

NHK Spring Group CSR
Procurement Guidelines

February, 2014

NHK SPRING CO., LTD.

In recent years, enterprises are expected to undertake admittedly increasing roles and responsibilities for sustainable development of society.

With this as a background, we recognize the importance of fulfilling our social responsibility continuously (CSR: Corporate Social Responsibility) while building mutual understanding and relationship of trust with our stakeholders (interest parties such as customers, suppliers, employees, shareholders, administrations, and local communities) for sustainable development of an enterprise.

We request our suppliers to understand our CSR activities in order that not only we but also the whole of supply chain fulfills social responsibility based on mutual trust.

As a part of such activities, we established "NHK Spring Group CSR Procurement Guidelines". We request our suppliers to promote CSR activities proactively also in their supply chains by making these Guidelines the reference.

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1. Sound business management

We shall secure appropriate revenue and promote stable management, disclose to stakeholders company information (financial positions and substance of the business) and risk information (e.g. damage caused by large-scale disaster, occurrence of adverse environmental or social impact, detection of serious violations of laws and regulations, etc.) in a proactive and fair manner, and endeavor for promotion of dialogue and enhancement of transparency of the enterprise.

2. Compliance

We shall comply with applicable laws and regulations of respective country or region and endeavor to act based on social morality.

(1) Compliance

We shall comply with applicable laws and regulations of respective country or region. We shall develop and implement frameworks for company-level policies, system, code of conduct, whistleblower system and education for thorough compliance.

(2) Compliance with competition law

We shall comply with competition laws of respective country or region (Anti-Monopoly Act, Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors, etc. in Japan), and shall not commit any act such as private monopolization, restriction of transactions (cartel, bid rigging, etc.), unfair transaction method and abuse of superior bargaining position.

(3) Anti-corruption

We shall make political contribution and donation under applicable laws and regulations of respective country or region, and shall endeavor to build sound and normal relations with politics and administrations. We shall not give or receive entertainment, gifts or money to or from customers or suppliers for the purpose of obtaining or maintaining unreasonable profit or privilege measures.

(4) Import and export transaction management

We shall carry out appropriate procedures and management with respect to import and export of technology or goods regulated under applicable laws and regulations of respective country or region.

(5) Protection of intellectual property rights

We shall protect intellectual property rights held by or belonging to us (patent rights, utility model rights, design rights, trademarks, copyrights, etc.), and shall not unlawfully obtain or use, or infringe any third party's intellectual property rights.

3. Information management

We shall build and operate frameworks to manage and protect information in an appropriate manner.

(1) Management and protection of confidential information

We shall legitimately obtain, strictly manage, exploit within appropriate scope, and protect customers', suppliers', third parties' and employees' personal information and confidential information. We shall not carry out any insider trading of selling or purchasing shares, etc. based on undisclosed important information.

(2) Reinforcement of information security

We shall take defense measures against threat in computer network, and manage not to cause any damage to us, customers, suppliers or third parties.

4. Risk management

We shall endeavor for prevention of risk, and handle such risk promptly and accurately at the time of occurrence.

(1) Frameworks of risk management

We shall analyze risk related to business activities of an enterprise, and in order to prevent risk and minimize the damage at the time of occurrence, establish control items, and build and operate company-level management frameworks such as system development, implementation of countermeasures and publicizing to employees.

(2) Formulation and operation of business continuity plan (BCP: Business Continuity Plan)

For stable supply, we shall build BCP for quick restoration in case of emergency situations such as disaster, accident and riots. We shall implement strategies planning, practical training, and behavior review as being three in one in order for BCP to function effectively.

5. Safety and quality of products

We shall produce and provide safe and high-quality products and services in safe methods.

(1) Ensuring safety

We shall produce and provide products that satisfy safety laws and regulations, etc. set forth in respective country or region, and that give consideration to safety to be ensured normally.

(2) Quality assurance of products

We shall build and operate company-level frameworks to assure quality (ISO9000, etc.).

6. Reinforcement of competitiveness

We shall endeavor for development of highly competitive and high value-added technologies, products and services in order to provide high-quality and safe products and services.

7. Human rights and labor

We shall respect employees' human rights and continue to care for each person.

(1) Respect of human rights

We shall not discriminate employees based on nationality, race, belief, gender, social status, religion, age, physical disabilities or mental disorders, etc. We shall give sufficient consideration to employees' human rights, develop safe and appropriate work environment, and endeavor not to give rise to any type of harassment.

(2) Wage, working age and working hours

We shall adhere to applicable laws and regulations of respective country or region with respect to wage, working age and working hours (including overtime work) of, and grant of holiday and annual paid leave to, employees.

(3) Prohibition of forced labor

We shall ensure that all labor is voluntary and that employees may freely leave their job, and shall not force labor.

(4) Dialogue and consultation with employees

We shall, in good faith, dialogue and consult directly with employees or any representative of employees. We shall acknowledge rights of employees to freely form or not to form an association under applicable laws and regulations of respective country or region.

(5) Human resources development

We shall support career development and ability development of employees through human resources development.

8. Environment

For growth in harmony with environment, we shall continue activities that give consideration to global environment.

(1) Environment management system

We shall build and operate a company-level environment management system (ISO14001, etc.) and adhere to applicable laws and regulations of respective country or region.

(2) Environmental protection

We shall promote environmental protection activities such as CO2 reduction, waste reduction, enhancement of recycling and green procurement (procurement of parts and materials with less environmental load) for the purpose of load mitigation on global environment.

9. Social contribution

We shall continue social contribution activities for coexistence with society.

10. Development of own and suppliers' CSR

We shall have a correct understanding of the importance of CSR, and build and operate frameworks for company-level policies, system, and code of conduct and education. We shall endeavor to have knowledge of the actual state of suppliers' CSR activities, and educate and support them, if necessary.