emissions). The scope of this verification assignment covers energy-derived $CO_2$ emissions from Scope 1 and 2 Greenhouse gas emissions, Energy use, Water intake and drainage (including the sewage volume) and By-products generated amount (Industrial waste emissions and Valuable waste emissions). The verification was conducted to a limited level of assurance and quantitative materiality was set at 5 percent of each environmental subject in the Report. The organizational boundaries of this verification cover the Company, its 20 domestic manufacturing subsidiaries and 26 domestic and overseas group companies (in total 59 sites).

Our verification procedures included:

- Confirming the Rule and overall monitoring and calculation system with Shonan R & D Center of the Company.
- Visiting three sampling sites, Ushiku site[*2], UNIMATEC CO., LTD. Plant No.1 and VIETNAM NOK CO., LTD. The sampling sites were selected by the Company.
- On-site assessment to check the report boundaries; monitoring points of Energy use, Water intake and drainage, Industrial waste emissions and Valuable waste emissions; and monitoring and calculation system, and its controls on each sampling site.
- Vouching: Cross-checking the reported information against evidence for all sampling sites.

[*2] The site includes MEKTEC CORPORATION Ushiku Plant, MEK-J and UNIMATEC CO., LTD. Ushiku Office

### 3. Conclusion

Based on the procedures described above, nothing has come to our attention that caused us to believe that the statement of the information regarding Greenhouse gas emissions, Energy use, Water intake and drainage (include the sewage volume) and By-products generated amount (Industrial waste emissions and Valuable waste emissions) shown in the Report is not materially correct, or has not been prepared in accordance with the Rule.

### 4. Consideration

The Company was responsible for preparing the Report, and JQA's responsibility was to conduct verification of Greenhouse gas emissions, Energy use, Water intake and drainage (including the sewage volume), By-products generated amount (Industrial waste emissions and Valuable waste emissions) in the Report only. There is no conflict of interest between the Company and JQA.

Sumio Asada, Board Director
For and on behalf of Japan Quality Assurance Organization
1-25, Kandasudacho, Chiyoda-ku, Tokyo, Japan
May 28, 2025

# Society

## Human Rights

### Basic Concept

In its principles of corporate behavior, the NOK Group upholds an approach to management that respects human rights. As a company with global operations, we are committed to respecting the human rights of all stakeholders, including employees. We see this as essential to contributing to the sustainable growth of society.

To address respect for human rights more concretely, we formulated NOK Group Human Rights Statement with the desire to make the NOK Group's basic stance on human rights known throughout our organization and among outside stakeholders, and to gain understanding and cooperation in promoting respect for human rights. We share the statement widely both inside and outside the company through our website.

The NOK Group shares its views on human rights with employees through booklets and smartphone apps. We also ensure that business partners are aware of our stance by sharing the human rights guidelines set forth in our NOK Group Sustainable Procurement Guidelines (page 33).

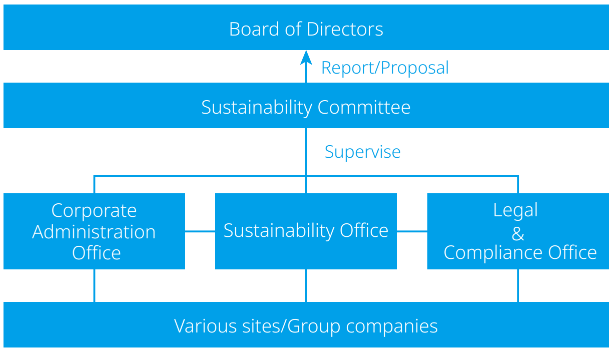
### NOK Group Human Rights Statement

See the NOK corporate website for more details.
https://www.nokgrp.com/en/sustainability/esg_strategy/#3

### Promotion Framework

Respect for human rights is crucial in all business activities. At the NOK Group, the Corporate Administration Office, Legal & Compliance Office, and Sustainability Office work together under the oversight of the Sustainability Committee to drive efforts toward respecting human rights. We regularly audit the human rights compliance systems of NOK and its Group companies based on internal control regulations and report our findings to the Board of Directors and the Audit & Supervisory Committee when necessary.

#### ＜Framework Diagram for Promoting Respect for Human Rights＞




### Initiatives

#### Implementation of Human Rights Due Diligence

We review our overseas subsidiaries annually for their respect for human rights and compliance with labor laws. Specifically, we investigate whether there is any discriminatory treatment or harassment of employees, and whether child or forced labor is occurring.

We conduct a survey on human rights and labor practices at NOK and its Group companies. In FY2024, we investigated the six priority themes of our human rights policy (respect for freedom of association and collective bargaining rights, elimination of forced labor, effective abolition of child labor, elimination of discrimination in employment and career opportunities, prohibition of harassment, and payment of appropriate wages and proper management of working hours) and the human rights compliance for temporary employees and subcontractors. We confirmed that there were no human rights violations requiring immediate corrective action.

We also conducted similar surveys for our major suppliers and received responses from approximately 80% of them. Details are in the supply chain section on page 34.

#### Mitigation and Improvement of Human Rights Risks

In FY2024, NOK had one case where individuals faced disciplinary action for harassment or other human rights violations. In this case, we investigated the facts to ensure the person seeking advice would not face any detriment. We took appropriate action based on internal regulations and alerted employees to prevent similar incidents from happening again.

Our other Group companies also did not have any immediate human rights violations requiring immediate correction. However, it was noted that one site had cases of temporary overwork during peak periods. To ensure proper labor-hour management, we instructed them to review task assignments.

#### Establishing a Human Rights Support Desk

We have established a human rights support desk framework with an internal reporting system within the company and an external reporting system handled by lawyers in Japan. Each overseas subsidiary also has its own internal reporting system. Information submitted to the support desk is kept strictly confidential, and internal regulations ensure that whistleblowers will not suffer any adverse treatment. The support desk receives several consultations annually, and in cases where we have confirmed compliance violations, we have taken the appropriate remedial measures and made efforts to prevent recurrence. We may also take disciplinary action in accordance with internal regulations in cases of confirmed human rights violations.

We have also set up a consultation service (in the Legal Affairs Department) for suppliers with compliance concerns, including those about human rights violations, in dealings with NOK Group companies. We conduct human-rights due diligence as stipulated in our Human Rights Statement, including in the supply chain, and we are establishing a system for taking corrective measures whenever we identify a human-rights violation.

## Providing Human Rights Education

To raise awareness among all Group employees of the importance of human rights, we produced online content and educational videos providing basic knowledge on human rights and the latest topics. For employees at the management level and above, we provide training on human rights and harassment in the year they are appointed to management positions and in the fourth year. This training includes focused guidance on how to appropriately handle reports and consultations on bullying and harassment.

## Initiatives Toward Preventing Forced Labor and Child Labor

As a signatory to the United Nations Global Compact, we support the Convention on the Rights of the Child and the Children's Rights and Business Principles, and consider the rights of children to be an essential responsibility.

As part of our efforts to prevent child labor, we verify the age of our employees through valid forms of identification and written documents. We also work to prevent forced labor by confirming that we do not impose unreasonable fees on workers and do not require them to submit or restrict the use of passports and other identification documents.

## Initiatives to Ensure a Living Wage

NOK has concluded agreements with labor unions on minimum wages that exceed regional and industry-specific minimum wages to maintain and improve the living standards of our employees and comply with minimum wage laws. Overseas group companies also determine wages in accordance with the laws and regulations of the countries or regions where they do business. Furthermore, we strive to operate under the principle of “equal pay for equal work,” having established a fair and transparent remuneration system that does not discriminate against employees based on gender for work of equal value.

# Human Resources Development

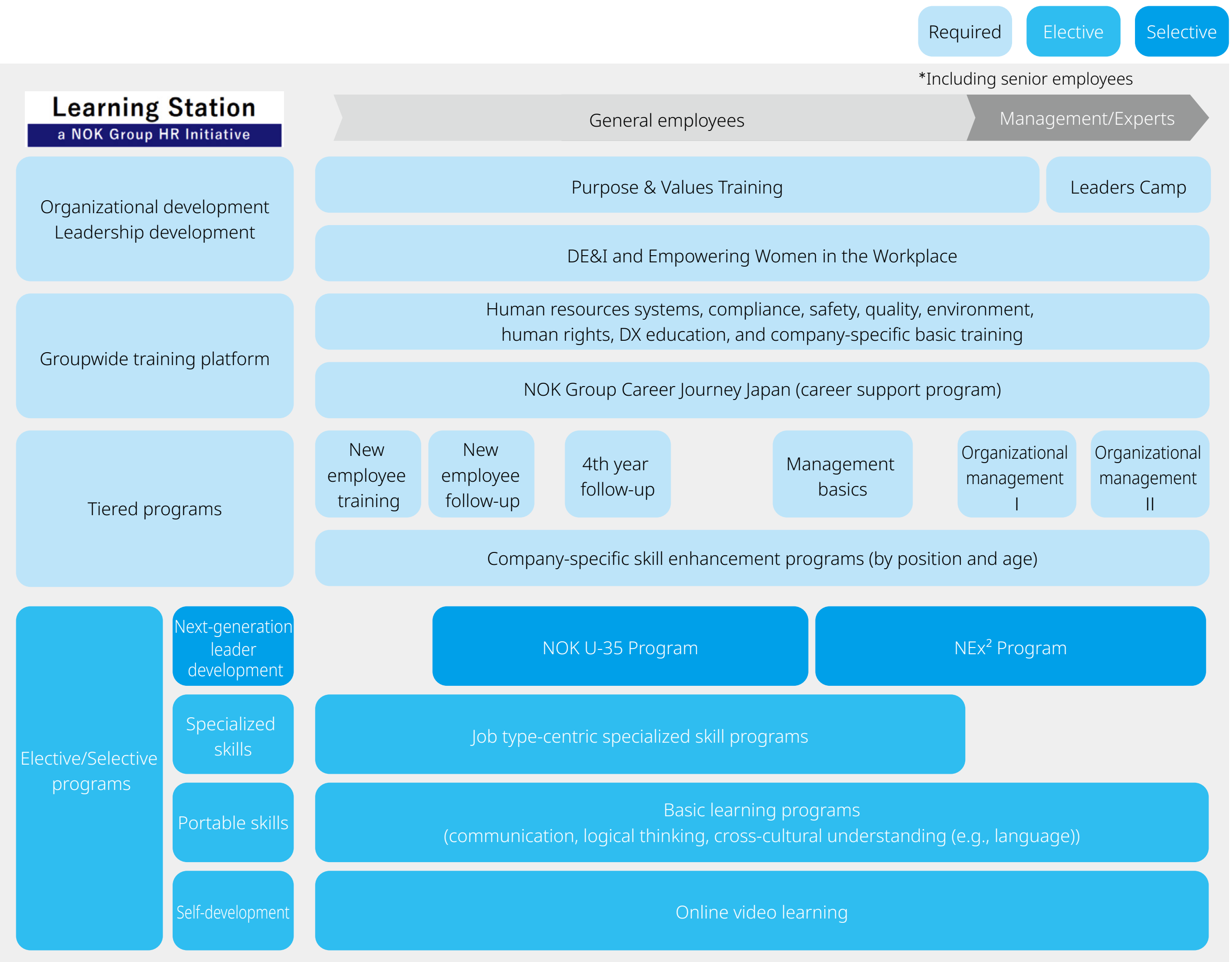
## Basic Concept

The NOK Group HR Policy underpins our aim to create a workplace where every employee can feel a sense of fulfillment and growth in their work. To this end, we are working to develop personnel who can contribute to the creation of such workplaces through various programs. One of the four key pillars of the medium-term management plan is to construct a diverse human capital foundation. When we fully tap into the skills and individuality of talent with diverse values and experiences, new company value emerges. We have made various reforms to build a foundation where every employee can thrive.

## Human Resources Development Program

The NOK Group Learning Station is a core initiative of NOK Group's human resource development efforts, serving as a human resource development platform that supports each employee in self-directed education and growth. We offer a variety of learning opportunities as described below.

### ＜The NOK Group Learning Station Japan System＞



## Purpose & Values Training

We have provided our Purpose & Values Training for department heads and section managers across domestic and international group companies (with a cumulative total of 4,580 participants), to support the growth of the Group as "Global One NOK" and to embed the Purpose & Values which we established in FY2023 within our corporate culture. Management uses this training as an opportunity to reflect on their own values, as they are encouraged to become evangelists for our Purpose & Values.

## Leaders Camp

We perennially hold our Leaders Camp as a program focused on the leadership mindset. It aims to develop future management personnel who can collaborate across organizational boundaries to enhance their strategic thinking and change-driving capabilities. It has a multi-day retreat format, providing participants with an opportunity to deeply examine their own leadership based on experiential learning and promote their growth as leaders who can drive change.

## NOK-U35 Program

As part of our efforts to develop the next generation of leaders, in FY2023 we launched the NOK-U35 Program.

This program targets employees aged 35 and under, chosen through a voluntary sign-up process. The aim is to use the short time frame of the program to develop these individuals into potential future leaders.

Four employees joined the program in FY2024. Program participants are assigned a management-class mentor who helps them develop an IDP* based on their personal growth goals and provides support for strategic and proactive career development.

* Individual Development Plan

## NEx² Program

We launched the NEx² (NOK Explore & Exceed) Program in FY2024 for employees aged 36 and older. A self-nomination process is employed, and participants can learn management skills while remaining in their current departments.

Twenty-six employees joined the program in FY2024. The program aims to enhance participants' problem-solving abilities and leadership skills from a higher perspective by systematically acquiring management skills while continuing to perform their regular duties.

## English Training (Standard & Advanced courses)

We are working to develop human resources with practical English skills that can be used in business settings to strengthen our competitiveness in overseas markets.

Since FY2016, we have offered two levels of training tailored to different levels of English proficiency. The Advanced Course aims to develop human resources who can succeed on the global stage and includes online language training, role-playing to deepen cross-cultural understanding, and presentation training. Three employees joined the program in FY2024. To date, 23 employees have completed the program, and 13 of them are working abroad.

## Digital Transformation Human Resources Development Program

We are rolling out data-driven initiatives across the NOK Group. As a foundation for creating new value, we have commenced a program that provides basic knowledge on data and digital technologies to ensure employees can use data effectively. All employees except executives and managers will receive this basic training program as "DX Standard" level employees. Since launching in July 2024 the program has had around 2,500 participants.

In January 2025, we held a DX Training Program for executives, which was attended by 55 participants, including the Group CEO. We also offered both e-learning and (at the organizational unit level) joint workshops with executives to approximately 750 managers. Participants attended lectures and discussions and shared the challenges and goals of their department, enhancing our ability to promote cross-departmental change.

# Human Resource Management

## Basic Concept

Under our philosophy of human-centered management, the NOK Group is committed to creating a comfortable working environment for its employees and establishing a fair evaluation system. We strive to attain employee motivation and organizational productivity by conducting appropriate placement, offering compensation commensurate with ability, and creating a workplace that provides job satisfaction. We view human resources as the source of corporate value and promote management from a long-term perspective.

## Initiatives

### Personnel evaluation system based on Values

At the NOK Group, we believe that challenging ourselves, by leveraging our strengths, regardless of age or attributes, and linking the results to compensation, will lead to corporate transformation and growth. Based on this belief, we introduced a role-based grading system in FY2024 to establish a system of evaluation and compensation by role.

Our evaluation consists of two types of appraisals based on the belief that demonstrating our values leads to improved performance. Performance Appraisals evaluate the degree to which goals set at the beginning of the period have been achieved, based on role definitions and work plans established for each grade. Values Appraisals evaluate the extent to which employees practice the four Values (Respect, Ignite, Explore, and Exceed) that they have identified for themselves based on the aforementioned role definitions.

We conduct these appraisals through three interviews — for goal-setting, initial evaluations, and feedback — in the first and second half of the fiscal year. These six interviews between supervisors and subordinates throughout the year enhance the transparency and fairness of evaluations while fostering future growth.

Moreover, we began holding one-on-one meetings in FY2023 to establish regular communication opportunities between supervisors and subordinates, enhancing psychological security and supporting subordinates in their autonomous career development.

### Global Career Challenge Program (for internal open recruitment)

In FY2024, we introduced an internal open recruitment system called the Global Career Challenge Program to provide opportunities for all employees to pursue their career path and grow independently. It allows employees to voluntarily apply for vacant positions within the Group, creating opportunities for them to take on new challenges that align their career goals with the needs of the organization. In FY2024, 51 job openings were posted, and 15 employees voluntarily applied for transfers to take on new roles and challenges.

### Engagement Survey

We administer an engagement survey targeting regular and rehired employees at major group companies in Japan to enhance employee engagement and trust in the organization. FY2025, the final year of our medium-term management plan, we aim for a score of 72. We are working to improve engagement to meet this target.

In FY2024, the response rate was 97%, representing nearly all targeted employees. Our comprehensive score surpassed that of peer companies of a similar corporate scale.

We will continue to improve the workplace environment and management quality based on the survey results, creating an organization where all employees are enthusiastic about their work.

| Item | Scope of coverage | Unit | FY2020 | FY2021 | FY2022 | FY2023 | **FY2024** | Target figure/ Target year |
|---|---|---|---|---|---|---|---|---|
| Response rate | Major domestic group companies | % | — | — | 98 | 98 | **97** | — |
| Engagement score | Non-consolidated | — | — | — | 65 | 66 | **67** | 72/2025 |
| Percentage of highly engaged employees* | Non-consolidated | % | — | — | — | 33.8 | **36.7** | — |

*We define "highly engaged employees" as employees with an overall score of 72 or higher

### Career orientation survey

We want to understand the career aspirations of all our employees and utilize their goals for appropriate personnel placement and development, so every year, we provide an opportunity for employees to report their current perceptions of the workplace environment and future career aspirations. Supervisors discuss these reports in depth with their subordinates through one-on-one meetings, providing career development support tailored to each employee's aspirations and strengths. This approach promotes self-directed career development among employees and optimizes the utilization of human resources as an organization.

# Diversity, Equity & Inclusion (DE&I)

## Basic Concept

Following the principle of human-centric management, the NOK Group is striving to create an environment in which all its employees can demonstrate their capabilities and grow—irrespective of their gender, nationality or employment status. The Company offers equal opportunities for promotion to management positions to its approximately 40,000 employees worldwide. The Company is also aiming to create a flexible working environment that allows for a harmonious work-life balance, by promoting work-style reform in the shape of flextime, support systems for childcare and nursing care, and the optimization of working hours.

## Initiatives

### Utilization and development of global talent

At our overseas locations, we base our approach on localizing business operations. We actively hire and promote local talent, and develop people who fully understand and are aware of the local culture and context, and who will drive our business forward, regardless of race or gender.

We also facilitate interaction among executives and the personnel of the technology, manufacturing, sales, operations, and other departments of both domestic and overseas bases so that they can develop personnel and improve operational quality and efficiency in each department from a global perspective.

Furthermore, as well as appointing non-Japanese employees to executive positions at overseas subsidiaries, we also conduct training in our technology and production departments for technical and manufacturing positions at overseas subsidiaries. In Japan, we hire international students and seek to promote the active recruitment, training and utilization of foreign employees.

### Women Empowerment

One issue Japan faces is the ongoing scarcity of women in management positions. An internal survey on career aspirations showed that relatively few women aspire to become leaders or specialists. In light of this finding, we aim to broaden our job roles and change job functions based on each employee's skills and motivation. We will also provide education on career development and support greater career autonomy by providing multiple career paths.

By the end of FY2025, NOK Corporation and major domestic Group Companies thus aim to double the number of female managers compared to the end of FY2022, and to raise the ratio of career-minded women to 30%.

### Enhancing the Employment and Support System for People with Disabilities

NOK furthers the employment of people with disabilities so that they can leverage their abilities and aptitudes to their utmost and live independent lives in their communities. Facilities around Japan promote the appropriate allocation of people with disabilities to fulfilling jobs and the creation of workplaces that enable them to work comfortably to establish an environment where employees with disabilities can feel comfortable and succeed in their work.

### Hiring Senior Employees

In FY2006, we introduced a reemployment system for retirees so that highly motivated senior employees can continue working after retirement. As well as providing these employees with financial stability, the system allows them to pass on their knowledge and skills to younger generations. We are working to create opportunities where their rich experience and advanced skills can be put to full use.

We implemented flexible work arrangements and reviewed working conditions in FY2016. Since then, we have continually improved the accuracy of our human resource utilization while providing opportunities for senior employees to play an active role in line with their individual aspirations and aptitudes through internal recruitment and a personnel registration system. We also continue to implement measures to promote the active participation of senior employees and to enhance their job satisfaction, such as life-planning seminars on how to lead a stable life post-retirement, and pre-retirement training to help maintain their motivation to work.

### Training & Education

We conducted training for 980 managers at all Group companies in Japan to promote understanding and action regarding diversity, equity, and inclusion (DE&I). This training covered a wide range of topics, including basic knowledge about unconscious bias, the current status and historical background of empowering women in the workplace, creating a workplace that promotes multicultural coexistence, and the current status and challenges regarding the employment and working conditions for the LGBTQ community (sexual minorities).

We will continue to promote education and awareness activities to create a workplace where all employees respect each other's differences and everyone can fully utilize their abilities.

## Work-Life Balance

At the NOK Group, we have set up various support systems that go beyond legal requirements to create a better workplace. Furthermore, we actively provide information and offer consultation through our corporate intranet and other means so that employees can easily utilize these systems. We will continue to introduce and expand flexible and effective systems to accommodate diversifying work styles and lifestyles, as we strive to create a workplace environment that allows for balance in employee work and personal lives.

| Systems to Promote Work-Life Balance | |
|---|---|
| Flextime | Employees can choose to have no core time and one additional non-working day, so as to enjoy a three-day weekend. Part-time employees engaged in childcare or caregiving are also eligible for this scheme. |
| Remote work | Can be used up to 64 hours per month or 2 days per week, as a general rule |
| Half day of annual paid leave | Annual paid leave may be taken in half-day increments |
| Maternity leave before and after childbirth | Six weeks of paid special leave with pay before childbirth and eight weeks of paid special leave after childbirth |
| Spousal birth leave | Two days of paid special leave when a spouse gives birth |
| Childcare leave system | Available until the child turns two years old |
| Reduced work hours for childcare | Available until the child reaches 4th grade of elementary school |
| Childcare nursing leave | Five days per year (ten days for two or more children) can be taken by parents of children until they complete the third grade of elementary school |
| Childcare support leave | 10 days/year to support parents in balancing work and childcare for preschool-aged children |
| Caregiving leave | 5 days/year for one person requiring nursing care, 10 days/year for two or more persons requiring nursing care |
| Caregiving leave system | Available for up to one year |
| Shortened work hours for caregiving | Available for up to three years |
| Support leave | Paid special leave that can be taken when necessary for treatment or convalescence due to personal injury or illness, pregnancy or childbirth, nursing care for family members, childcare, or attending activities for nursery schools, kindergartens, or higher-level schools |
| Childcare and spousal care support allowance | Financial support provided to employees raising small children or caring for a spouse |
| Leave of absence due to spouse's transfer | Up to five years of leave can be taken by employees accompanying their spouses for a transfer |
| Transfer deferral system | Transfers requiring relocation may be deferred for up to three years at the employee's request |

# Labor Practices

## Basic Concept

The NOK Group practices a human-centered management philosophy and considers it an essential responsibility to respect and protect the rights of all employees. To achieve this, we follow Principles 1 to 6 of the UN Global Compact and uphold our management principle of being "a company with open communication." We actively promote constructive dialogue among employees and between the Company and employees. We strive to create a workplace where employees can work with peace of mind and enthusiasm. In doing so, we are aiming to foster a healthy corporate culture which will support sustainable growth.

## Initiatives

### Compliance with Labor-Related Laws

Our domestic Group Companies are instructed to ensure thorough compliance with the Labor Standards Act, the Labor Union Act, and all other labor-related laws. Our overseas Group Companies are also instructed to ensure compliance with labor-related laws and regulations of each relevant country. There were no serious legal violations in FY2024.

Moreover, we regularly review our domestic business sites that accept foreign technical interns to ensure compliance with the Immigration Control and Refugee Recognition Act (Immigration Control Act) and to confirm the age, working conditions, living conditions, and actual working conditions of the interns. These efforts help maintain an appropriate intake system and respect human rights.

### Establishment of Healthy Labor Management and Labor Relations Based on Dialogue

We believe that dialogue between executive and employees is essential for sustainable growth and sound management throughout the Group. Through respecting the right to organize, the right to bargain collectively, and other rights of employees, the NOK Group has built a healthy labor-management relationship.

100% of employees of NOK Corporation and major domestic Group Companies are members of labor unions (apart from non-eligible employees). Regular labor-management meetings are held with the participation of the top management. Not only do we carry out negotiations on working conditions, but also explain business conditions and present management issues. Also, discussions on the Company's important policies and measures take place so that both the labor side and the management side can cooperate in realizing sustainable business growth and employee wellbeing. As a basic operating principle, measures that have a significant impact on employees are explained and discussed well in advance.

The Company explains the business environment and management plan for the next fiscal year to the labor union and holds consultations about them. With that in mind, the union submits a demand for consensus-based compensation and working conditions for its members. In the spring of 2024's negotiations, the request was fully discussed and concluded.

### Reinforcing Initiatives to Shorten Working Hours and Encourage Paid Leave-Taking

We have created a system to provide annual paid leave that exceeds the legal requirements, granting twenty days of paid leave per year to employees who have been with the Company for four years or more. We also pay overtime allowances that exceed the legal requirements for work performed outside of regular working hours or on holidays. Furthermore, we are actively working to reduce the total actual working hours to improve the well-being and quality of life of our employees.

Every year, the Labor-Management Committee formulates an annual plan for working hours and paid leave and reviews the results. Specifically, we analyze overtime and paid leave usage by department and individual, identify issues, and develop action plans. We then review the outcomes at the Central Labor-Management Council to establish medium- to long-term goals.

We are currently pursuing various measures with the goals of maintaining total actual working hours of less than 1,900 hours per year and ensuring that employees take at least 17 days of paid leave annually. In FY2024, total actual working hours were 1,956 hours (a decrease of 16.4 hours from the previous year), and the number of days of paid leave taken was 17.8 days (the same as the previous year). We will continue our efforts to create a comfortable working environment and improve work-life balance, to maintain total actual working hours below 1,900 hours.

### Reflecting External Expertise into Our Personnel System Design

We take part in regular meetings and working group activities on labor standards, which are hosted by the Japan Auto Parts Industries Association (JAPIA). Through these efforts, we accurately identify the latest industry trends regarding diverse work styles and changes in labor laws and regulations, then incorporate them in the design and improvement of our personnel systems. Incorporating external expertise is meant to create more flexible and sustainable personnel systems.

## Occupational Safety and Healthcare

### Basic Concept

At NOK Group, we have the management principle based on respect for human dignity, and we believe that employee health and safety are vital preconditions for human dignity. We enacted our Basic Safety Philosophy in FY2017 and used it to establish the NOK Basic Occupational Health and Safety Guidelines. In addition, in FY2022, the Group CEO released a Health Declaration to indicate the commitment of top management to initiate health promotion based on a health management approach. As a company, we view mental and physical health as a management issue and are working to support employee health. We also encourage employees to engage in health promotion activities on their own.

**Safety Principles of NOK Group**

"Safety is the foundation for implementing management spirit that respects human dignity, my desires, and my mission"

### Occupational Health and Safety Promotion Framework

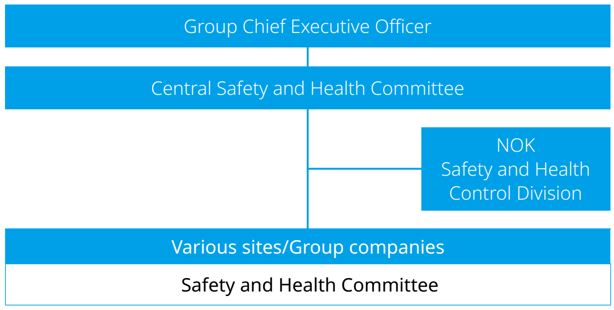
The NOK Group runs an occupational safety and health management system (OHSMS) based on the principles of ISO 45001.*

The Group CEO leads our framework for managing work safety and health. This applies to all Group companies and both on-site and off-site tasks. We aim to ensure that everyone, including dispatched and contract employees, works in a safe and healthy environment. To this end, we promote safety and health activities and regularly check their progress through internal audits to ensure that they run efficiently. We have set emergency response procedures for each facility based on our emergency response manual.

We have also formed health and safety committees at each business site. These are made up of representatives from executive and employees and serve as a forum for discussing workplace safety and health. The committees meet monthly to confirm the status of activities and discuss and decide on health and safety measures. The Safety and Health Control Division oversees the entire Group, collaborating with the health and safety secretariats of all business sites, branches, and Group Companies to maintain and improve the health and safety management level of the NOK Group. We will continue to promote continuous improvement by implementing the OHSMS-prescribed PDCA cycle throughout the NOK Group.

*Percentage of ISO 45001 certified offices: 30.2% (as of March 31, 2025)

### ＜Occupational Health and Safety Promotion Framework＞




## Initiatives in Safety and Disaster Prevention

### Formulating Action Plans

We create annual action plans based on the status of industrial accidents. The Central Safety and Health Committee, chaired by the executive in charge of health and safety and made up of representatives from labor and management, deliberates and decides on the plan, which it disseminates to all business sites along with priority action items.

We formulated a medium-term health and safety plan spanning FY2023 to FY2025 and have continued to take measures in the following three key areas. In FY2024, we aimed for three major accidents, but fell short of this goal as one accident occurred. We will continue to carry out health and safety activities across the entire Group based on the NOK Group Safety Principles.

**Medium-term Health and Safety Plan**

- Improving the level of safety management to eliminate major accidents
- Equipment safety measures through risk assessment
- Zero explosions and fires and thorough implementation of measures to prevent recurrence

Business sites that have experienced issues such as industrial accidents and require improvement are designated “specified management business units.” The Safety and Health Promotion Department follows up with these sites on an individual basis.

| Item | Scope of coverage | Unit | Target figure/Target year | FY2023 | **FY2024** |
|---|---|---|---|---|---|
| Number of major accidents | Domestic group companies | cases | 0/2025 | 1 | **3** |

### Checking for Occurrence of Industrial Accidents

In FY2024, there were three major accidents and three lost-time incidents. These accidents were mainly caused by employees being trapped or falling down. The main issues were unsafe equipment, unsafe behavior, and the lack of set work procedures. We therefore reviewed the equipment and work environment. We also set up work procedures and provided training based on them. When an industrial accident happens, we thoroughly investigate the causes, both direct and indirect, and background through on-site inspections and interviews with those involved. We then share the findings across all locations to prevent future incidents.

### Measures to Improve Safety

Following the OHSMS, we continuously identify hazards in the workplace and conduct risk assessments. We use the results of risk assessments, near-miss incidents, and safety patrol findings to identify processes, equipment, and tasks that are deemed high risk based on the probability of occupational accidents and the severity of injuries that may occur, designating them as “specific hazards.” We then set priorities and implement measures to reduce risks by establishing specific targets.

We have used the results of risk assessments to address the risks associated with heavy lifting, introducing drum rotary lifters as one example. We also introduced equipment safety measures, completing the necessary safety improvements in FY2024 for all 338 pieces of equipment identified as requiring measures. We are systematically and continually promoting such initiatives throughout the NOK Group in accordance with the OHSMS.

### Health and Safety Education

According to the Occupational Health and Safety Act, health and safety education begins when employees first enter the company. As part of our in-house training, we also run regular educational programs to help employees gain the knowledge and skills needed to work safely, as well as hazard simulations using our own proprietary hands-on hazard simulation equipment. We also carry out health and safety training for line managers, seeking to instill unified thinking about health and safety management in their own workplaces and a shared awareness of health and safety as managers. Additionally, we promote workplace-based education using our Health and Safety Guidelines and RST* training for supervisors to provide employees with basic knowledge and maintain and improve their safety and health awareness.

* Ministry of Health, Labour and Welfare Safety Education Trainer for On-site Supervisors

### Fire Prevention Initiatives

With a priority on preventing fire disasters and small fires, we have formed the Fire prevention Task Force subcommittee as part of business continuity management (BCM) activities to consider issues and response measures and deploy them across the Group. We have also established and are utilizing a database that allows the entire Group to share information on accidents, including near-misses and minor fires. We rapidly share information and deploy measures to prevent recurrence across the organization.

### Traffic Safety Initiatives

The NOK Group is committed to creating a culture of traffic safety as a company engaging in transportation in society through our products. For example, ever since the 1970s (before seatbelt use became a legal requirement), we have been working to ensure that all occupants of our vehicles, not just drivers, wear a seatbelt. In addition, we provide education and guidance at each workplace to prevent speeding and driving under the influence, which can cause serious accidents. Furthermore, we participate in community sponsored zero-accident, zero-violation challenges, regularly hold traffic safety seminars with the help of local police stations, and otherwise actively work with local communities to ensure traffic safety.

## Initiatives in Health and Sanitation

### Health Management

We regard maintaining and promoting employee health as a material management issue, with the initiatives below underway.

We have achieved a 100% regular health checkup rate. In addition, we actively encourage medical examinations and provide health guidance with the aim of ensuring that 100% of employees undergo follow-up examinations for the early detection and treatment of illnesses.

We work with the NOK Health Insurance Association to provide specific health guidance to employees identified as needing lifestyle improvements based on health checkup results.

For mental health issues, we have established a system to make online interviews with an industrial physician or counselor available. We have also set up a 24-hour, year-round free telephone consultation service through an external specialist organization, putting in place a framework to respond early on to any issues and support a smooth return to work. Also, we conduct individual consultations with industrial physicians and health nurses based on stress check results to prevent mental health issues.

## ＜Health-Related Objectives and Advances＞

| Item | Scope of coverage | Unit | Target figure | FY2020 | FY2021 | FY2022 | FY2023 | **FY2024** |
|---|---|---|---|---|---|---|---|---|
| Regular health checkup utilization rate | Domestic group companies | % | 100 | 100 | 100 | 100 | 100 | **100** |
| Health checkup re-examination/ detailed examination utilization rate (secondary examination utilization rate)*1 | Domestic group companies | % | 100 | 92.6 | 91.9 | 93.4 | 92.0 | — |
| Specific health guidance rate*2 | Non-consolidated | % | 45 | 24.4 | 23.1 | 22.9 | 25 | — |

*1 For those aged 30 or older　　*2 Figure as of November 2024

### Health Promotion

To boost employee awareness of health, we introduced a health management app for employee smartphones and use it to disseminate health information every day. We also offer workout programs that incorporate aerobic exercise and stretching under the guidance of athlete employee to help instill exercise habits. Through these initiatives, we aim to maintain and improve employee physical and mental health and create a vibrant workplace.

### Addressing Global Health Issues

The NOK Group has many overseas locations, with initiatives to protect the health and safety of employees assigned overseas and their families. We provide information on infectious diseases such as the three major global infectious diseases (tuberculosis, malaria, and HIV/AIDS), as well as tetanus, hepatitis, and rabies, to employees assigned overseas and their accompanying family members. We also administer vaccinations and provide medical support in the local area.

# Supply Chain Management

### Basic Concept

At the NOK Group, we believe that in order to fulfill our corporate social responsibility, it is essential to share a common awareness across the procurement supply chain and to engage in mutual development, while building relationships based on trust.

Environmental and human rights problems are among the many social issues that have come to the forefront. As a company, we have a responsibility to minimize the negative impact our business activities have on the environment and society, including in our raw material procurement. To this end, we have established the NOK Corporate Code of Conduct, the NOK Group Human Rights Statement, the NOK Group Procurement Policy, the NOK Group Sustainability Procurement Guidelines, and the NOK Group Green Procurement Guidelines. These policies provide the basis for our work to ensure that our procurement activities are fair and equitable, accountable for their impact on society and the environment, and conducive to realizing a sustainable society throughout our entire supply chain.

We request that all suppliers understand and comply with these policies. If an existing or new supplier commits a significant violation, we will take appropriate measures, including reviewing the contract.

When entering into transactions with new suppliers, we include a clause requiring compliance with our Corporate Code of Conduct and the NOK Group Green Procurement Guidelines in the basic transaction agreement and confirm that they have no objections when signing the agreement.

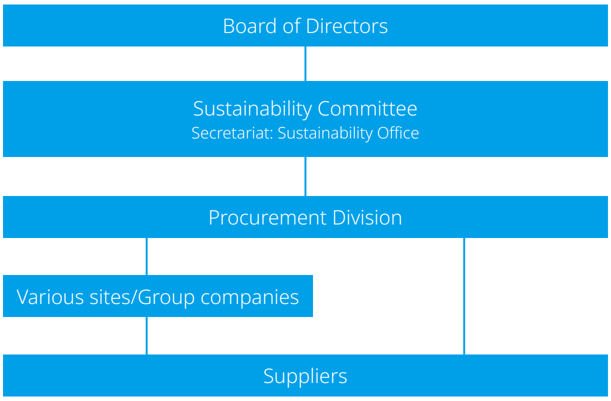
### NOK Group Procurement Policy

See the NOK corporate website for more details.
https://www.nokgrp.com/en/sustainability/esg_strategy/#4

### Promotion Framework

The NOK Group has established a Sustainability Committee chaired by the Group CEO. We report key matters concerning the Group’s overall procurement activities to the Board through the Sustainability Committee. We have set up a network between the Procurement Division, which is led by an executive officer overseeing procurement, and related companies, business divisions, and production sites. Through regular procurement manager meetings, we share and implement Group policies and measures. We are promoting our sustainable sourcing and other procurement activities globally across the entire Group.

#### ＜Supply Chain Management Promotion Framework＞




### NOK Group Sustainability Procurement Guidelines

We aim to play a leading role in realizing a sustainable society by creating socially beneficial added value and employment, as well as through self-directed and responsible actions, under conditions of fair and free competition. We believe that achieving this goal requires sharing our vision with our suppliers and collaborating throughout the supply chain to realize a sustainable society. We have therefore established the NOK Group Sustainability Procurement Guidelines to guide our actions.

See the NOK corporate website for more details.
https://www.nokgrp.com/en/sustainability/esg_strategy/#4

## Initiatives

### Identification of Key Suppliers

We currently have approximately 2,000 suppliers in Japan. Among these, we have identified 143 companies as “key suppliers” based on the size of purchases or the importance of the products and materials they supply to our business operations.

We regularly screen our key suppliers by conducting sustainability procurement surveys to investigate their environmental, social, and governance (ESG) initiatives.

That allows us to create a sustainable procurement system and bolster risk management across the entire supply chain.

### Conducting the Sustainability Procurement Survey

We conduct an annual Sustainability Procurement Survey focusing on key suppliers we have identified.

The survey is based on the NOK Group Sustainability Procurement Guidelines, which incorporate international codes of conduct and concepts, and consists of seven topics: human rights and labor, health and safety, environment, quality and safety, ethics, information security, and supply chain. We use the survey to review the status of each supplier’s sustainability initiatives. For the Environment topic, we identify greenhouse gas emissions and water consumption, and encourage suppliers to take action to reduce these figures and set targets to help reduce the environmental impact of the entire supply chain.

### ＜Survey topics＞

| Items | Details |
|---|---|
| Human rights and labor practices | Forced labor and child labor, working hours and wages, prohibition of harassment and discrimination, freedom of association and collective bargaining, human rights of temporary employees and subcontractors |
| Health and safety | Occupational health and safety, emergency preparedness, occupational accidents and illnesses, occupational hygiene, physically demanding work, machinery safety measures, sanitary facilities, and communication regarding health and safety |
| Environment | Environmental permits and reporting, pollution and resource conservation, hazardous substance management, waste materials, air emissions, resource restrictions, water management, energy use and $CO_2$/GHG emissions reduction, biodiversity conservation |
| Quality and safety | Ensuring the quality and safety of products and services, and timely and appropriate responses to issues |
| Ethics | Business integrity, eliminating undue benefits, information disclosure, intellectual property, fair business practices, identity protection and retaliation prohibition, conflict minerals, privacy |
| Information security | Information security measures and preventing the unauthorized use of confidential information |
| Supply chain | Communication with suppliers, promotion of sustainability initiatives |

We also evaluate each supplier’s responses and identify risky suppliers with insufficient sustainability initiatives across all topics.

In FY2024, we identified no at-risk suppliers, but we conducted on-site audits at some key suppliers. We confirmed that we required no corrective action plans for any of the suppliers audited. We will continue to reduce risks by conducting detailed interviews and on-site audits based on the survey results, and investigating causes and proposing improvements when incidents occur at at-risk or key suppliers.

Furthermore, we distributed explanatory and educational videos to domestic suppliers through our capacity development program, in accordance with the NOK Group Sustainable Procurement Guidelines. We have positioned human rights and the environment as key priorities in our sustainability efforts. We aim to help suppliers understand the importance of sustainability across the entire supply chain by sharing examples of negative impacts resulting from neglecting human rights and showcasing actual initiatives we are implementing at NOK Group, such as reducing $CO_2$ emissions and water usage.

We will continue to promote sustainability initiatives across the entire supply chain through global communication.

| Supplier survey | Unit | FY2023 | FY2024 |
|---|---|---|---|
| Number of suppliers (Japan) | Companies | Approximately 2,000 | **Approximately 2,000** |
| Number of key suppliers | Companies | 71 | **143** |
| Percentage of total expenditure on key suppliers | % | 65.7 | **74.8** |
| Number of sustainability procurement surveys conducted | Companies | 238 | **312** |
| Number of at-risk suppliers | Companies | 0 | **0** |
| Percentage of those suppliers with improvement plans | % | 0 | **0** |
| Number of contracts terminated | Companies | 0 | **0** |

| Support for corrective action plans | Unit | FY2023 | FY2024 |
|---|---|---|---|
| Total suppliers audited | Companies | 11 | **5** |
| Percentage of those suppliers that required corrective action | % | 0 | **0** |

| Capacity development program | Unit | FY2023 | FY2024 |
|---|---|---|---|
| Number of suppliers that received training | Companies | 0 | **312** |
| Percentage of those that are key suppliers | % | 0 | **42** |

## Green Procurement

To boost our environment-related efforts in cooperation with our suppliers, we issue the NOK Group Green Procurement Guidelines. These guidelines inform suppliers about NOK Group's environmental values and policies, enabling us to source eco-friendly raw materials and parts. We ask suppliers to reduce their environmental impact by cutting their energy use, reducing their greenhouse gas emissions, promoting resource recycling, lowering waste production, and considering biodiversity. We also ask that they submit a letter of intent for cooperation.

Moreover, we value supply chain transparency and strive to ensure traceability in order to prevent the procurement of illegally traded raw materials.

## Education and Training in the Procurement Department

Since FY2023, we have been providing training on sustainable procurement to procurement department leaders—including the General Manager of the Procurement Division—with a view to promoting sustainable procurement throughout the supply chain. In FY2024, we conducted video-based sustainability training for NOK Group buyers and related personnel at major production sites to further sustainable procurement. This training aims to raise awareness and strengthen practical skills at the workplace level.

We also regularly conduct training on compliance with laws such as the Act Against Delayed Payment to Subcontractors (Subcontractor Act), as we work to bolster our procurement compliance systems.

## Initiatives on Conflict Minerals

Since FY2013, we have been addressing the issue of conflict minerals. At NOK, we use tin compounds in some of our seal products, in order to improve their durability. We have therefore adopted the industry-standard Responsible Minerals Initiative (RMI), Conflict Minerals Reporting Template (CMRT) and Extended Minerals Reporting Template (EMRT). These templates help us investigate conflict materials to trace our supply chain back to its origins.

Once a year, we select materials for review and use the CMRT and EMRT to conduct conflict minerals surveys of suppliers. The survey checks for 3TG (Tin, Tantalum, Tungsten, Gold), cobalt, and mica content, country of origin, smelters, and supplier due diligence. We also identify non-certified smelters in our supply chain by cross-checking them against the latest RMI-certified list.

In FY2024, we conducted a survey on the same raw materials as the previous year and received responses from 304 companies. We reviewed the survey responses closely. Where the responses from suppliers were incomplete, we sought clarification to improve the reliability of the responses.

We share these survey results among relevant personnel within the Group and formulate new plans each year based on a summary of the previous year's initiatives. Furthermore, we have established a system to regularly monitor progress by supplier and business division, as we continually improve our responsible mineral procurement.

### Participation in Supply Chain Initiatives

NOK is a member of the Japan Auto Parts Industries Association (JAPIA), and the Representative Director, and Group CEO serves as a director of the association.

In practice, we participate in working groups related to carbon neutrality and the circular economy. Specific examples of our wide-ranging initiatives include developing guidelines for achieving carbon neutrality, formulating policy recommendations to the government, and examining recycling streams for plastics and other materials. These activities help us reinforce our partnerships with clients, suppliers, and competitors to promote collaborative efforts aimed at solving issues across the entire supply chain and improving sustainability.

# Product Quality and Safety

## Basic Concept

The NOK Group has a longstanding commitment to manufacturing, we have been focusing on ultimate quality into the manufacturing process. Since our founding, our technology and quality have earned the trust of numerous customers, who use our products in a variety of fields.

To build in quality through the manufacturing process, our efforts have concentrated on cultivating our manufacturing employees in accord with our Management Principles of respecting human dignity. We have developed a variety of educational programs for this purpose. Recently, we have focused on strengthening the training of the managers and supervisors who underpin our production site operations, driven by the desire to ensure that we pass on the basics of manufacturing to future generations as veteran employees retire from production sites.

In recent years, we have actively adopted digital technology and set a quality policy theme of building a foundation for compelling quality. Aiming to surpass customer expectations through the added value (“+α”) we offer, we have started efforts to further enhance customer satisfaction.

### Basic policy

“Putting quality first, we provide services and products that customers can trust at all stages of research and development, design, production, sales, service, etc.”

### Behavioral guidelines

1. All employees work together to make constant efforts to improve quality
2. Improve our unique technology
3. Continuously improve administration technology
4. Thoroughly comply with laws and regulations
5. Continuously manage policy

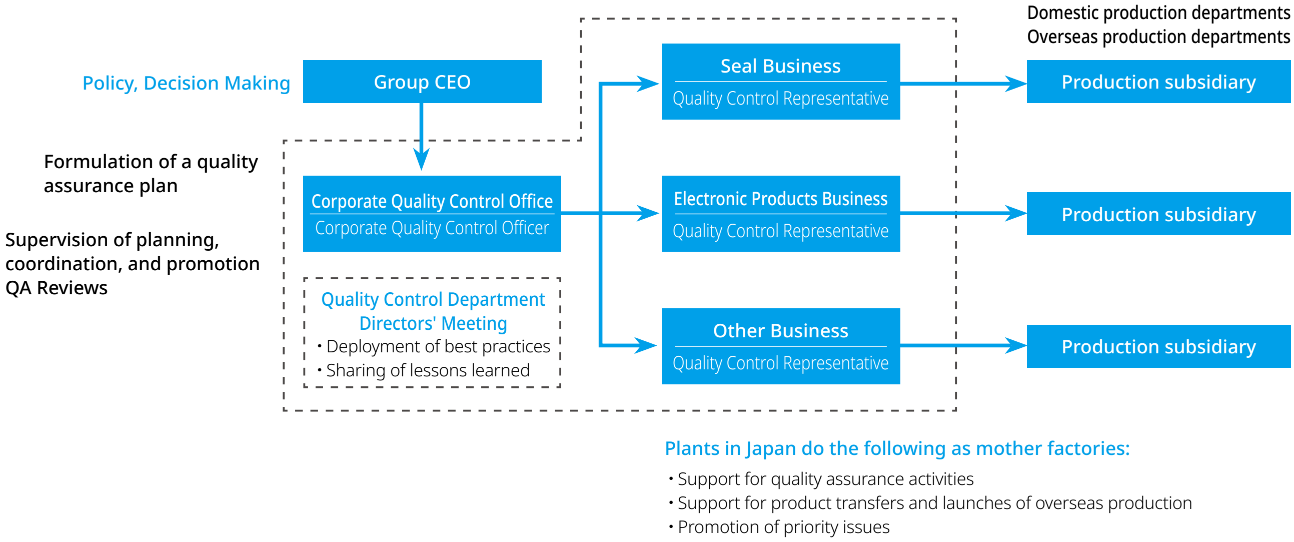
## Frameworks for Quality Management and Quality Assurance

We aim to continue supplying high-quality products that meet our clients’ expectations, so we demonstrate our commitment to continuous improvement by implementing a quality management system established based on international standards such as ISO 9001 and IATF 16949. The NOK Group’s quality management system certification rate is 98.1%, exhibiting the systematic and consistent quality control system we have established at each of our business sites.

### Quality control framework

Quality assurance officers oversee the planning, coordination, and promotion of quality assurance, serving as the core of our groupwide quality management system. All business divisions receive the NOK Quality Assurance Policy and Quality Objectives, which they use to formulate quality assurance (QA) action plans. QA action plans set priorities and specific target values for achieving quality objectives, which are incorporated in each department’s operational plans, enabling all departments to pursue quality improvements. We use QA audits and business division management reviews to evaluate the results and progress of these action plans, continually implementing practical improvements based on these results.

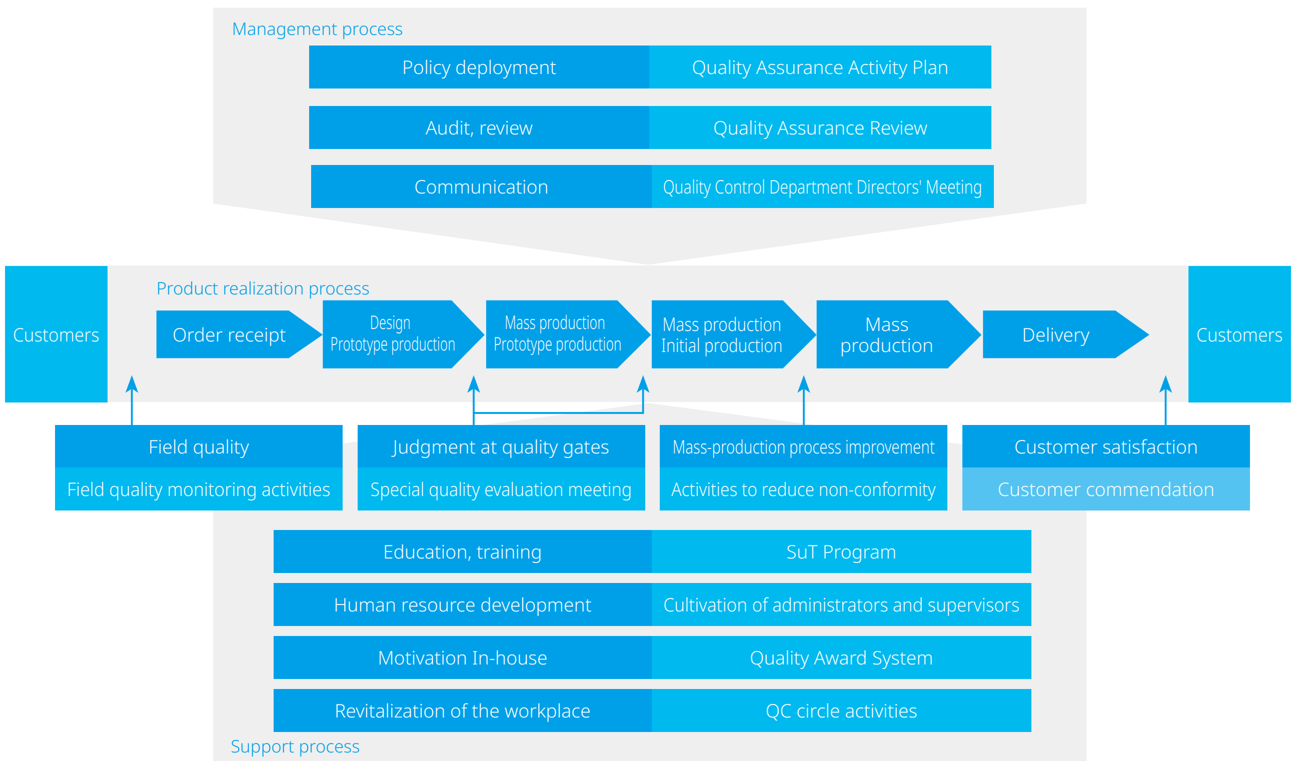
## ＜Quality Assurance System Overview＞




### Reducing defective products

We are working to improve quality and reduce defects in all processes from order receipt to delivery. We aim to improve product reliability and maximize customer satisfaction by accurately identifying risk factors at each stage of the process and thoroughly implementing preventive measures and early corrective actions.

## ＜Overview of Quality Improvement Activities＞



## Market Quality Monitoring Activities

NOK routinely monitors market quality data for any issues that could lead to significant quality problems. We also seek to improve market quality by means of cooperation with our customers—for example, by proposing improvements to them based on surveys and analysis, and on their past activity.

## Special quality evaluation meeting

At NOK, we have established a system aimed at stabilizing quality and preventing risks at each stage, from the design of new products to mass production. We divide the process into design prototyping, mass production prototyping, and initial mass production management, set transition criteria for each step, and implement preventive measures to deliver products with stable quality to our clients by quickly identifying and resolving issues at each step. Notably, we hold special quality evaluation meetings at each step when developing new products or changing designs or processes that significantly impact functionality. Team members from the business division and relevant departments review designs, and quality assurance officers determine whether to proceed to the next step, thereby eliminating quality risks.

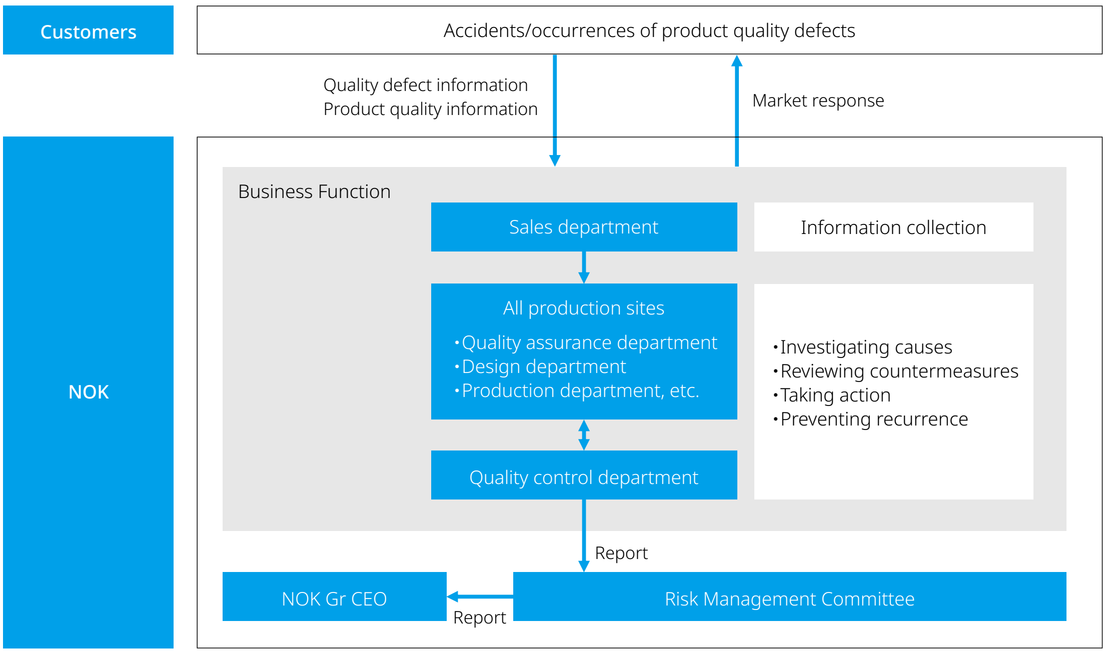
## Internal audits

### Quality assurance assessment (QA assessment)

Besides the internal audits based on ISO 9001 and other quality management systems, we have quality assurance officers conduct on-site QA assessments. Specifically, they assess whether employees understand the intent of the quality assurance policy, whether organizations have established specific implementation plans, and whether staff are effectively implementing quality improvement action plans. In recent years, we have been conducting on-site assessments and reinforcing our efforts to improve the effectiveness of on-site management.

### Response to product quality issues

We have established a global system to respond quickly to product quality issues. In the unlikely event of a defect in product quality, the sales department that receives the report from the client, the production site responsible for the product, and the quality control department make it their top priority to minimize the impact and burden on the client. Furthermore, in the event of a serious quality defect, the matter is reported to the Group CEO through the Risk Management Committee, which discusses and decides on countermeasures from a groupwide perspective.



### Establishing a Client Support Office

We have established a Client Support Office to respond quickly and accurately to client feedback and requests. We accept various inquiries about our products through the inquiry form on our corporate website, which serves as a point of contact. We promptly forward questions and requests to the relevant departments and utilize the feedback within the Group to improve our products and services. Moreover, we sincerely listen to client feedback and work to resolve issues, aiming to achieve higher client satisfaction and trust.

## Quality training and awareness-raising

### Improvement Activities through Quality Control Education and Practice Based on QC-Oriented Thinking

NOK offers quality control education at each level of the organization. We put a particular emphasis on problem solving, where we advocate fact- and data-based logical analysis and improvement under the motto of "Let's argue from the data," which is a hallmark of QC-oriented thinking.

To enable rapid and accurate problem-solving, NOK offers a SuT* program, which aims to support the more widespread use of tools that help speed up problem-solving. Having started out with a course on the "Seven QC tools," we now offer more than 20 courses ranging from multivariate analysis to design of experiments. We also have an advanced curriculum to train participants in methods through hands-on exercises.

* SuT stands for Speed-up Tools of Problem Solution.

### QC Circle Activities

NOK employees take initiative in conducting quality control (QC) circles to pursue quality improvement activities in small groups. In QC circles, all members of the circle work together to resolve matters they deal with in the day-to-day workplace. QC circles also provide a venue for the growth and character formation of members through shared activities, which leads to a more vibrant workplace.

In FY2024, 1,227 QC circles in Japan and overseas took part in a quality control competition. The top activity presentations of circles selected by each company were entered into the NOK Group QC Circle Convention, and the outcomes of the winning circles' activities were showcased. Since the first NOK Group QC Circle Convention was held in 1963, this competition has been held 72 times over the span of 61 years.

## Customer Quality Awards

We have received high marks from customers for our quality achievements and improvement activities. In FY2024, we received 23 commendations for quality.

## List of Quality Management System-Certified (e.g., ISO 9001, IATF 16949) Companies

The percentage of NOK Group facilities certified under quality management systems (e.g., ISO 9001, IATF 16949) is 98.1%.

| Country/Region | Certified companies |
|---|---|
| Japan | NOK CORPORATION |
| | Tenei Seal Industry Corporation |
| | NOK METAL Co., Ltd. |
| | Miyagi NOK Corporation |
| | Miharu Industry Corporation |
| | Tohoku Seal Industry Corporation |
| | Nihonmatsu NOK Corporation |
| | Isohara Polyurethane Industry Corporation |
| | Isshin Industries Corporation |
| | Kanasei Corporation |
| | Kikugawa Seal Industry Co., Ltd. |
| | MYK Corporation |
| | TVC Co., Ltd. |
| | Saga NOK Corporation |
| | Kumamoto NOK Corporation |
| | Kusu NOK Corporation |
| | Nichinan NOK Corporation |
| | Aso NOK Corporation |
| | MEKTEC CORPORATION |
| | MEKTEC-J Co., Ltd. |
| | NOK KLUEBER CO., LTD. |
| | UNIMATEC CO., LTD. |
| | SYNZTEC CO., LTD. |
| | Kuki Roll Industry Co., Ltd. |
| | ESTOH Co., Ltd. |
| | NOK Elastomers Processing Co., Ltd. |

| Country/Region | Certified companies |
|---|---|
| Japan | NOK Fugaku Engineering Co., Ltd. |
| Thailand | Thai NOK Co., Ltd. |
| | Mektec Manufacturing Corporation (Thailand) Ltd. |
| | Mektec Precision Component (Thailand) Ltd. |
| Malaysia | Synztec (Malaysia) Sdn. Bhd. |
| Vietnam | Vietnam NOK Co., Ltd. |
| | Mektec Manufacturing Corporation (Vietnam) Ltd. |
| | Synztec Vietnam Co., Ltd. |
| Indonesia | PT NOK Indonesia |
| | PT NOK Freudenberg Sealing Technologies |
| | PT NOK Precision Component Batam |
| China | Wuxi NOK-Freudenberg Oil Seal Co., Ltd. |
| | Changchun NOK-Freudenberg Oil seal Co., Ltd. |
| | Taicang NOK-Freudenberg Sealing Products Co., Ltd. |
| | NOK (Wuxi) Vibration Control China Co., Ltd. |
| | NOK (Wuxi) Water Treatment Technology Co., Ltd. |
| | Mektec Manufacturing Corporation (Zhuhai) Ltd. |
| | Mektec Manufacturing Corporation (Suzhou) |
| | Synztec Precision Parts (Shenzhen) Co., Ltd. |
| Taiwan | Mektec Manufacturing Corporation (Taiwan) Ltd. |
| Germany | Mektec Europe GmbH |
| Czech Republic | Mektec Manufacturing Corporation Europe CZ s.r.o. |
| Hungary | Mektec Manufacturing Corporation Europe HU Kft. |
| Singapore | Unimatec Singapore Pte. Ltd. |
| | NOK Precision Component Singapore Pte. Ltd. |

# Coexistence with Local Communities and Society

### Basic Concept

In the NOK Group Charter of Corporate Behavior, we clearly state that "As a good corporate citizen, we will actively participate in communities and contribute to their development." The local community is a key stakeholder for the NOK Group. As a company rooted in the community, we strive to earn their trust, appreciation, and respect, and we value dialogue and collaboration with them. We are also focusing on nurturing and supporting the next generation and promoting initiatives aimed at realizing a sustainable society.

As part of our social contribution efforts, we align our activities with the NOK Group's philosophy and our criteria for funding social contribution activities. We select activities mainly in our key focus areas and provide strategic support.

＜Key Focus Areas＞

- Activities that contribute to the sustainable development of the communities in each country and region where NOK Group offices are located
- Training and supporting the next generation

| Focus areas | Examples of activities |
|---|---|
| Health, medicine, sports | Participating in blood donation events, sponsoring sports, health, and well-being events, supporting and donating to school sports events, Ecocap bottlecap recycling activities |
| Academic, research, education | Accepting interns, granting scholarships, supporting events for next-generation development and school events |
| Crime prevention, disaster prevention | Participating in and donating to crime prevention and traffic safety activities, participating in disaster prevention activities, visiting victims after disasters |
| Local community activities, conservation of traditional culture | Donating road safety goods to local governments, sponsoring local festivals, making donations to shrines, donating goods to local communities, inviting local residents to festive events at the plants |
| Environment | Participating in local cleanup activities, tree planting activities, groundwater protection activities, recycling activities |
| Social welfare | Donations to the Red Cross and other social welfare organizations |

## Promotion Framework

We pursue our CSR activities based on internal regulations. The general affairs and operations departments at each business site select the themes to be addressed, and the advisory committee, chaired by the head of business planning (an executive officer), plans the detailed activities.

Each business site compiles annual data on its community activities, including the number of participants and expenditure, and discloses this information in its integrated report and ESG data book. This process ensures transparency and continual improvement of our activities.

## Initiatives

### Contribution to the Local Community

The NOK Group's business sites in Japan and overseas are committed to ongoing CSR activities rooted in their local communities. Specific examples of our focus on activities that bring us closer to the local community include regular community cleanup events, sponsoring local festivals, and inviting residents to events hosted by our business sites.

At the NOK Kumamoto Plant, employees volunteer to preserve and restore the grasslands of Mount Aso. They also sponsor groundwater conservation projects, helping preserve the natural environment and water resources for the local community. These community activities are regularly featured in our internal newsletter and social media platform, helping to foster a sense of social responsibility among all employees.

### Activities to Develop and Support the Next Generation

■Scholarship support

In FY2012, we established the Tanetomato Foundation to support the dreams of young people who will lead the next generation. The foundation aims to provide educational opportunities to students who face financial difficulties in pursuing higher education or continuing their studies by offering scholarships.

Every year, approximately 60 students selected from across the country receive need-based scholarships, and many young people have benefited from this support to pursue their studies and succeed in their careers.

■Supporting children through sports

The NOK Group is committed to supporting the next generation through sports, stemming from our desire to create a society where sports inspire dreams and excitement. Since 2021, we have been a sponsor of Yoshi's Cup, promoted by professional tennis player Yoshihito Nishioka. The tournament provides junior tennis players aged 16 and under with the opportunity to compete on the world stage. It is part of our effort to support the younger generation in experiencing growth and taking on challenges in preparation for the future.

■Workplace experiences

We conduct factory tours and outreach classes for students and residents, focusing on nurturing and supporting the next generation.

In FY2024, we invited junior high school students from Fujisawa City to the NOK Shonan R&D Center for a factory tour and classes taught by our employees. This initiative aims to provide opportunities to learn about various occupations and gain a deeper understanding of the significance of work and connections with the local community.

| Item | | | Scope of coverage | Unit | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|---|---|---|---|---|---|---|---|---|---|
| **Composition of Employees** | | | | | | | | | |
| Number of employees by employment type | Regular employees | | Non-consolidated | persons | 3,676 | 3,489 | 3,419 | 3,337 | **3,251** |
| | Non-regular employees | | | persons | 389 | 398 | 401 | 412 | **417** |
| | Total | | | persons | 4,065 | 3,887 | 3,820 | 3,749 | **3,668** |
| | Regular employees | | Consolidated | persons | 37,999 | 37,613 | 37,913 | 38,097 | **37,958** |
| | Non-regular employees | | | persons | 2,388 | 2,300 | 2,285 | 2,295 | **2,411** |
| | Total | | | persons | 40,387 | 39,913 | 40,198 | 40,392 | **40,369** |
| Number of employees by region | Japan | | Consolidated | persons | 11,017 | 10,730 | 10,648 | 10,683 | **10,556** |
| | China | | | persons | 9,383 | 9,690 | 10,658 | 11,005 | **11,016** |
| | Southeast Asia | | | persons | 16,194 | 15,623 | 15,197 | 15,226 | **15,310** |
| | | Thailand | | persons | — | — | — | — | **6,776** |
| | | Vietnam | | persons | — | — | — | — | **4,837** |
| | | Other Southeast Asian countries | | persons | — | — | — | — | **3,697** |
| | Europe and the United States | | | persons | 1,405 | 1,570 | 1,410 | 1,183 | **1,076** |
| | Total | | | persons | 37,999 | 37,613 | 37,913 | 38,097 | **37,958** |
| Percentage of employees by region | Japan | | Consolidated | % | 29 | 29 | 28 | 28 | **28** |
| | China | | | % | 25 | 26 | 28 | 29 | **29** |
| | Southeast Asia | | | % | 43 | 42 | 40 | 40 | **40** |
| | | Thailand | | % | — | — | — | — | **18** |
| | | Vietnam | | % | — | — | — | — | **13** |
| | | Other Southeast Asian countries | | % | — | — | — | — | **10** |
| | Europe and the United States | | | % | 4 | 4 | 4 | 3 | **3** |
| Number of employees by gender and percentage of women | Male | | Non-consolidated | persons | 2,857 | 2,704 | 2,643 | 2,572 | **2,483** |
| | Female | | | persons | 819 | 785 | 776 | 765 | **768** |
| | Total | | | persons | 3,676 | 3,489 | 3,419 | 3,337 | **3,251** |
| | Percentage of female employees | | | % | 22.3 | 22.5 | 22.7 | 22.9 | **23.6** |
| | Male | | Consolidated | persons | — | — | — | 21,186 | **21,109** |
| | Female | | | persons | — | — | — | 16,911 | **16,849** |
| | Total | | | persons | — | — | — | 38,097 | **37,958** |
| | Percentage of female employees | | | % | — | — | — | 44.4 | **44.4** |
| Employee ratio by age | Age 20s and under | | Non-consolidated | % | 20.7 | 19.6 | 18.8 | 17.9 | **17.5** |
| | Age 30s | | | % | 27.3 | 27.2 | 26.5 | 27.5 | **28.5** |
| | Age 40s | | | % | 29.1 | 27.1 | 25.7 | 24.6 | **24.5** |
| | Age 50s | | | % | 22.4 | 25.5 | 28.5 | 29.5 | **29.1** |
| | Age 60s and over | | | % | 0.4 | 0.5 | 0.5 | 0.6 | **0.4** |
| | Age 20s and under | | Major domestic group companies | % | — | — | 17.8 | 17.1 | **16.9** |
| | Age 30s | | | % | — | — | 25.7 | 26.9 | **27.6** |
| | Age 40s | | | % | — | — | 26.8 | 25.9 | **25.6** |
| | Age 50s | | | % | — | — | 29 | 19.5 | **29.3** |
| | Age 60s and over | | | % | — | — | 0.6 | 0.6 | **0.6** |
| Average age | Male | | Non-consolidated | age | 40.3 | 40.9 | 41.1 | 41.1 | **41.3** |
| | Female | | | age | 40.4 | 41.2 | 42.0 | 42.5 | **43** |
| | Total | | | age | 40.3 | 41.0 | 41.3 | 41.4 | **41.7** |
| | Male | | Major domestic group companies | age | — | — | 41.3 | 41.2 | **41.2** |
| | Female | | | age | — | — | 41.4 | 41.8 | **42.3** |
| | Total | | | age | — | — | 41.3 | 41.3 | **41.4** |
| Average length of continuous service | Male | | Non-consolidated | years | 17.3 | 17.8 | 17.9 | 17.8 | **18.0** |
| | Female | | | years | 19.5 | 20.0 | 20.7 | 21.2 | **21.6** |
| | Total | | | years | 17.8 | 18.3 | 18.5 | 18.6 | **18.8** |
| | Male | | Major domestic group companies | years | — | — | 17.5 | 18.1 | **18.2** |
| | Female | | | years | — | — | 19.3 | 20.6 | **20.9** |
| | Total | | | years | — | — | 17.9 | 18.7 | **18.8** |

| Item | | Scope of coverage | Unit | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|---|---|---|---|---|---|---|---|---|
| **Hiring and Turnover** | | | | | | | | |
| Hiring of new graduates | Male | Non-consolidated | persons | 92 | 30 | 68 | 56 | **61** |
| | Female | | persons | 25 | 11 | 12 | 17 | **20** |
| | Total | | persons | 117 | 41 | 80 | 73 | **81** |
| | Male | Major domestic group companies | persons | — | — | 80 | 76 | **85** |
| | Female | | persons | — | — | 16 | 22 | **24** |
| | Total | | persons | — | — | 96 | 98 | **109** |
| Number of new hires by gender (total of new graduates and mid-career hires) | Male | Non-consolidated | persons | 98 | 47 | 88 | 88 | **93** |
| | Female | | persons | 26 | 22 | 22 | 24 | **27** |
| | Total | | persons | 124 | 69 | 110 | 112 | **120** |
| | Male | Major domestic group companies | persons | — | — | 113 | 123 | **107** |
| | Female | | persons | — | — | 30 | 32 | **24** |
| | Total | | persons | — | — | 143 | 155 | **131** |
| Number of new hires by age group (total of new graduates and mid-career hires) | Age 20s and under | Non-consolidated | persons | — | 55 | 85 | 85 | **84** |
| | Age 30s | | persons | — | 12 | 19 | 21 | **14** |
| | Age 40s | | persons | — | 2 | 6 | 4 | **1** |
| | Age 50s | | persons | — | 0 | 0 | 2 | **1** |
| | Age 60s and over | | persons | — | 0 | 0 | 0 | **0** |
| | Age 20s and under | Major domestic group companies | persons | — | — | 111 | 114 | **122** |
| | Age 30s | | persons | — | — | 21 | 33 | **20** |
| | Age 40s | | persons | — | — | 11 | 5 | **2** |
| | Age 50s | | persons | — | — | 0 | 3 | **2** |
| | Age 60s and over | | persons | — | — | 0 | 0 | **0** |
| Ratio of senior management hired from regional communities | | Non-consolidated | % | — | 6.5 | 7.8 | 7.6 | **7.5** |
| | | Major domestic group companies | % | — | — | 8.3 | 9.2 | **9.2** |
| Percentage of positions filled through internal open recruitment (internal hiring) | | Major domestic group companies | % | — | — | — | — | **22.7** |
| Average employment cost | | Non-consolidated | yen | 411,000 | 972,000 | 2,933,000 | 898,000 | **1,036,000** |
| Rate of turnover | Overall rate of turnover | Non-consolidated | % | 1.8 | 1.7 | 2.3 | 4.1 | **4.1** |
| | | Consolidated | % | — | — | — | 11.5 | **9.5** |
| | Rate of voluntary turnover | Non-consolidated | % | — | — | — | 2.0 | **2.5** |
| | | Consolidated | % | — | — | — | 10.5 | **10.6** |
| Rate of turnover by gender (Overall rate of turnover) | Male | Non-consolidated | % | — | — | — | 4.4 | **4.2** |
| | Female | | % | — | — | — | 3.0 | **3.8** |
| | Total | | % | — | — | — | 4.1 | **4.1** |
| | Male | Major domestic group companies | % | — | — | — | 2.7 | **3.8** |
| | Female | | % | — | — | — | 2.6 | **3.3** |
| | Total | | % | — | — | — | 2.7 | **3.7** |
| | Male | Consolidated | % | — | — | — | 11.7 | **9.5** |
| | Female | | % | — | — | — | 11.2 | **9.4** |
| | Total | | % | — | — | — | 11.5 | **9.5** |
| Rate of turnover by age (Overall rate of turnover) | Age 20s and under | Non-consolidated | % | — | — | — | 3.9 | **4.7** |
| | Age 30s | | % | — | — | — | 2.6 | **3.5** |
| | Age 40s | | % | — | — | — | 1.5 | **1.7** |
| | Age 50s | | % | — | — | — | 0.7 | **0.8** |
| | Age 20s and under | Major domestic group companies | % | — | — | — | 3.7 | **4** |
| | Age 30s | | % | — | — | — | 2.2 | **3.2** |
| | Age 40s | | % | — | — | — | 1.3 | **1.5** |
| | Age 50s | | % | — | — | — | 0.8 | **0.7** |

| Item | | Scope of coverage | Unit | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|---|---|---|---|---|---|---|---|---|
| **Remuneration** | | | | | | | | |
| Ratio of standard entry-level salary to regional minimum wage | Fukushima | Major production sites of NOK and MEKTEC | % | 132.6 | 128.1 | 123.6 | 122.3 | **125.5** |
| | Ibaraki | | % | — | — | 116.4 | 115.5 | **119.3** |
| | Kumamoto | | % | 133.7 | 129.2 | 124.3 | 122.5 | **125.9** |
| Employee gender wage gap (percentage for female if men=100) | All employees | Non-consolidated | % | — | — | 71.8 | 74.2 | **77.3** |
| | Of which regular employees | | % | — | — | 75.3 | 77.0 | **80.4** |
| | Of which part-time and fixed-term employees | | % | — | — | 55.4 | 65.6 | **65.5** |
| **Investment in Human Capital** | | | | | | | | |
| Human resource development programs*1 | Total number of participants | Major domestic group companies | persons | 1,027 | 1,524 | 8,383 | 1,650 | **33,386** |
| | Total training hours | | hours | 15,763 | 17,512 | 22,940 | 19,145 | **122,835** |
| | Total training cost | | thousands of yen | — | — | — | 72,108 | **324,892** |
| | Average training hours per person | | hours/ persons | — | — | — | 4.0 | **28.3** |
| | Average training cost per person | | yen/persons | — | — | — | 14,895 | **74,774** |
| | Average training days per person | | day/persons | — | — | — | — | **3.5** |
| | Total number of participants | Consolidated | persons | — | — | — | — | **115,982** |
| | Total training hours | | hours | — | — | — | — | **664,549** |
| | Total training cost | | thousands of yen | — | — | — | — | **791,514** |
| | Average training hours per person | | hours/ persons | — | — | — | — | **17.4** |
| | Average training cost per person | | yen/persons | — | — | — | — | **20,776** |
| | Average training days per person | | day/persons | — | — | — | — | **2.2** |
| Investment in human resource development | Total number of people | Consolidated | persons | — | — | — | 18,004 | **5,506** |
| | Total hours | | hours | — | — | — | 786,347 | **27,364** |
| | Total training expenses | | thousands of yen | — | — | — | 405,251 | **169,333** |

*1 Excludes training related to organizational development, leadership development, and leader development from the human resource development programs listed on page 25.
*2 Includes training related to organizational development, leadership development, and leader development. Changes to the scope of data collection starting in FY2024

| Item | | Scope of coverage | Unit | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|---|---|---|---|---|---|---|---|---|
| **Diversity** | | | | | | | | |
| Percentage of management positions held by women | | Major domestic group companies | % | 0.5 | 0.3 | 1.7 | 2.3 | **2.3** |
| | | Overseas group companies | % | 30 | 35.7 | 32.1 | 30.9 | **41.1** |
| | | Consolidated | % | — | — | 26.9 | 18.2 | **28.6** |
| Percentage of upper management positions held by women | | Consolidated | % | — | — | — | 15.9 | **15** |
| Percentage of lower management positions held by women | | Consolidated | % | — | — | — | 19.0 | **31.1** |
| Percentage of management positions in revenue-generating functions (sales, etc.) held by women | | Consolidated | % | — | — | — | 19.9 | **16.5** |
| Proportion of women in STEM-related positions | | Consolidated | % | — | — | — | — | **18.7** |
| Ratio of mid-career and foreign-national employees in managerial positions | Mid-career employees | Non-consolidated | % | 9.8 | 9.8 | 11.3 | 12.8 | **11.1** |
| | Foreign-national employees | Non-consolidated | % | 0.3 | 0.3 | 0.3 | 0.3 | **0.4** |
| | Mid-career employees | Major domestic group companies | % | — | — | 12.3 | 13.3 | **13** |
| | Foreign-national employees | Major domestic group companies | % | — | — | 0.3 | 0.3 | **0.3** |
| Percentage of women aspiring to careers in leadership and professional positions | | Non-consolidated | % | — | — | 20 | 23 | **24** |
| Development personnel | | Major domestic group companies | persons | — | — | 692 | 718 | **694** |
| **Human Resource and Welfare System** | | | | | | | | |
| Number of employees who took childcare leave | Male | Non-consolidated (Leave-taking rate) | persons (%) | 2 | 5 | 24 (21.8) | 46 (40.0) | **48 (45.0)** |
| | Female | Non-consolidated | persons | 47 | 30 | 32 | 34 | **31** |
| Rate of return-to-work after childcare leave | Male | Non-consolidated | % | — | 100 | 100 | 100 | **100** |
| | Female | Non-consolidated | % | — | 100 | 100 | 100 | **100** |
| Number of employees who took nursing care leave | Male | Non-consolidated | persons | 1 | 1 | 2 | 1 | **0** |
| | Female | Non-consolidated | persons | 0 | 0 | 0 | 0 | **0** |
| Number of persons reemployed | Male | Non-consolidated | persons | 212 | 221 | 183 | 191 | **200** |
| | Female | Non-consolidated | persons | 10 | 12 | 12 | 15 | **15** |
| Employment rate of disabled persons | | Non-consolidated | % | 2.03 | 2.15 | 2.56 | 2.71 | **2.7** |
| | | Consolidated | % | — | — | 0.71 | 0.75 | **0.84** |
| Hours worked per employee/Average number of days of annual paid leave taken | Actual total hours worked | Non-consolidated | hours/persons | 1,953.0 | 2,006.8 | 1,997.30 | 1,972.4 | **1,955.9** |
| | Overtime worked (on an annual basis) | Non-consolidated | hours/persons | 117 | 183.2 | 180.7 | 162.5 | **146.5** |
| | Average number of days of annual paid leave taken | Non-consolidated | day/persons | 14.5 | 16 | 16.9 | 17.8 | **17.8** |
| Number of labor-management conferences held | Number of Central Labor Management Councils held | Major domestic group companies | Unit | 17 | 16 | 17 | 18 | **17** |
| Number of Labor Standards Act Violations | | Major domestic group companies | cases | — | — | — | 0 | **0** |
| **Occupational Safety and Healthcare** | | | | | | | | |
| Lost-time injury frequency rate*1 | Employees | Manufacturing industry*3 (calendar year) | — | 1.21 | 1.31 | 1.25 | 1.29 | **1.3** |
| | Employees | Major domestic group companies | — | 0.24 | 0.25 | 0.23 | 0.27 | **0.13** |
| | Employees | Consolidated | — | 0.85 | 0.37 | 0.23 | 0.37 | **0.54** |
| | Contract employees | — | — | 0 | 0.22 | 0.83 | 0.59 | **0** |
| Severity rate*2 | | Manufacturing industry*3 (calendar year) | — | 0.070 | 0.060 | 0.080 | 0.08 | **0.06** |
| | | Major domestic group companies | — | 0.005 | 0.005 | 0.004 | 0.003 | **0.01** |
| Number of deaths due to occupational accidents | Employees | Consolidated | persons | 0 | 0 | 0 | 0 | **0** |
| | Contract employees*4 | Consolidated | Number of people (total) | 0 (1,805) | 0 (2,135) | 0 (1,704) | 0 (1,677) | **0 (8,199)** |
| Safety and Health Training | Safety, health, and wellness training for line managers | Major domestic group companies | persons | 161 | 150 | 141 | 170 | **161** |
| | RST training for business personnel | Non-consolidated | persons | — | — | — | — | **124** |
| | Equipment safety training | Non-consolidated | persons | 146 | 102 | 274 | 639 | **328** |
| No. of units undergoing facility safety improvements | | Non-consolidated | Units | 994 | 646 | 194 | 215 | **246** |
| Investment in facilities and equipment for safety measures | | Non-consolidated | millions of yen | 68 | 170 | 270 | 413 | **460** |
| Number of health consultation calls | | Major domestic group companies | cases | 850 | 715 | 552 | 443 | **456** |
| **Supply Chain Management** | | | | | | | | |
| Breakdown of local procurement ratio by region(by value) | | Japan | % | — | 93.3 | 91.5 | 90.4 | **90.9** |
| | | China | % | — | 84.3 | 84.7 | 89.7 | **89.9** |
| | | ASEAN | % | — | 72.2 | 77.3 | 80.1 | **80.7** |
| **Community participation and development** | | | | | | | | |
| Amount spent on social contribution activities | | Consolidated | millions of yen | 82 | 81 | 119 | 114 | **103** |

*1 Number of casualties and rate of lost-time injuries and accidents per million working hours
*2 Severity of injuries represented by the total number of workdays lost per 1,000 working hours
*3 Ministry of Health, Labour and Welfare 2023 Occupational Accident Trend Survey
*4 Including contractors

# Governance

## Corporate Governance

### Basic Concept

The NOK Group is not only committed to fostering economic and social development through fair competition and value creation, but also to instilling pride in all stakeholders, enabling them to pursue their shared dreams. We aim to be a valuable presence in society at large. To achieve stable, long-term growth and secure consistent profitability, we are actively implementing our management plans. Consequently, the NOK Group considers the continuous enhancement of our corporate governance system as one of our key management priorities, and is dedicated to this endeavor.

### Corporate Governance System

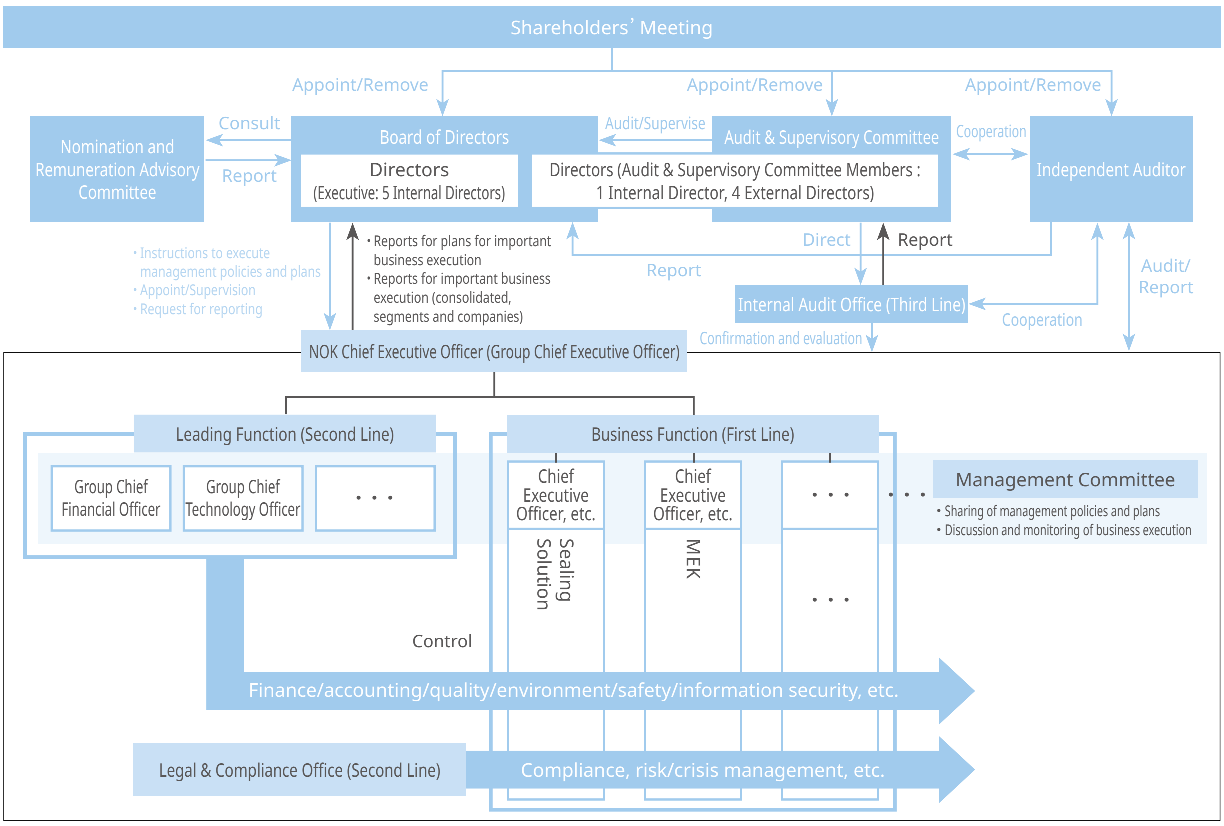
In order to develop and provide customer-oriented products and services in a fast-changing business environment shaped by new technologies and shifting user needs, we must design and offer products and services with the customer in mind. To achieve this, we need efficient and agile business execution based on quick decisions. Furthermore, to better delineate the roles of oversight and execution, we have adopted a Company with an Audit & Supervisory Committee system. This allows the Board of Directors to focus solely on decision-making of key management policies and plans, and supervising business execution. We delegate some key business decisions to executive directors and further delegate authority for execution to executive officers. This ensures a clear separation of oversight and execution and allows for quick decision-making. Our Audit & Supervisory Committee, composed of a majority of external directors, oversees business execution from a neutral standpoint. This ensures a governance system that balances flexible business execution with effective monitoring.

To enhance the objectivity and transparency of executive nominations and remuneration, and to address other key management issues, we have established a Nomination and Remuneration Advisory Committee. This committee serves as an advisory body to the Board of Directors. The Nomination and Remuneration Advisory Committee consists of a chair and a majority of independent external directors. It regularly reviews and advises on crucial matters such as executive nominations and compensation, providing appropriate guidance to the Board of Directors.

As of June 30th 2025, the Board of Directors comprises ten members (four of whom are external directors). The President and CEO serves as the Chair.

The Audit & Supervisory Committee consists of five directors (including four outside directors) who are Audit & Supervisory Committee members, and is chaired by a full-time Audit & Supervisory Committee member. The Nomination and Compensation Advisory Committee is composed of a majority of independent outside directors,

#### Diagram of Corporate Governance System



and its operating rules stipulate that the chairperson of the committee is selected from among the independent outside directors by resolution of the committee.

On the other hand, in the execution of our business operations, we have established a system to realize prompt decision-making and efficient management for the entire group by appointing executive officers, including CxOs such as CEO, CFO, and CTO, who are required as a manufacturing corporate group, and by appropriately delegating authority and organizing the authority of duties.

### Steps to Enhance Corporate Governance

| Year and month | | Policy | Purpose |
|---|---|---|---|
| 2004 | Apr. | Established the Corporate Risk Management Office | Prevent and minimize negative impacts on business continuity |
| | Jul. | Established the Accounting and Audit Division | Established as the Internal Audit Unit |
| 2006 | May. | Established the Basic Policy for the Internal Control System | Formulate basic policies for the internal control system |
| | | Enacted the NOK Charter of Corporate Behavior | Enacted and declared Management Principles, Management Policies, and Principles of Corporate Behavior |
| | Aug. | Enacted the Behavioral Guidelines on Employee Compliance | Enacted and disseminated guidelines on matters for employees to comply with |
| | | Compliance Rules established | Provisions on the handling of compliance with laws and regulations and company rules and regulations |
| 2007 | Mar. | Established the Risk Management Rules | Provisions on responses to the occurrence of business risks and emergencies |
| | Oct. | Established the Internal Control Subsidiary Management Rules | Prescribes instructions to subsidiaries and compliance by subsidiaries |
| | | Established the Internal Control Rules for Financial Reporting | Prescribes methods for developing and evaluating internal controls over financial reporting |
| 2008 | Jan. | Established the Internal Control Audit Committee | Audit and maintain the state of the internal control system |
| 2009 | Jun. | Introduced the Executive Officer System | Separate management oversight and executive functions, and establish an agile management framework |
| | | Changed the term of office of directors to one year | Separate management oversight and executive functions, and establish an agile management framework |
| | | Revised the executive compensation system | Introduce a long-term performance-based and performance-linked compensation system |
| 2013 | Jul. | Established internal control rules | Consolidate Internal Control Subsidiary Management Rules and other internal control-related rules |
| 2015 | Jun. | Established the Risk Management Committee | Minimize risk probability and losses through cross-organizational verification and evaluation |
| | | One external director took office | Strengthen the management oversight function |
| 2016 | Apr. | Installed a whistle-blowing system (that covers domestic Group Companies) | Created a whistle-blowing framework by establishing the Whistle-Blowing Hotline (in and outside the Company) |
| | May. | Started assessing the effectiveness of the Board of Directors | Improve the effectiveness of the Board of Directors |
| | Jun. | Increased the number of external directors to two | Strengthen the management oversight function |
| | Oct. | Established the CSR Committee | Raise the awareness of CSR throughout the Company and promote effective CSR activities |
| | | Established the Central BCM Committee | Increase the effectiveness of the business continuity plan and help to improve corporate value |
| 2017 | Jan. | Seal Segment BCM Committee established | Build and maintain the BCM within the segment as a sub-organization of the Central BCM Committee |
| | Mar. | Electronic Segment BCM Committee established | Build and maintain the BCM within the segment as a sub-organization of the Central BCM Committee |
| 2019 | Jan. | Established the Business Continuity Management Rules | Provides a business continuity management system |
| | Jul. | Established the Management Oversight Council (composed of the President and Representative Director, external directors and auditors) | Check, assess, and advise on key management issues and serious risks |
| 2020 | Oct. | Expanded the internal reporting system (China Group companies excluding Taiwan and Hong Kong) | Strengthen the reporting framework by expanding the establishment of some whistle-blowing desks at overseas bases |
| 2021 | May. | Established the ESG Committee | Promote the Company's continued sustainable growth and the implementation of responsible initiatives |
| 2022 | Mar. | Expanded and introduced a whistle-blowing system (Asian Group Companies outside mainland China) | Strengthen the reporting framework by expanding the establishment of some whistle-blowing desks at overseas bases |
| | Jun. | Established the Internal Audit Department | Established a specialized department for internal control audits |
| | | Formulated whistle-blowing regulations | Formulated regulations in compliance with the revised Whistleblower Protection Act |
| 2023 | Apr. | Formulated NOK Group Anti-Bribery and Anti-Corruption Policy | Took actions and reinforced framework for bribery and corruption prevention |
| | | Formulated basic rules for bribery and corruption prevention | |
| | Jul. | Changed our Risk Management Committee Structure | Strengthened our systems to address risks throughout the Group |
| | Oct. | Established the Sustainability Committee | Promoted sustainability initiatives across the Group |
| 2024 | Jun. | Established a governance system that combines flexible business execution and monitoring | Established a governance system that combines flexible business execution and monitoring |
| | | Established Internal Audit Office | Established an Internal Audit Department under the direct control of the President, independent of business execution divisions |
| | | Established Nomination and Remuneration Advisory Committee (composed of a representative director and external director and chaired by an external director) | Confirmation, evaluation, and advice on important issues and serious risks related to company management, such as nomination and remuneration of officers |
| 2025 | Apr. | Legal & Compliance Office established | To ensure fairness, the organization was established as an entity that does not belong to either the Leading Function or the Business Function. |

## Remuneration of Directors

The Company has established the following basic policy for determining the details of remuneration for directors.

Based on this policy, we determine remuneration within the total amount approved by the General Meeting of Shareholders. The Board of Directors decides remuneration for directors who are not Audit & Supervisory Committee members. Directors who are Audit & Supervisory Committee members decide their own remuneration through discussions among themselves.

### Basic Policy

We believe in using remuneration to motivate the management team, including directors of our core companies, to achieve their goals. Through this approach, we aim to enhance corporate value over the medium to long term and increase stakeholder satisfaction. To this end, we have in place a stock-based remuneration plan for the management of the NOK Group's core companies, in which the amount varies according to the level of achievement of KPIs related to the priority implementation measures in the NOK Group's medium-term management plan. Together with monetary remuneration, which varies according to the degree to which performance targets are achieved in a single fiscal year, the goal is to increase corporate value over the medium to long term and to enhance stakeholder satisfaction.

(As of June 30, 2025)

| Composition of the Directors | Unit | Total | Gender | | Internal/External | |
|---|---|---|---|---|---|---|
| | | | Male | Female | Internal | External |
| Directors | persons | 10 | 9 | 1 | 6 | 4 |
| Executive Officer* | persons | 13 | 12 | 1 | 13 | 0 |

* Figures for executive officers do not include those concurrently serving as directors.

## Board of Directors and Skills Matrix

| Officers | Name | Gender | Years in position | Skills possessed | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Corporate management | Group strategy | Business (production/ sales) strategy | Technology strategy | Financial, accounting, and capital policies | New business | Compliance/ Risk management | Sustainability |
| Directors who are not Audit & Supervisory Committee members | Masao Tsuru | Male | 5 | ○ | ○ | | | | | | |
| | Chikashi Takeda | Male | 0 | ○ | | | | ○ | | | |
| | Akira Watanabe | Male | 12 | | ○ | | | | | ○ | |
| | Junichi Orita | Male | 4 | ○ | | ○ | | | | | |
| | Yuki Sato | Male | 1 | | | | ○ | | ○ | | |
| Directors who are Audit & Supervisory Committee members | Hideki Watanabe*1 | Male | 5 | | | ○ | | ○ | | | |
| | Makoto Fujioka | Male | 9 | ○ | | | | | | | ○ |
| | Naoki Shimada | Male | 3 | ○ | ○ | | | | | | |
| | Motoko Imada | female | 1 | ○ | | | | | ○ | | |
| | Atsushi Kajitani*1 | Male | 9 | ○ | | | | | | ○ | |

*1 For Mr. Hideki Watanabe and Mr. Atsushi Kajitani, directors who are Audit & Supervisory Committee members, the number of years of service shown includes the period during which they were auditors.
*2 The above list shows up to two areas specifically expected of each person, and does not indicate all areas of their knowledge or experience.

| Item | | Unit | FY2020 | FY2021 | FY2022 | FY2023 |
|---|---|---|---|---|---|---|
| Composition of Management Oversight Council (advisory body for nominations, remuneration, etc.) | Representative Director | persons | 2 | 2 | 2 | 2 |
| | Directors | persons | 0 | 0 | 0 | 0 |
| | External Directors | persons | 2 | 2 | 3 | 3 |
| | External Auditors | persons | 1 | 1 | — | — |
| Management Oversight Council (advisory body for nominations, remuneration, etc.) | Number of Management Oversight Council meetings held | sessions | 2 | 2 | 2 | 2 |
| | Average attendance rate | % | 100 | 100 | 100 | 100 |
| Composition of Board of Directors | Directors | persons | 9 | 9 | 9 | 9 |
| | Of which, the number of external directors | persons | 2 | 2 | 3 | 3 |
| | Of which, the number of female directors | persons | 0 | 0 | 0 | 0 |
| Composition of Board of Statutory Auditors | Auditors | persons | 5 | 5 | 5 | 5 |
| | Of which, the number of external auditors | persons | 3 | 3 | 3 | 3 |
| | Of which, the number of female auditors | persons | 0 | 0 | 0 | 0 |
| Board of Directors | Number of board of directors' meetings held (held on paper) | sessions | 14 (2) | 12 (0) | 13 (1) | 14 (1) |
| | Average attendance rate | % | 100 | 99.1 | 100 | 98.2 |
| Board of Statutory Auditors | Number of board of statutory auditors' meetings held | sessions | 12 | 11 | 11 | 12 |
| | Average attendance rate | % | 98.3 | 100 | 98.2 | 100 |

| Item | | Unit | FY2024 |
|---|---|---|---|
| Composition of the Nomination and Remuneration Advisory Committee | Representative Director | persons | **1** |
| | Directors | persons | **0** |
| | External Directors | persons | **4** |
| Nomination and Remuneration Advisory Committee | Number of times held | sessions | **5** |
| | Average attendance rate | % | **100** |
| Composition of Board of Directors | Directors | persons | **9** |
| | Of which, the number of external directors | persons | **4** |
| | Of which, the number of female directors | persons | **1** |
| Composition of the Audit & Supervisory Committee | Director (Audit & Supervisory Committee Member) | persons | **5** |
| | Of which, the number of external directors | persons | **4** |
| | Of which, the number of female directors | persons | **1** |
| Board of Directors | Number of board of directors' meetings held (held on paper) | sessions | **12 (0)** |
| | Average attendance rate | % | **100** |
| Audit & Supervisory Committee | Number of times held | sessions | **7** |
| | Average attendance rate | % | **100** |

| Item | | Unit | FY2024 |
|---|---|---|---|
| Remuneration for Directors (excluding Audit & Supervisory Committee Members) | Directors | Yen, millions | **355** |
| | Of which, the number of external directors | Yen, millions | **7** |
| Remuneration for Directors (Audit & Supervisory Committee Members) | Auditors | Yen, millions | **48** |
| | Of which, the number of external auditors | Yen, millions | **30** |
| Remuneration for Corporate Auditors | Auditors | Yen, millions | **20** |
| | Of which, the number of external auditors | Yen, millions | **7** |

# Compliance

## Basic Concept

The NOK Group established the Compliance Rules in 2006, based on the NOK Charter of Corporate Behavior, which stipulates compliance with laws and regulations as well as the Company's various rules and regulations. The Company established the Behavioral Guidelines on Employee Compliance as a guide for specific details of the regulations. This document specifies the items that employees must comply with in their business activities, and we ensure that all Group employees familiarize themselves with the Guidelines. If any compliance violations are discovered, those involved will face disciplinary action under Company Rules. Their actions will also affect their performance evaluations.

## Behavioral Guidelines Concerning Employee Compliance

Please refer to the NOK corporate website for details.
https://www.nokgrp.com/en/sustainability/esg_strategy/#5

## Promotion System

The Risk Management Committee, chaired by the Group CEO, decides compliance policies.

It also reviews compliance-related events and issues. Based on these policies and outcomes, the Compliance Promotion Subcommittee, as part of the Risk Management Committee, works to prevent legal risks globally across the Group. It promotes compliance measures and considers steps to prevent repeat legal violations, striving for thorough compliance. Furthermore, to strengthen compliance across the Group, each department in charge of specific laws and regulations promotes compliance activities in their area of responsibility, based on the Compliance Rules. These departments also serve as contact points for reporting and consulting on the relevant laws and regulations or on internal rules and internal regulations.

## Training Activities

The NOK Group has designated every October as Compliance Promotion Month. During this period, we conduct a compliance awareness survey for all employees in Japan and oversees. We aim to regularly instill and reinforce company compliance policies. The Company also provides compliance training as part of the training for new employees and newly appointed managers. We have created educational materials for all employees titled “Introduction to Compliance” (in Japanese, English, Chinese, and Thai, Vietnamese, Indonesian and Portuguese) and regularly distribute articles titled “Encouraging Compliance” to continuously promote awareness about compliance.

| Compliance education | Implementation period | Target | Measure, purpose |
|---|---|---|---|
| Training for new employees | When joining the Company (April) | New employees | Acquisition of basic compliance knowledge |
| Organizational Management Training | When appointed (twice a year) | Newly appointed managers | Acquisition of compliance knowledge necessary for labor management |
| Management training for seconded employees | When seconded (once a year) | Newly seconded officers | Acquisition of internal control and compliance knowledge |
| Group legal training | Once a year | Group company officials | Acquisition of compliance knowledge required for work |
| Compliance Promotion Month | Every October | All group officers and employees | Compliance awareness surveys, comprehension tests, etc.<br>Education via compliance primers and educational databases |
| Distribution of compliance articles | Four times a year | All group officers and employees | Acquisition of knowledge on laws and regulations by theme and improvement of compliance awareness |

## Reporting Desk and Whistle-Blowing Hotline

The NOK Group has established the NOK Group Reporting and Consultation Desk and Whistle-Blowing Hotline to detect and correct illegal conduct that violates the Compliance Rules at an early stage. NOK Group employees can contact the Reporting and Consultation Desk if they notice an illegal act or violation or if they are unsure whether an action counts as an illegal act or violation. If the violation continues even after the report to the Reporting and Consultation Desk or if it is difficult to report there, we have established a system whereby employees can contact the Whistle-Blowing Hotline. The Whistle-Blowing Hotline consists of the internal contact (Legal Affairs Department) and independent lawyers. Reports can be made anonymously, if they are objective and specific. Moreover whistleblowers are protected from retaliation under the Whistle-Blowing Rules. Whenever a report or consultation is received, the Company takes appropriate action, such as investigating and correcting the situation in question. Informants are promptly notified of the results investigations in a manner that takes into consideration the credibility, integrity, and privacy of the informant and persons cooperating in the investigation. Following the completion of an investigation, we take steps to confirm that neither the informant nor cooperating parties have been subject to retaliatory treatment.

We provide regular training to all NOK Group employees, with a view to raising awareness of our whistle-blower system and promoting understanding of the Whistle-Blower Protection Act.

Regarding overseas sites, a Whistle-Blowing Hotline has been set up (in and outside of the Company) at 12 Group companies in China. Furthermore, we have expanded and established whistle-blowing hotlines at 32 Group companies in the rest of Asia to strengthen our whistle-blower system.

## Prevention of Corruption and Bribery

The NOK Group declares in the NOK Charter of Corporate Behavior that it will maintain "fair, transparent, and free competition, appropriate business transactions, and sound and normal relations with political and administrative authorities,"and that corruption and bribery are prohibited. As a signatory to the United Nations Global Compact, the NOK Group respects the Ten Principles of the United Nations Global Compact and has established the NOK Group Policy on Prevention of Corruption and Bribery to further promote measures to prevent corruption and bribery. In the event of a violation of the Group's anti-corruption policy, the Risk Management Committee is primarily tasked with taking response measures. Our Whistle-Blowing Hotline also accepts information on violations of anti-corruption rules. The Internal Audit Department also conducts anti-corruption audits of all domestic and international divisions and Group subsidiaries. Based on the results of each audit, it identifies any anti-corruption risks in the business and reports its findings to the Audit & Supervisory Committee and to the Board of Directors.

### NOK Group Policy on Prevention of Corruption and Bribery

Please refer to the NOK corporate website for details.
https://www.nokgrp.com/en/sustainability/esg_strategy/#6

### Anti-Corruption Initiatives

In accordance with the Basic Regulations for the Prevention of Corruption and Bribery, the Company prohibits, in principle, the provision of benefits, donations, and grants to domestic and foreign public officials and others. In addition, we have established "Guidelines Concerning Provision of Benefits to Public Officials, etc." and "Guidelines Concerning Donations and Grants to Public Officials, etc." to ensure the prevention of corruption by requiring that any exceptional donations or contributions be subject to prior approval procedures.

### Initiatives related to the appointment of agents, consultants, etc.

The appointment (and continued appointment) of agents, consultants, etc. is subject to approval by the head of the legal division after due diligence in accordance with the "Guidelines for the Appointment of Agents, Consultants, etc. for Public Officials, etc." based on the Basic Regulations for the Prevention of Corruption and Bribery. In the event that the Company becomes aware of corrupt practices or suspected corrupt practices by agents, consultants, etc., a system is in place to take prompt and appropriate action in accordance with the Risk Management Regulations.

| Item | Scope of coverage | Unit | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|---|---|---|---|---|---|---|---|
| Serious legal violations | Consolidated | cases | 0 | 0 | 0 | 0 | **0** |
| Amount of fines for legal violations | Consolidated | yen | 0 | 0 | 0 | 0 | **0** |
| Anti-corruption violations | Consolidated | cases | 0 | 0 | 0 | 0 | **0** |
| Amount of fines for anti-corruption violations | Consolidated | yen | 0 | 0 | 0 | 0 | **0** |
| Violations of the Code of Conduct other than above | Consolidated | cases | 8 | 4 | 4 | 10 | **5** |
| Number of cases relating to human rights violations and harassment | Consolidated | cases | 0 | 1 | 2 | 3 | **1** |
| Number of cases relating to privacy (including customer personal information) | Consolidated | cases | 0 | 0 | 0 | 0 | **0** |
| Number of information leaks (excluding the above) | Consolidated | cases | — | — | — | — | **0** |
| Number of cases relating to conflicts of interest | Consolidated | cases | 0 | 0 | 0 | 0 | **0** |
| Number of cases relating to insider trading | Consolidated | cases | 0 | 0 | 0 | 0 | **0** |
| Others | Consolidated | cases | 8 | 3 | 2 | 7 | **4** |

| Spending on political organizations | Scope of coverage | Unit | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|---|---|---|---|---|---|---|---|
| Lobbying activities | Consolidated | yen | 0 | 0 | 0 | 0 | **0** |
| Political activities | Consolidated | yen | 0 | 0 | 0 | 0 | **0** |
| Other political contributions | Consolidated | yen | 0 | 0 | 0 | 0 | **0** |

| Amount of payments to major industry groups (membership fees) | Unit | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|---|---|---|---|---|---|---|
| Japan Business Federation | yen | — | — | — | 3,300,000 | **3,470,000** |
| Japan Auto Parts Industries Association | yen | — | — | — | 3,900,000 | **3,900,000** |
| Tokyo Chamber of Commerce and Industry | yen | — | — | — | 1,120,000 | **1,120,000** |

# Risk Management

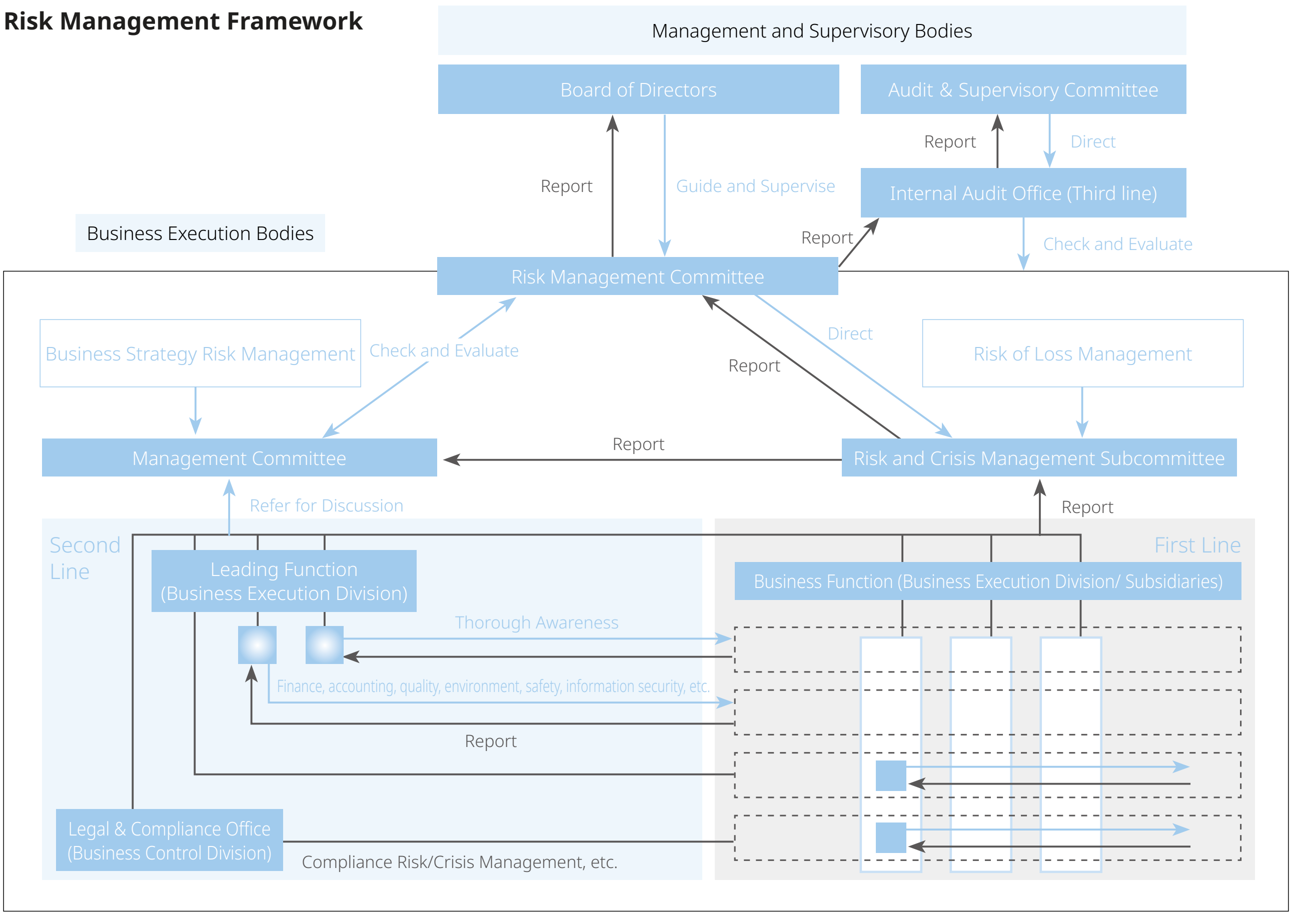
## Basic Concept

NOK's Risk Management Regulations stipulate the basic policy and management framework for risk management across the entire Group. Based on these regulations, we have established a Risk Management Committee chaired by the Group CEO to promote risk management for the Group. There are two types of business risks that may affect the management of the Company: business strategy risk, in which we maximize returns while balancing risks to enhance corporate value; and the risk of loss, in which we seek to prevent or minimize the probability of losses occurring to maintain corporate value. For business strategy risks, the Risk Management Committee meets three times a year to identify such risks in group company operations and new ventures. These risks are discussed every month in the Committee's management strategy meetings and in sub-committee meetings dedicated to specific topics so that returns can be maximized in a timely and appropriate manner. For risk of loss, the Risk Management Committee has a subcommittee called the Risk and Crisis Management Subcommittee. This subcommittee meets twice a year to identify and analyze such risks across the group. It then quantifies these risks by evaluating their frequency of occurrence and scale of damage assesses their importance and urgency, and ranks them in order of priority. Finally, it reviews required actions and countermeasures.

## Risk Management Framework

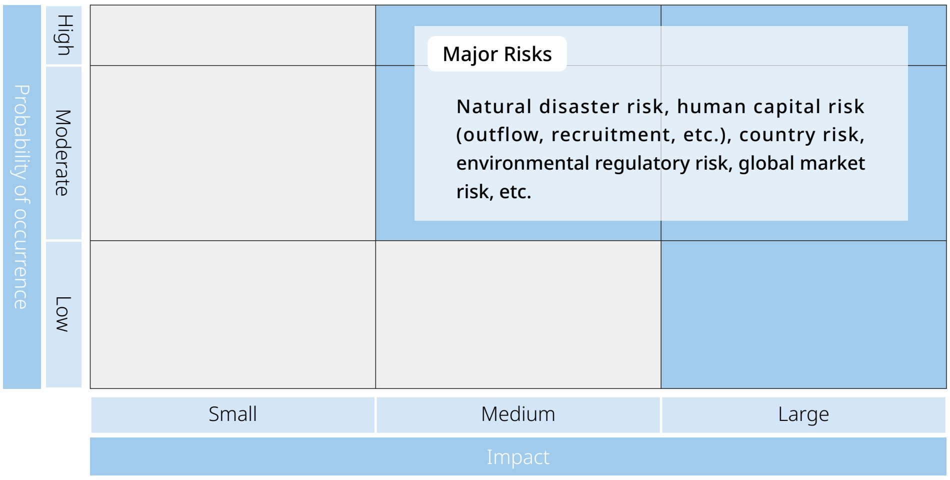
To strengthen the company-wide risk management framework, we utilize a coordinated three-line model. First, the risk owners in each business execution division are responsible for day-to-day risk management (first line), and the Leading Function, which is the division responsible for operational control, promotes company-wide risk management (second line). The Internal Audit Office then monitors the promotion status and systems from an independent perspective (third line) to ensure an effective risk management system. Discussions at the Risk Management Committee are reported to the Audit & Supervisory Committee (including outside directors), which is composed of directors who do not engage in business execution. Through this process, we obtain opinions on risk management methods and areas for improvement, which are then utilized in risk management measures.

### Risk Management Framework



## Major Risks and Countermeasures

Risk reviews are conducted through interviews with risk owners to classify and evaluate risks in terms of probability of occurrence and impact.




| Major Risks | Human capital risk (outflow, recruitment, etc.) | Environmental Regulatory Risk |
|---|---|---|
| Contents | Declining birthrate and aging population in Japan have reduced the number of hires in the manufacturing industry | Products manufactured and sold by the NOK Group are in violation of regulations on environmentally hazardous substances, emissions of environmentally hazardous substances from manufacturing sites |
| Probability of occurrence | Medium | Medium |
| Impact | Large | Large |
| Effect | • Impact on maintenance of production bases due to decrease in number of domestic hires<br>• Potential loss of competitiveness due to reduced production | • Increase in operating costs due to regulatory compliance<br>• Environmental pollution and health hazards due to environmental accidents<br>• Fines, lawsuits, and damage to corporate image due to regulatory violations |
| Countermeasures | Visualize the human capital portfolio of existing employees. Develop recruiting strategies and promote effective recruiting activities | Continuous monitoring of global trends, etc. Visualize environmental regulatory risks across the entire group and establish a management system |

## Emerging risk

Significant emerging risks with effects over the medium to long term（3-5 years）are regularly reviewed, identified and managed. While these risks are unlikely to have a significant immediate impact on the business, the potential impact is unknown, and mitigation measures are in place.

| | Country risk | Decarbonization Regulation Risk |
|---|---|---|
| Contents | Impact on business and expatriate employees due to natural disasters, political instability, trade friction, etc. in countries and regions where NOK Group bases are located | Global decarbonization trend has led to enactment and tightening of decarbonization regulations in many countries, increasing operating costs |
| Business Impact | Decrease in sales, shutdown, damage to employees or accompany family members. | Since approximately 90% of the NOK Group's $CO_2$ emissions are derived from electricity, the imposition of a carbon tax on electricity costs will increase operating costs. |
| Mitigation measures | Thorough information gathering, establishment of a locally complete production and sales system, securing alternative materials, and introduction of a system to monitor overseas assignments and business trips in real time. | Promote the use of CN fuels and expansion of renewable energy, as well as decarbonization in manufacturing through the development of a CN roadmap |

## Risk Management Initiatives

### Risk Management Process Audits

The status of risk management processes, including risk identification (methods and results), risk assessment (materiality assessment), and responses to and results of responses to material risks, (including the results of those responses), is reported once a year to the to the Audit & Supervisory Committee (which includes four outside directors). Furthermore, with regard to internal audits, functional audit items are selected based on the status of operational risk management and the occurrence of new risks shared by each division to the Internal Audit Office. Audit results are regularly reported to the Audit & Supervisory Committee and are used to improve the risk management system.

### Risk Management Training

To strengthen risk management throughout the Group, we conduct e-learning on compliance for all employees. In addition, guidelines are distributed to new directors, both internal and external, to improve their understanding of and ability to deal with risk management.

### Product Risk Assessment

We conduct risk assessments of our products. When new chemical substances are used, we evaluate their safety, hazardousness, environmental impact, legal compliance, etc., and establish our own management categories for each substance, such as prohibition, reduction, and control, to build an appropriate management system to prevent contamination with substances that have an environmental impact. This prevents environmentally hazardous substances from entering or leaking into our products and manages product risks such as environmental and health hazards and regulatory nonconformity.

## Crisis and Risk Categories That May Significantly Impact Company Management

Risks of loss are categorized as follows based on the type of crisis that may significantly impact company management and its cause.

| Types of crises | Causes | Risk categories |
|---|---|---|
| Shutdown of operations | Fire, explosion | • Disaster risk<br>• Credit risk<br>• Country risk |
| | Natural disasters (earthquakes, floods, volcanic eruptions, etc) | |
| | Illness (COVID-19, H1N1 influenza, SARS, etc.) | |
| | Suspension of materials supplies | |
| | Cyberattacks | |
| | Unlawful obstruction of business | |
| | Disruption of critical infrastructure | |
| Legal violations, etc. | Judicial risk (crime, profit sharing, etc.) | • Legal risk<br>• Credit risk |
| | Taxation (violation of tax laws, etc.) | |
| | Companies Act, Financial Instruments and Exchange Act (shareholder derivative lawsuits, etc.) | |
| | Environment (pollution, etc.) | |
| | Labor laws (violation of Labor Standards Act, harassment, etc.) | |
| Employee death, serious injury, or the possibility thereof | Industrial accidents | • Disaster risk<br>• Country risk |
| | Traffic accidents | |
| | Natural disasters (earthquakes, floods, volcanic eruptions, etc) | |
| | Fire, explosion | |
| | Overseas armed conflict, riots, terrorism, kidnapping, etc. | |
| Lawsuits | | • Legal risk |
| Other matters that might significantly affect the Company's operations | Loss, leakage of key confidential information | • Credit risk |
| | Serious quality issues | • Credit risk |
| | Other | • Types of Risk |

## Business Risks

| | |
|---|---|
| **1. Business strategy risk** | |
| Business risk | **(1) Dependence on customer performance**<br>The bulk of the Group's business is the manufacture and sale of seal products and electronic products. In these fields, our major clients are leading domestic and foreign manufacturers of automobiles, construction machinery, and electronic devices. Sales to such client companies may be affected by factors beyond the Group's control, such as the companies' business performance and unforeseen changes in contracts.<br>A decline in sales to such customers may affect the Group's operating results and financial position. The Group aims for a balanced customer portfolio and strives to minimize the risk of sales declines to client companies. |
| Business risk | **(2) Alliances with other companies**<br>The Group engages in various alliances with other companies in developing its business. However, the Group's operating results and financial position may be affected by factors beyond its control, such as the dissolution of such alliances due to the peculiar circumstances of alliance partners.<br>In particular, since 1960, the Company has been in a capital and technical alliance with Freudenberg in Germany. Freudenberg (including its group companies) has played an important role as a partner company in the business development of our Group.<br>Freudenberg is currently our largest shareholder, holding 25.1% of outstanding shares of the Company through its investment arm, Freudenberg S.E. The Group recognizes that its alliance with Freudenberg will remain stable going forward. However, should there be a change in the relationship with Freudenberg or Freudenberg's business strategy or some other change, this may affect the business of the Group. |
| Investment risk | **(1) Impact of changes in demand trends**<br>Oil seals and other mainstay products of the Group are primarily used in internal combustion engines. Fuel cell and electric vehicles have also entered the automotive market in recent years. Anticipating the future spread of such vehicles, the Group is also promoting R&D into new products that can be installed in the vehicles. At present, however, it is difficult to foresee the impact that the spread of fuel cell and electric vehicles will have on the Group's operating results and financial position.<br>Moreover, as the trend toward the commoditization of automobiles, construction equipment, electronic device products, and office equipment grows, the number of local manufacturers in emerging countries has increased. Going forward, mounting competition may cause prices to decline, which may affect the Group's operating results and financial position. |
| Market risk | **(1) Impact of exchange rate fluctuations**<br>With overseas sales accounting for roughly 70% of Group consolidated net sales in the fiscal year under review, exchange rate movements in various regions may affect the Group's operating results and financial position. For this reason, we hedge risks by means of foreign exchange forward contracts. However, as such contracts do not necessarily avoid exchange rate risks entirely, exchange-rate fluctuations may have an impact on the Group's operating results and financial position. |
| Market risk | **(2) Impact of interest rate fluctuations**<br>The Group raises funds in consideration of the need for funds, the means of funding, and financial conditions. Fluctuations in interest rates on funding stemming from changes in financial conditions may affect the Group's operating results and financial position. |
| Market risk | **(3) Impact of stock market trends**<br>Domestic and overseas stock market trends affect the valuation of investment securities held by the Company and the investment status of the Group's pension assets. A downturn in the stock market could subject investment securities to valuation losses, cause a decrease in pension assets, and increase the Company's burden. |
| Market risk | **(4) Fluctuations in raw materials costs**<br>The costs of steel sheets, synthetic rubber, copper foil, resin films, gold, and other products that are the main raw materials for Group products fluctuate in line with supply and demand. As these fluctuations in raw materials costs are not always immediately reflected in product prices, they may affect the Group's operating results and financial position. Given such fluctuations in raw materials costs, the Group is seeking a broad range of business partners in Japan and worldwide to ensure a stable, continuous supply of raw materials. |
| **2. Risk of loss** | |
| Legal risk | **(1) Impact of legal regulations**<br>The Group is subject to various laws and regulations in the various countries where it operates. We are working to develop internal regulations and manuals that conform to such laws and regulations, foster and thoroughly instill awareness of compliance through various types of education, and build a framework for collaboration with outside experts. However, if such laws and regulations are revised or made more stringent going forward, the additional costs incurred in complying with new regulations may affect the Group's operating results and financial position. |
| Legal risk | **(2) Risks related to lawsuits and other legal proceedings**<br>When doing business in various countries, the Group establishes frameworks for Group internal control and collaboration with outside experts and hedges risks by taking out various types of insurance. However, we may become a party to lawsuits, regulatory action, or other legal proceedings. If fines or restrictions on business execution are exacted on the Group as a result of such proceedings, this may affect the Group's operating results and financial position. |
| Legal risk | **(3) Impact of intellectual property infringement**<br>The Group guards its proprietary technology by obtaining patent rights and other intellectual property rights, and is also attentive to preventing infringement on the intellectual property rights of third parties. However, if the inability to adequately guard the Group's intellectual property rights due to factors such as disparities in country circumstances results in lower sales or in litigation costs, or if Group products unintentionally infringe on the intellectual property rights of other companies, resulting in the need to suspend sales or pay remuneration, this may affect the Group's operating results and financial position. |
| Legal risk | **(4) Impact of environmental regulations**<br>The Group complies with environmental laws and regulations at its various sites and takes necessary measures to address the environmental demands of customers. In the future, however, laws and regulations or customer demands may become more stringent, the Group may bear additional environmental responsibilities, and business activities may be restricted. If responding to such developments incurs a sizable cost, this may affect the Group's operating results and financial position. |
| Country risk | **(1) Political and economic conditions**<br>The Group operates in Japan, North America, Europe, China, and other Asian countries. Therefore, shifts in political and economic conditions in the countries and regions where the Group manufactures and sells products may affect the Group's operating results and financial position. |

| 2. Risk of loss | |
|---|---|
| Disaster risk | **(1) Natural disasters, etc.**<br>The Group's production and distribution activities may be hindered by earthquakes, typhoons, floods, volcanic eruptions, and other natural disasters, fires and other accidents. To prepare against such eventualities, we are striving to minimize business continuity risks by decentralizing production sites and putting safety measures in place. We also hedge risks by means of various types of insurance. However, it may not be possible to entirely prevent or mitigate the occurrence of such events, which may affect the Group's operating results and financial position. |
| | **(2) Infectious diseases, etc.**<br>To prepare against situations in which an outbreak of infectious disease or other pandemic hinders production and transportation activities, the Group is striving to minimize business continuity risks by decentralizing production sites and putting safety measures in place.<br>In particular, we have taken various measures to minimize the impact of COVID-19 since its global outbreak in 2020. Measures include drafting a response manual, allowing employees to work remotely and follow staggered working hours, and using remote working tools to create an environment where work can continue. There are signs that the pandemic is subsiding, as countries reassess their handling of the disease. However, if there is a resurgence in new infections or the pandemic is prolonged, the economic or business environment of the Group may deteriorate, which may affect the Group's operating results and financial position. In the event of the spread of infectious diseases, the economic or business environment surrounding our group will deteriorate, which may affect our group's performance and financial position. |
| Credit risk | **(1) Impact of information leaks**<br>In the conduct of business, the Group comes into possession of technical information, personal information, and other confidential information. We have established an internal framework and procedures to prevent leaks of such information. However, in the event that information is leaked due to unforeseen circumstances, this may affect the Group's operating results and financial position. |
| | **(2) Impact of cyberattacks, etc.**<br>The Group makes use of outside organizations and other resources to investigate and implement preventive measures against operational shutdowns, loss of key data, and information leaks due to malicious cyberattacks. However, cyberattacks using unknown methods may affect operations. |
| | **(3) Impact of product quality issues**<br>The Group manufactures products in accordance with globally recognized quality control standards at its various production sites. However, entirely eliminating product quality defects due to unpredictable causes is difficult. In the event of a product defect that leads to a large-scale recall or product liability, the significant cost of the response and the loss of social credibility may affect the Group's operating results and financial position. |

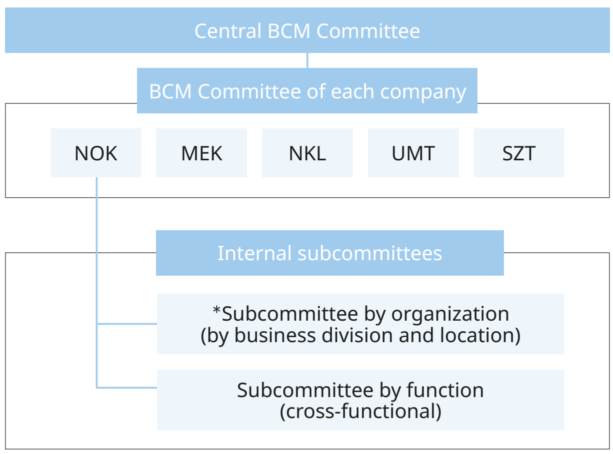
## Responding to Disaster Risk

### Business Continuity Management (BCM) System

Regarding business risks and emergencies, NOK defines natural disasters, fires, explosions, serious accidents and epidemics of infectious disease as "events that interfere with business continuity." The company has established the Business Continuity Management System to ensure business continuity and to promote business continuity activities consistently and effectively should such an event occur.

Specifically, the NOK Group BCM Committee was established as a standing committee to promote business continuity management activities. The management framework consists of the BCM Committee, which is responsible for formulating, maintaining, and updating the business continuity plan (BCP), securing the budget and resources to implement it, implementing preventative measures, conducting education and training, conducting inspections, and engaging in ongoing activities. In the event of an emergency, the Company must immediately set up an emergency response headquarters at the head office and on-site response headquarters at local business establishments. Depending on the situation, relevant departments and divisions will work together to deal with the situation promptly and appropriately.

＜Composition of BCM Committee＞




*A subcommittee is established in each segment's BCM Committee

### Planning and Promoting Business Continuity Plans (BCP)

NOK will proceed with business continuity measures based on the following basic policy.

1. Give top priority to the protection, rescue and safety of human life.
2. As a member of the local community, actively cooperate with the recovery of the whole region.
3. Minimize the impact on customers and other

stakeholders, and fulfill responsibilities as a business operator.

Each business site, including domestic and overseas Group Companies, has a plan that outlines policies, systems, and procedures to ensure that important business operations are not interrupted or, if they occur, to be restored as quickly as possible if an unforeseen event should occur. At the same time, the Company verifies the plan's effectiveness through training and responding to identified issues. It also continues to implement measures to minimize damage, improve emergency communication methods and reporting systems, and reinforce the earthquake resistance of our IT infrastructure. We are also working with suppliers to strengthen the business continuity of our supply chain BCM.

## ESG Assessment for New Businesses and Projects

We recognize that when planning new businesses or projects, we need comprehensive evaluations that include ESG perspectives. Besides financial and tax assessments, we look into the corporate culture and business model. We also conduct due diligence focused on ESG factors: climate change, human rights, labor problems, workplace safety and health, compliance, and anti-corruption. We move ahead only after confirming there are no issues.

## Information Security Measures, Cyber Security Strategy

The NOK Group views the leakage of customer and personal information, as well as the threat of advanced cyberattacks, as significant risks. The Risk Management Committee, chaired by the Group CEO and vice-chaired by the Group CFO, consists of members of senior management. It addresses these risks as top management priorities. Based on the results of deliberations and policy, we implement countermeasures through a specialized department (the IT Division led by the Group CIO).

Following the establishment of the NOK Group Information Security Policy, the Central Information Security Committee (led by the Group CIO) and the information committees within each division and Group company systematically implement response measures within their respective organizations. We will continue to apply the PDCA cycle to maintain and improve our information security measures.

In addition, we will actively participate in efforts to strengthen information security across the entire supply chain, including initiatives outside the Group, such as those led by industry organizations.

### Information Security Incident Response

Information security measures and management practices are outlined in the Information Security Management Regulations, which also define our response procedures in the event of a security incident. In the event of an information security incident, we will promptly report and escalate the incident in accordance with the Information Security Incident Response Standards and will work to contain the impact and ensure a swift recovery. We also conduct annual incident response drills to verify their effectiveness and to enhance our response capabilities. NOK identifies IT service outages caused by cyberattacks as a significant risk to business continuity, and incorporates this thinking into its annual management plans and countermeasures.

### Internal Audit

The Internal Audit Office, which is independent of the business execution divisions, conducts an annual internal control audit of IT and information security.

### Cyber-attack response and education

The NOKG-CSIRT (Computer Security Incident Response Team) was formed in FY2023 to strengthen cybersecurity measures. It has been developing policies and strategies based on the NIST CSF*. As for specific implementation items, penetration tests are conducted periodically by an external organization that provides services in compliance with the "Information Security Service Standards" established by the Ministry of Economy, Trade and Industry. The Company also runs vulnerability diagnostics, scoring and responding to vulnerabilities identified. In addition, continuous vulnerability monitoring is conducted by Attack Surface Management to strengthen security.

We also believe it is important for each employee to improve his or her security awareness and skills, and we provide security training. At least once a year, targeted attack e-mail drills are conducted to familiarize employees with how to identify suspicious e-mails that may be the result of cyber-attacks and what to do when they receive them. We also regularly disseminate information on IT knowledge and security information, such as virus countermeasures and telework information management, to raise awareness.

* The National Institute of Standards and Technology Cybersecurity Framework

## Protection of Intellectual Property

The NOK Group has summarized key points regarding intellectual property-related laws in the Behavioral Guidelines on Employee Compliance and works to ensure that all employees are aware of these points. In this way, the Group seeks to apply for and acquire intellectual property rights for our own inventions, as well as respects the intellectual property rights of other companies and strives to prevent infringements of others'rights by researching and identifying the patents belonging to other companies. We have also set up an Anti-Counterfeit Committee to protect NOK brands and are working to confront counterfeiting overseas. In China, we are detecting plants that manufacture counterfeit products and removing pages selling counterfeit products from online sales sites.

### Anti-counterfeit Measures

| Item | | Unit | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|---|---|---|---|---|---|---|---|
| Exposing counterfeit product manufacturing sites | | cases | 3 | 9 | 8 | 6 | **6** |
| Deleting online sales sites | | cases | 664 | 5,093 | 5,284 | 4,417 | **4,085** |
| Patents held (non-consolidated) | Domestic | cases | 1,267 | 1,265 | 1,202 | 1,379 | **1,311** |
| | Overseas | cases | 1,433 | 1,729 | 1,728 | 1,959 | **1,841** |
| | Total | cases | 2,700 | 2,994 | 2,930 | 3,338 | **3,152** |
| Patents held (NOK Group) | Domestic | cases | 1,768 | 1,170 | 1,666 | 1,766 | **1,781** |
| | Overseas | cases | 2,112 | 2,674 | 2,683 | 2,772 | **2,820** |
| | Total | cases | 3,880 | 3,844 | 4,349 | 4,538 | **4,601** |

## Tax Policy

Please refer to the NOK corporate website for details.
https://www.nokgrp.com/en/sustainability/esg_strategy/#8

### Business Overview by Country/Region (FY2023, consolidated)

(100 million yen)

| | Number of employees (persons) | Earnings | Earnings before interest tax | Income taxes payable | Income taxes paid |
|---|---|---|---|---|---|
| Japan | 10,683 | 4,955.5 | 512.1 | 137.2 | 94.6 |
| China | 11,005 | 5,507.7 | 101.7 | 23.9 | 22.5 |
| Thailand | 6,669 | 1,058.0 | 80.6 | 19.3 | 15.2 |
| Singapore | 323 | 519.3 | 77.3 | 5.1 | 3.9 |
| Taiwan | 1,447 | 390.9 | -6.8 | 0.2 | 0.2 |
| Vietnam | 4,760 | 360.9 | -23.8 | 2.3 | 1.9 |
| Rest of Asia | 2,027 | 263.8 | 6.0 | 2.9 | 2.3 |
| Europe, the United States, other | 1,183 | 860.8 | -37.3 | 9.6 | 9.9 |

## Engaging in Initiatives

### United Nations Global Compact (UNGC)

In April 2021, the NOK Group signed the United Nations Global Compact and joined the Global Compact Network Japan (GCNJ). We have participated in a number of study groups organized by the GCNJ, including those on SDGs, reporting, environmental management, anti-corruption, ESG, human-rights due diligence, WEP and the circular economy. We will continue to work toward realizing a sustainable society.

### Task Force on Climate-related Financial Disclosures (TCFD)

In April 2022, the NOK Group embraced the TCFD recommendations, championing this international framework for promoting transparency and accountability in climate change initiatives and policies.

### Japan Climate Initiative

The NOK Group joined the Japan Climate Initiative (JCI) in April 2022, joining with a powerful network of likeminded organizations dedicated to tackling climate change through collaboration and innovation.

### Keidanren Initiative for Biodiversity Conservation

The Keidanren Biodiversity Declaration Initiative is comprised of companies which are engaged in working on some of the seven items listed in the Keidanren Biodiversity Declaration and Action Guidelines (revised edition) and of companies which support the overall objectives of the initiative. The NOK Group endorsed the Keidanren Biodiversity Declaration Initiative in December 2019 and is tackling the relevant issues in a variety of ways.

### Challenge Zero project by Japan Business Federation

Challenge Zero is a groundbreaking initiative spearheaded by the Japan Business Federation, with the ambitious goal of achieving a decarbonized society and net-zero emissions by the latter half of this century. Companies are invited to submit their innovative challenge themes for realizing a decarbonized society, with the project actively promoting and showcasing these efforts. In February 2020, NOK endorsed the Challenge Zero declaration and has put forth a challenge focused on advancing towards a hydrogen society through the development of advanced components for increased fuel cell adoption.

### The Ministry of the Environment's Water Project

The Water Project aims to realize a sustainable society by reexamining the relationship between people and water and promoting the utilization and conservation of a healthy water environment through diverse partnerships between industry, government, academia, and the community. The NOK Group endorsed this initiative in July 2024.

### The Ministry of the Environment's 30by30 Target

The 30by30 Target refers to conserving at least 30% of land and sea as healthy ecosystems by 2030. The 30by30 Alliance for Biodiversity was established by a group of companies, local governments, and organizations to expand and advance efforts involving these protected areas in Japan (currently, approximately 20% of land and 13% of marine areas). The NOK Group joined this initiative in April 2025.

# GRI Standard Content Index

| Disclosure | | Relevant sections | |
|---|---|---|---|
| No. | Content | Name (heading) | Page |
| General Disclosures 2021 | 1. The organization and its reporting practices | | |
| 2-1 | Organizational details | Company Profile | Basic Information |
| 2-2 | Entities included in the organization's sustainability reporting | Content, Editorial Policy | Content, Editorial Policy |
| 2-3 | Reporting period, frequency and contact point | Content, Editorial Policy | Content, Editorial Policy |
| 2-4 | Restatements of information | — | — |
| 2-5 | External assurance | Independent Verification Report | P.22 |
| General Disclosures 2021 | 2. Activities and workers | | |
| 2-6 | Activities, value chain and other business relationships | Supply Chain Management | P.33 |
| 2-7 | Employees | Composition of Employees | P.42 |
| 2-8 | Workers who are not employees | — | — |
| General Disclosures 2021 | 3. Governance | | |
| 2-9 | Governance structure and composition | Corporate Governance System<br>Composition of the Directors<br>Board of Directors and Skills Matrix | P.46, P.48 |
| 2-10 | Nomination and selection of the highest governance body | Board of Directors and Skills Matrix | P.48 |
| 2-11 | Chair of the highest governance body | Board of Directors and Skills Matrix | P.48 |
| 2-12 | Role of the highest governance body in overseeing the management of impacts | NOK Philosophy<br>Sustainability Statement<br>Governence(Climate Change)<br>Promotion Framework(Human Rights)<br>Supply Chain Management Promotion Framework<br>Risk Management Framework | Basic Information<br>P.4, P.23, P.33, P.52 |
| 2-13 | Delegation of responsibility for managing impacts | Sustainability Statement<br>Governence(Climate Change)<br>Promotion Framework(Human Rights)<br>Supply Chain Management Promotion Framework<br>Risk Management Framework | Basic Information<br>P.4, P.23, P.33, P.52 |
| 2-14 | Role of the highest governance body in sustainability reporting | Sustainability Statement<br>Governence(Climate Change)<br>Promotion Framework(Human Rights)<br>Supply Chain Management Promotion Framework<br>Risk Management Framework | Basic Information<br>P.4, P.23, P.33, P.52 |
| 2-15 | Conflicts of interest | — | — |
| 2-16 | Communication of critical concerns | Diagram of Corporate Governance System<br>Risk Management Framework | P.46, P.52 |
| 2-17 | Collective knowledge of the highest governance body | Board of Directors and Skills Matrix | P.48 |
| 2-18 | Evaluation of the performance of the highest governance body | — | — |
| 2-19 | Remuneration policies | Remuneration of Directors<br>Board of Directors and Skills Matrix | P.48 |
| 2-20 | Process to determine remuneration | Remuneration of Directors | P.48 |
| 2-21 | Annual total compensation ratio | — | — |
| General Disclosures 2021 | 4. Strategy, policies and practices | | |
| 2-22 | Statement on sustainable development strategy | — | — |
| 2-23 | Policy commitments | NOK Charter of Corporate Behavior<br>Sustainability Statement<br>NOK Group Environmental Statement<br>NOK Group Human Rights Statement<br>NOK Group Procurement Policy | Basic Information<br>P.1, P.23, P.33 |
| 2-24 | Embedding policy commitments | Sustainability Statement<br>NOK Group Human Rights Statement | Basic Information, P.23 |
| 2-25 | Processes to remediate negative impacts | Implementation of Human Rights Due Diligence | P.23 |
| 2-26 | Mechanisms for seeking advice and raising concerns | Reporting Desk and Whistle-Blowing Hotline | P.50 |
| 2-27 | Compliance with laws and regulations | Serious legal violations | P.51 |
| 2-28 | Membership associations | Engaging in Initiatives | P.59 |
| General Disclosures 2021 | 5.Stakeholder engagement | | |
| 2-29 | Approach to stakeholder engagement | Implementation of Human Rights Due Diligence | P.23 |
| 2-30 | Collective bargaining agreements | Labor Practices | P.29-30 |
| Material topics 2021 | 2. Disclosures on material topics | | |
| 3-1 | Process to determine material topics | — | — |
| 3-2 | List of material topics | — | — |
| 3-3 | Management of material topics | — | — |
| 200 Economic | 201 Economic performance | | |
| 201-1 | Direct economic value generated and distributed | — | — |
| 201-2 | Financial implications and other risks and opportunities due to climate change | Risks and Opportunities (Information Disclosure Based on TCFD Recommendations) | P.6 |
| 201-3 | Defined benefit plan obligations and other retirement plans | — | — |
| 201-4 | Financial assistance received from government | — | — |
| 200 Economic | 202 Market presence | | |
| 202-1 | Ratios of standard entry level wage by gender compared to local minimum wage | Ratio of standard entry-level salary to regional minimum wage | P.44 |
| 202-2 | Proportion of senior management hired from the local community | Ratio of senior management hired from regional communities | P.43 |
| 200 Economic | 203 Indirect economic impacts | | |
| 203-1 | Infrastructure investments and services supported | Coexistence with Local Communities and Society | P.40-41 |
| 203-2 | Significant indirect economic impacts | — | — |
| 200 Economic | 204 Procurement practices | | |
| 204-1 | Proportion of spending on local suppliers | — | — |

| Disclosure | | Relevant sections | |
|---|---|---|---|
| No. | Content | Name (heading) | Page |
| 200 Economic | 205 Anti-corruption | | |
| 205-1 | Operations assessed for risks related to corruption | Prevention of Corruption and Bribery<br>NOK Group Policy on Prevention of Corruption and Bribery | P.50-51 |
| 205-2 | Communication and training about anti-corruption policies and procedures | NOK Group Policy on Prevention of Corruption and Bribery | P.51 |
| 205-3 | Confirmed incidents of corruption and actions taken | Anti-corruption violations | P.51 |
| 200 Economic | 206 Anti-competitive behavior | | |
| 206-1 | Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | — | — |
| 200 Economic | 207 Tax | | |
| 207-1 | Approach to tax | Tax Policy | P.58 |
| 207-2 | Tax governance, control, and risk management | Tax Policy | P.58 |
| 207-3 | Stakeholder engagement and management of concerns related to tax | Tax Policy | P.58 |
| 207-4 | Country-by-country reporting | Business Overview by Country/Region (FY2023, consolidated) | P.58 |
| 300 Environment | 301 Materials | | |
| 301-1 | Materials used by weight or volume | Material Balance<br>Environmental Performance Data | P.2, P.18-19 |
| 301-2 | Recycled input materials used | — | — |
| 301-3 | Reclaimed products and their packaging materials | — | — |
| 300 Environment | 302 Energy | | |
| 302-1 | Energy consumption within the organization | Material Balance<br>Environmental Performance Data | P.2, P.18-19 |
| 302-2 | Energy consumption outside of the organization | — | — |
| 302-3 | Energy intensity | Environmental Performance Data | P.18-19 |
| 302-4 | Reduction of energy consumption | Reduction in electricity consumption (energy saving) | P.8 |
| 302-5 | Reductions in energy requirements of products and services | Increase in renewable energy ratio | P.8 |
| 300 Environment | 303 Water and effluents | | |
| 303-1 | Interactions with water as a shared resource | Response to Water Risk<br>Assessment of Water Risks with AQUEDUCT | P.11 |
| 303-2 | Management of water discharge-related impacts | Water Management | P.11-12 |
| 303-3 | Water withdrawal | Water withdrawals (consolidated) | P.12 |
| 303-4 | Water discharge | Wastewater (consolidated) | P.12 |
| 303-5 | Water consumption | Environmental Performance Data | P.18-19 |
| 300 Environment | 304 Biodiversity | | |
| 304-1 | Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | Conservation of Biodiversity | P.16-17 |
| 304-2 | Significant impacts of activities, products, and services on biodiversity | Conservation of Biodiversity | P.16-17 |
| 304-3 | Habitats protected or restored | Conservation of Biodiversity | P.16-17 |
| 304-4 | IUCN Red List species and national conservation list species with habitats in areas affected by operations | — | — |
| 300 Environment | 305 Emissions | | |
| 305-1 | Direct (Scope 1) GHG missions | Material Balance<br>Environmental Performance Data | P.2, P.18-19 |
| 305-2 | Energy indirect (Scope 2) GHG emissions | Material Balance<br>Environmental Performance Data | P.2, P.18-19 |
| 305-3 | Other indirect (Scope 3) GHG emissions | Material Balance<br>FY2024 Scope 3 breakdown<br>Environmental Performance Data | P.2, P.9, P.18-19 |
| 305-4 | GHG emissions intensity | $CO_2$ emissions intensity (overseas) | P.9 |
| 305-5 | Reduction of GHG emissions | Managing $CO_2$ Emissions and Energy Consumption | P.8 |
| 305-6 | Emissions of ozone-depleting substances (ODS) | — | — |
| 305-7 | Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions | Material Balance<br>Environmental Performance Data | P.2, P.18-19 |
| 300 Environment | 306 Waste | | |
| 306-1 | Waste generation and significant waste-related impacts | Resource Conservation and Waste Recycling | P.10 |
| 306-2 | Management of significant waste-related impacts | Resource Use and Waste Management | P.10 |
| 306-3 | Waste generated | Amount of industrial waste generated (domestic) | P.10 |
| 306-4 | Waste diverted from disposal | Amount of waste recycled (Environmental Performance Data) | P.19 |
| 306-5 | Waste directed to disposal | Landfill disposal amount (Environmental Performance Data) | P.19 |
| 300 Environment | 308 Supplier Environmental Assessment | | |
| 308-1 | New suppliers that were screened using environmental criteria | — | — |
| 308-2 | Negative environmental impacts in the supply chain and actions taken | Conducting the Sustainability Procurement Survey | P.34 |
| 400 Social | 401 Employment | | |
| 401-1 | New employee hires and employee turnover | Hiring and Turnover | P.43 |
| 401-2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees | — | — |
| 401-3 | Parental leave | Systems to Promote Work-Life Balance<br>Human Resource and Welfare System | P.29, P.45 |
| 400 Social | 402 Labor/Management Relations | | |
| 402-1 | Minimum notice periods regarding operational changes | Initiatives (Labor Practices) | P.29 |

| Disclosure | | Relevant sections | |
|---|---|---|---|
| No. | Content | Name (heading) | Page |
| 400 Social | 403 Occupational health and safety | | |
| 403-1 | Occupational health and safety management system | Occupational Health and Safety Promotion Framework | P.30-31 |
| 403-2 | Hazard identification, risk assessment, and incident investigation | Initiatives in Safety and Disaster Prevention | P.31 |
| 403-3 | Occupational health services | Initiatives in Safety and Disaster Prevention<br>Initiatives in Health and Sanitation | P.31-P.32 |
| 403-4 | Worker participation, consultation, and communication on occupational health and safety | Occupational Health and Safety Promotion Framework | P.30-31 |
| 403-5 | Worker training on occupational health and safety | Initiatives in Safety and Disaster Prevention | P.31 |
| 403-6 | Promotion of worker health | Initiatives in Health and Sanitation<br>Number of health consultation calls | P.32, P.45 |
| 403-7 | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | — | — |
| 403-8 | Workers covered by an occupational health and safety management system | Occupational Health and Safety Promotion Framework | P.30-31 |
| 403-9 | Work-related injuries | Hours worked per employee/Average number of days of annual paid leave taken<br>Number of Labor Standards Act Violations<br>Lost-time injury frequency rate<br>Severity rate<br>Deaths due to occupational accidents | P.45 |
| 403-10 | Work-related ill health | Lost-time injury frequency rate<br>Severity rate<br>Number of deaths due to occupational accidents | P.45 |
| 400 Social | 404 Training and Education | | |
| 404-1 | Average hours of training per year per employee | Human Resources Development Program<br>Investment in Human Capital | P.25, P.44 |
| 404-2 | Programs for upgrading employee skills and transition assistance programs | Human resource development programs<br>English Training (Standard & Advanced courses)<br>Digital Transformation Human Resources Development Program | P.25-26 |
| 404-3 | Percentage of employees receiving regular performance and career development reviews | — | — |
| 400 Social | 405 Diversity and equal opportunity | | |
| 405-1 | Diversity of governance bodies and employees | Basic Concept (Diversity, Equity & Inclusion (DE&I))<br>Initiatives (Diversity, Equity & Inclusion (DE&I))<br>Hiring of new graduates (Female)<br>Diversity | P.28, P.43, P.45 |
| 405-2 | Ratio of basic salary and remuneration of women to men | Employee gender wage gap (percentage for female if men=100) | P.44 |
| 400 Social | 406 Non-discrimination | | |
| 406-1 | Incidents of discrimination and corrective actions taken | NOK Group Human Rights Statement | P.23 |
| 400 Social | 407 Freedom of association and collective bargaining | | |
| 407-1 | Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | Implementation of Human Rights Due Diligence | P.23 |
| 400 Social | 408 Child labor | | |
| 408-1 | Operations and suppliers at significant risk for incidents of child labor | Initiatives Toward Preventing Forced Labor and Child Labor | P.24 |
| 400 Social | 409 Forced or compulsory labor | | |
| 409-1 | Operations and suppliers at significant risk for incidents of forced or compulsory labor | Initiatives Toward Preventing Forced Labor and Child Labor | P.24 |
| 400 Social | 410 Security practices | | |
| 410-1 | Security personnel trained in human rights policies or procedures | — | — |
| 400 Social | 411 Rights of indigenous peoples | | |
| 411-1 | Incidents of violations involving rights of indigenous peoples | — | — |
| 400 Social | 413 Local communities | | |
| 413-1 | Operations with local community engagement, impact assessments, and development programs | Coexistence with Local Communities and Society | P.40-41 |
| 413-2 | Operations with significant actual and potential negative impacts on local communities | — | — |
| 400 Social | 414 Supplier social assessment | | |
| 414-1 | New suppliers that were screened using social criteria | — | — |
| 414-2 | Negative social impacts in the supply chain and actions taken | Conducting the Sustainability Procurement Survey | P.34 |
| 400 Social | 415 Public policy | | |
| 415-1 | Political contributions | Spending on political organizations | P.51 |
| 400 Social | 416 Customer health and safety | | |
| 416-1 | Assessment of the health and safety impacts of product and service categories | — | — |
| 416-2 | Incidents of non-compliance concerning the health and safety impacts of products and services | — | — |
| 400 Social | 417 Marketing and labeling | | |
| 417-1 | Requirements for product and service information and labeling | — | — |
| 417-2 | Incidents of non-compliance concerning product and service information and labeling | — | — |
| 417-3 | Incidents of non-compliance concerning marketing communications | — | — |
| 400 Social | 418 Customer privacy | | |
| 418-1 | Substantiated complaints concerning breaches of customer privacy and losses of customer data | — | — |