

## CSR Procurement

### Basic procurement policies

We follow three basic principles in procurement: building long-term partnerships based on mutual trust; fair, equitable and open procurement; and compliance with the law and maintaining confidentiality.

#### Basic Policies for Purchasing Supplies

- Building long-term partnerships based on mutual trust  
We aim to build long-term relationships of trust with our favored partners through fair dealings in which both parties do their best. This way we can grow together.
- Fair, equitable and open procurement  
We are open to all suppliers, regardless of country of origin, size or affiliations. We select our suppliers on the basis of quality, price, delivery times, service, and technical and developmental capacity.
- Compliance with the law and maintaining confidentiality  
We observe the law and relevant social norms in procurement. We do not make any unauthorized disclosures to any third party of any confidential information we may acquire about our suppliers.

### CSR Procurement Guideline

Recent social trends expect companies to strengthen their activities on social responsibility as a company (CSR), triggered by corporate scandals, employment and labor issues becoming more obvious due to financial crisis, and environmental issues. Therein, we ask all of our partners to understand our CSR activities and strive to fulfill CSR not only at NHK Spring but also throughout the entire supply chain. We formulated the CSR Procurement Guideline as part of these activities.

### Green procurement

We have established Green Procurement Guidelines based on our basic procurement policy, which means that we try to buy low environmental impact products from organizations that care for the environment. With the cooperation of all of our partners, we are reducing the environmental burden including waste, while promoting management of substances that impact the environment throughout every stage from the design to the production and disposal of products.

The content was fully updated in October 2019 as contact in the supply chain of chemical substances and legal compliance overseas becomes more and more important.

### Addressing conflict minerals

In recent years, mineral resources mined in regions around the Congo in Africa bring concerns about the potential of improper mining or sources from armed militia responsible for issues such as violations to human rights or the destruction of the environment. A provision on conflict materials included in United States financial reform law enacted in 2010 defines tantalum, tin, gold, and tungsten as conflict minerals and obligates corporations listed on American stock exchanges to disclose information related to the use of conflict minerals in their products with the ultimate goal of eradicating the use of minerals which leads to participating conflict financially.

NHK Spring agrees with the United States financial reform law from a CSR standpoint in the procurement of raw materials and parts that contain conflict minerals. We collaborate with our customers and suppliers to advance efforts to ensure no improperly mined conflict minerals are used.

## VOICE

### A long-time steel material procurement partner



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Metal One is a general steel trading company that supplies various steel materials for products such as automotive suspension springs, seats and precision springs to NHK Spring. The strength of our company is our global network and ability to maximize informational capabilities. The provision of services such as a stable supply of steel materials and efficient logistics builds a cooperative system to promote NHK Spring businesses.

Since the founding of NHK Spring, Metal One has continued to do business with the Group as a steel procurement partner at a time when Sojitz Corporation, which is a shareholder of both Metal One and NHK Spring, was still the Nissho Iwai Corporation. In the future, I hope we can build an even stronger relationship

with NHK Spring while supporting their growth and global expansion.

The strengths of NHK Spring is the establishment of a supply system built in each region from a global perspective as embodied by the corporate philosophy at the beginning of this report. As automotive demand continues to catch up to the expectations for dramatic growth worldwide, I think the construction of local production and product supply systems as soon as possible is a great example illustrating the results of activities founded in the corporate philosophy.

The mission of Metal One is to provide assistance from the standpoint of a steel supplier for material procurement for local NHK Spring production sites overseas. We expect to grow together with NHK Spring in the future while adapting to the various needs of NHK Spring with matching the changing business environment.