

STATEMENT OF  
**EXTRA-FINANCIAL  
PERFORMANCE**  
**2019**



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With You

# CONTENTS

## Strategy and organisation

Editorial	3
NTN Vision	5
Strategy and organisation	5
Business model	12

2

## Methodology and scope

Consultation with stakeholders	16
Materiality matrix	16
Reporting scope	17
Reporting period	17

## Strategic lines

Business	20
Innovation	22
Social	26
Environment	30
Ethics	36

## Initiatives

EcoVadis result	41
Measures for the climate	42
Measures taken in favour of work for the disabled	42
Exclusions	42
Other actions	43



Consultation with our stakeholders at the start of 2019 led to a formalisation of our policy in matters of societal responsibility in relation to the major issues to which the company must respond. 5 strategic lines were highlighted:

**Business, innovation, social, environment, ethics**

This year has been the opportunity to restructure our organisation and our internal leadership around CSR so that these strategic lines and the associated performance indicators are at the heart of our preoccupations and go hand in hand with company development. Most of these indicators made progress in 2019. Ambitious projects supporting these strategic lines were made concrete over the course of the year.

The 2019 fiscal year came to an end in March 2020, within a context of the start of a global pandemic that will undoubtedly have consequences on our companies, our markets, our strategic company focus and our performance results in the coming years.

Our policy in matters of societal responsibility will help us overcome these challenges. Let's rely on this approach to transform these constraints into opportunities!

**Isabelle Pichard**  
Head of CSR NTN SNR



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## NTN vision

### The NTN vision in 10 years:

- Move from a production company to a company that sells value to its customers through its products and services.
- Transform our economic model.
- Respond to changes in our environment: electrification, 4.0, digital, etc.

**NTN is a member of the UN Global compact since 2015.**

### NTN philosophy:

“Contribute to world society by developing harmoniously with all stakeholders.”

## Strategy and organisation

The company NTN-SNR has been a subsidiary of the Japanese group NTN Corporation (New Technology Network) since 2007.

Historically, NTN-SNR has gone through various phases. Originally, Jacques Schmidt, a blacksmith installed on the outskirts of Zürich, manufactured the first bearing in 1880. In 1916, SRO was born. He opened a factory in Annecy during the 1st World War to supply the French military aviation industry. In 1918, with peace, the race for technical progress could begin. However, on 10 May 1944, SRO was bombed and was then purchased by Renault SA to become: SNR “Société Nouvelle de Roulements”.

After it was rebuilt, SNR expanded to become the French No. 1 in bearings and No. 4 in Europe, thanks to its level of expertise and the quality of its products. In 1956, SNR was producing 42,000 bearings every day. Today, no fewer than 430,000 bearings are produced each day by NTN-SNR.

The company is specialised in the manufacture of bearings, a mechanical part that reduces friction during rotation and the transmission of a movement (gearboxes, wheels, etc.)

Today, the NTN-SNR Group is recognised as a major player in the automobile industry, in industry and in aeronautics. This result, of which we are proud, testifies to our ability to provide quality products and services that are both innovative and effective.

# COMMITMENTS

The identity of the NTN-SNR Group has been built for more than 100 years on strong, concrete and shared values: Performance, Proximity, Team Spirit, Respect and Professionalism. Individually and collectively, we make significant commitments to listen and to perform towards those whom we work and live and those whom we serve.

In coherence with the philosophy of the NTN Group, in a rationale of ongoing performance progress and improvement, we are committed to controlling our risks and turning our opportunities into realities, along the following lines:

## SAFETY IS OUR PRIORITY: WE ARE ALL RESPONSIBLE



We do not allow ourselves to take **the slightest risk** that involves the health and safety of persons, equally for our own staff and that of our service providers, and for our product users. In particular, we must respect the safety requirements of our products starting with their design.

We are committed to **procuring safe and healthy working conditions** to prevent work-related trauma and illness.

## PROTECTING THE ENVIRONMENT AND CONTROLLING RISKS ARE OUR PREOCCUPATIONS



We are working to reduce our **impact on the environment**, in particular our consumption of resources, our emissions and our waste, and to control our energy consumption.

We want to contribute to **more environmentally friendly mobility** by improving the energy performance of our products.

We are making efforts to **control the risks and impacts** in terms of Quality, Security, Environment and Energy from the outset with new products, means, infrastructures or services.

The NTN Group is resolutely committed to the path leading to the development of a harmonious society **NAMERAKA**.

Within the framework of the Strategic Plan DRIVE NTN100 and in accordance with the above commitments, our ambition is to transform our business structure to create more profit and to develop products and services that go hand in hand with the major technological developments on our markets.

Our actions are guided by 3 strategies:

1. Reliance on technology and innovation
2. Management of our business portfolio to generate profit
3. Skills development, the commitment of women and men and Operational Excellence

## OUR SUSTAINABILITY DEPENDS ON THE SATISFACTION OF THE INTERESTED PARTIES, IN PARTICULAR OUR CUSTOMERS



We must **satisfy** our **interested parties** in order to provide products that comply with their demands in terms of Quality, Safety, Environment, costs and delivery times.

Each one of us must be **highly aware of quality**, and make every effort to ensure the appropriate level to respond to our customers' expectations: we are customer oriented!

We are committed to developing **fair and sustainable relationships** with our providers through a collaborative approach.

We must guarantee **employee consultation and contribution** and that of their representatives in matters of workplace health and safety.

## OUR COMMITMENT IS TO ETHICS

We are committed to conducting our business in an **honest and fair manner**, observing the regulations and compliance obligations that are applicable to us



We **reject corruption** in all its forms as well as any **impediment to competition rules**.

We work to ensure the **sincerity of our financial information**.

We make every effort to **protect the data and the know-how** in our possession.

“ We shall contribute to international society through creating new technologies and developing new products ”

The **DRIVE NTN100** plan is constructed around 8 strategic lines and relies on the company structural transformations that will allow us to attain our financial and operational objectives.

Each senior management, department, service or team must implement this plan in order to give meaning to each employee and allow each one to identify his or her contribution to reach the collective objectives and respect commitments.

It is up to each one of us to behave in a responsible and eco-responsible way to make NTN-SNR Group a Company that places Quality, Safety, Ethics and the Environment at the heart of its concerns, which will allow us to reach the best level of performance. NTN-SNR Group will provide and implement all the human and financial means to carry out its commitments.

Alain Chauvin,  
PDG NTN-SNR Group

le 15/11/2018



From 15 to 25 October 2019, at all of the NTN-SNR Roulements sites: Annecy, Argonay, Cran-Gevrier, Meythet, Seynod and the sales offices in Vanves and Lyon, as well as at the sites of the NTN-SNR group.

A « Signature » event was organised in order for these commitments to be known, understood and applied on a daily basis in each one of our missions.







# DRIVE NTN 100

The business plan is structured in the following way:

- 3 strategic lines
- 4 disruptive areas
- 8 transformation projects



# 8 CROSS-CUTTING TRANSFORMATIONS TO SUPPORT THE 3 YEAR PLAN AND BEYOND



During 2019, the global context changed considerably, both at a political level: measures for protectionism, Brexit, embargoes on certain markets, and at a technological level: acceleration of the transformation of our markets related to digital, electrification and the reduction in environmental impacts. This new context is generating strong disturbance on our markets, whether automobile or industry, leading the NTN Corporation to conduct a thought process about the next company plan.

## A WORD FROM THE CEO



"In 2018, NTN-SNR celebrated its 100th anniversary, 100 years during which the women and men of the company showed themselves capable of reinventing themselves and launching the transformation into an international group. Our desire now is to face the challenge of this accelerating change, developing our capacity to innovate, to understand the changes to our environment and our markets to extend our reach in Europe, Africa, Brazil and the Middle East.

Our societal responsibility has become the basis of this development and the heart of our strategy. To make our social, environmental and ethical ambitions a factor for profitability, allowing us to contribute to the harmonious and sustainable development of our companies."

Alain Chauvin  
CEO of NTN-SNR Group



## BUSINESS MODEL

### RESSOURCES & STAKEHOLDERS

- **Skilled and committed women and men**  
4,600 staff of the NTN-SNR group  
Strong links with schools and universities  
Strong links with local authorities  
Female workforce level: 30% of the total number of employees
- **Innovation, research & development at the heart of the company**  
1 R&D centre in Europe - Annecy  
400 members of staff  
An Innovation organisation looking towards efficiency
- **A recognised financial structure**  
Stable shareholder -1 single Japanese shareholder since 2013  
A healthy and solid structure  
Investments in production and innovation,
- **A local industrial tool**  
10 production sites
- **Environmental issues are anchored in our practice**  
ISO 14001 certification for all our sites  
Additional commitment, already 70% of our sites are ISO 50001
- **A group close to its partners**  
Responsible Procurement  
Supplier Panels  
Code of Ethics

## VALUE CREATION

As part of the NTN Group, a world leader in its fields of business - no. 3 bearings manufacturer globally, world no. 1 in automobile wheel bearings, world no. 2 for CV joints - we create products by applying the resources accumulated throughout our 100 years

### THE DRIVE NTN100 PLAN

- 3 strategic lines,
- 8 priorities,
- 4 levers,
- 8 cross-cutting transformation projects

R&D  
DESIGN

SALES

5 Business Units,  
Close to customers, E-shop

### THE COMPANY VALUES & OUR COMMITMENTS

Performance, Proximity,  
Team spirit, Respect,  
Professionalism

of existence, in a process of value creation that integrates R&D, design, procurement, manufacturing and sales.

Commercial brands with strong notoriety, NTN, SNR, Support & services, close to our partners.

## MARKET TRENDS & TECHNOLOGICAL NEEDS

Energy efficiency, Digitisation,  
Globalisation, Autonomous vehicles

### PROCUREMENT

European organisation  
Panel of suppliers  
Responsible  
procurement charter

### MANUFACTURING

European plants

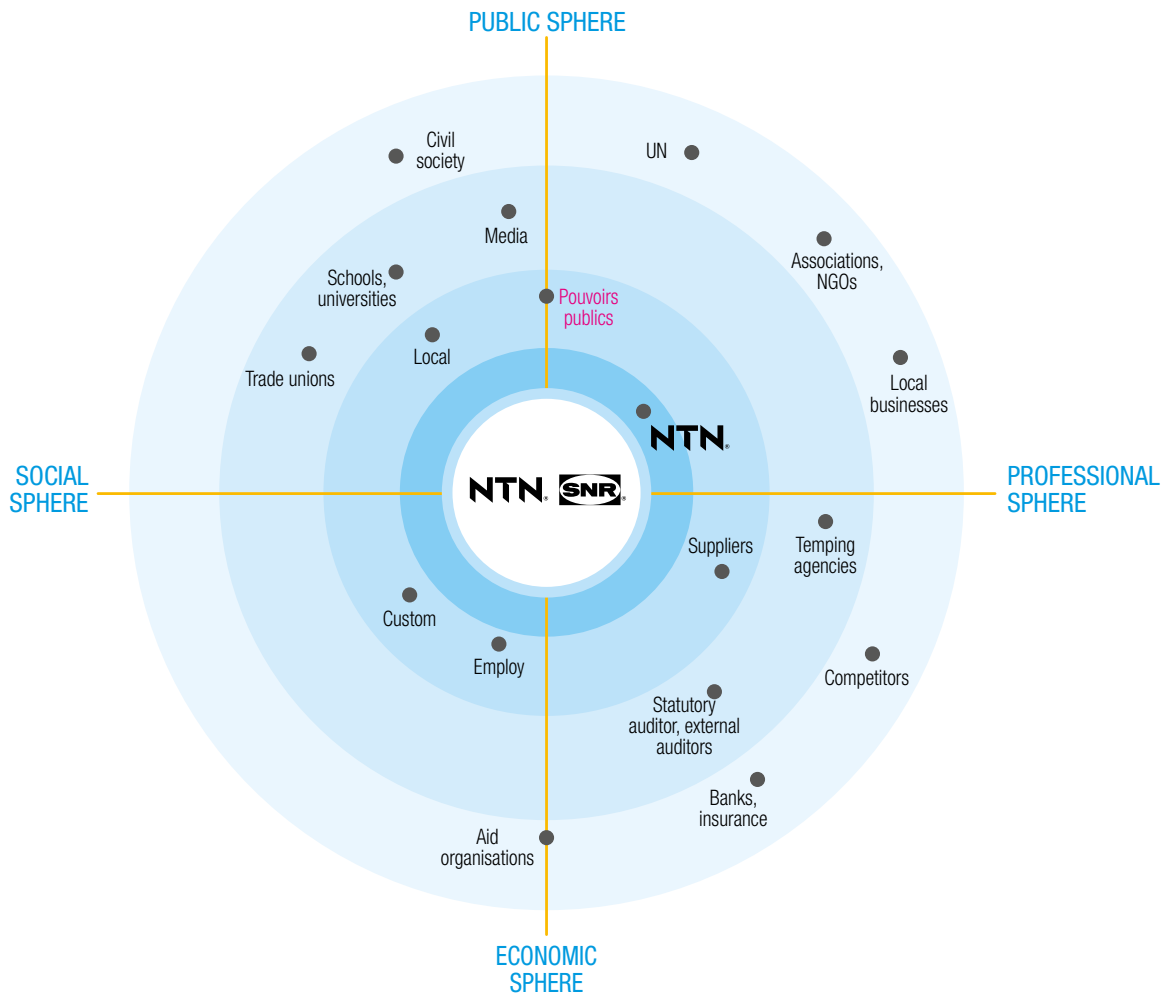
## THE RESULTS VALUE CREATED

- **Human Capital**  
220 new members of staff (Alps) in 2019,  
Training: 4.7% payroll  
Effective internal mobility: 98 moves and 159 promotions
- **Intellectual Capital**  
29 patents in 2019,  
12 partnerships,  
15 new relations added to our network
- **Financial Capital**  
3rd Japanese investor in 2018 in France // 2nd in 2017
- **Capital Industriel**  
New buildings: Sibiu, Argonay  
Level of new references: 14.6%
- **Environmental Capital**  
EcoVadis rating: 76% - Gold level  
97% of our waste is recovered  
4.9% reduction in our energy consumption  
CO<sub>2</sub> of ball bearings: 24% of R&D hours
- **Supplier Capital**  
Procurement charter: 82% of turnover responsible procurement



# METHODO LOGY & SCOPE

Since 2013 and the appearance of CSR at NTN-SNR, it is not just the shareholders who are considered to be stakeholders in the company, but all of the parties with which NTN-SNR has interactions: employees, customers, suppliers, neighbours, etc.. Dialogue with the stakeholders has become a priority, creating value over profit. NTN-SNR has strategic values and objectives, and as for the stakeholders, they have expectations: NTN-SNR has therefore structured a CSR strategy to meet its objectives and adapt to the priority needs of stakeholders.



## Consultation with stakeholders

NTN-SNR conducted a consultation with its stakeholders in February and March 2019 in order to best determine their expectations. Almost 400 people expressed their expectations over the 6 weeks of consultation. Thanks to this consultation, NTN-SNR was able to determine its priority issues.

As a first step, NTN-SNR identified its stakeholders with a view to establishing enduring relationships of trust.

Our 6 first level stakeholders are our NTN shareholder, our customers, our employees, local residents, the public authorities and our suppliers. The consultation with the stakeholders led to a materiality matrix being established. This analysis weighs and classifies the various CSR questions. The NTN-SNR stakeholders revealed 19 key issues.



Reading the matrix, we see that 9 priority issues have emerged (grey area), perceived by the stakeholders as important for the company and requiring rapid handling. Here we can find the **social** and **environmental** themes, as well as, something particular to our approach, **business issues**.

**Ethical**, issues did not emerge among the priority expectations of our stakeholders. Our willingness to be exemplary in our practices naturally leads us to pursue our progress in this area and to establish ethics among the priority subjects at the heart of our strategic lines.

We want to better integrate the expectations of our stakeholders to the input data of our future company plans, in particular through the forthcoming consultations.

## Reporting scope

This report brings together the consolidated information about the company NTN-SNR ROULEMENTS and its subsidiaries (production sites) in such a way as to trace the Group dynamic. This scope allows us to have an overview of the headquarters (Annecy), as well as the diversity of the group's business through its subsidiaries. This year, we do not see any change in comparison to the previous reporting period,

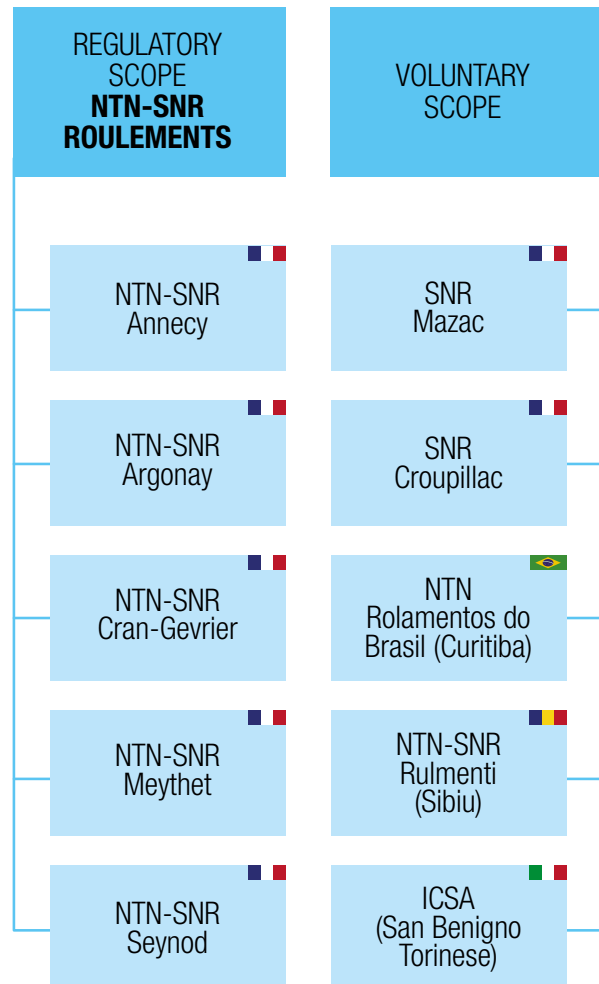
The sales offices in Lyon and Vanves are included in all the social data, but are excluded from the other parts (environment in particular) because their business has negligible impact in relation to the nature of our production activities. The establishments in Germany and the sales subsidiaries do not fall under the voluntary scope of the 2019 reporting. These exclusions are not definitive.

This report covers more than 90% of the workforce of NTN-SNR Group and its subsidiaries. 100% of the regulatory scope is covered.

Each sector collects the data that falls under its scope, through contributors for the central functions for NTN-SNR France, and directly on the sites for overseas.

The consolidation of the inter-site data takes place through the data entry software Tennaxia Reporting.

In this report, the indicators (KPIs) will be presented over two scopes: NTN-SNR Roulements, legal entity (regulatory scope), requiring the validation of the Board of Directors as well as NTN-SNR Group scope (voluntary scope for certain indicators).



## Reporting period

The data presented in this report was observed during the fiscal year ending on 31 March 2020, that is to say during the period from 01/04/2019 to 31/03/2020 (2019 fiscal year).

# STRAT EGIC LINES & KPIs



## 9 priority issues, 5 CSR strategic lines

### **Business:**

Enrich our expertise towards the markets of tomorrow to make current and future changes in society more harmonious.

### **Innovation:**

Challenge our ways of doing and our new projects thanks to our ecosystem of partners to continue to grow and to innovate.

### **Social:**

Attract and hold onto diverse talents to ensure the development of NTN-SNR by relying on a strong employer brand.

### **Environment:**

Develop products and services and manage our business using an approach of eco-responsibility.

### **Ethics:**

Ensure the exemplary nature of our practices.

## **15 KPI** (indicators)

As a measure of our progress and the effectiveness of the work carried out on these 5 strategic lines, the KPIs presented later in the report are calculated, when this is possible, following the 2 defined scopes - NTN-SNR Roulements (parent company and regulatory scope) and NTN-SNR Group (scope chosen for our CSR approach).

The indicators relating to the regulatory lines were audited for FY2019.





**14,6%**

LEVEL OF NEW REFERENCES  
IN FY2019  
(18.5% in FY2018  
and 12,5% in FY2017)

**33%**

AFTERMARKET LEVEL  
FY2019  
(32% in FY2018)



## Business

**Enrich our expertise towards the markets of tomorrow to make current and future changes in society more harmonious.**

**The development of new products** is a key point in the profitability of the original equipment manufacturing business (OEM).

This allows us to win the loyalty of existing customers by offering them products that are always at the right technical and economic level and to win over new customers.

**The development of the industry and automotive aftermarkets (AFT)**, important business for our profitability, relies on 4 crucial lines:

- The availability of our products.
- Our competitiveness.
- The development of new products.
- Our notoriety with regard to end customers.

### OUR AMBITIONS:

#### AUTOMOTIVE ORIGINAL EQUIPMENT

Guaranteeing mobility that respects the environment thanks to energy efficiency and contributing to the development of electric vehicles.

#### AUTOMOTIVE SPARE PARTS

Change from a "European bearings manufacturer" to an "automotive outfitter" by offering new ranges and service, and strengthening digitalisation.

#### INDUSTRY ORIGINAL EQUIPMENT

Become our customers' preferred company, one on which they rely to be by their side, thanks to our technological and digital skills serving digitalisation, robotics and monitoring.

#### INDUSTRY DISTRIBUTION

Become "the best to work with", the best partner to our customers by targeting buoyant markets in the different geographical areas, by accompanying major distributors and by pursuing the digitalisation of our business.

## AERONAUTICS

To better accompany the specific requirements of the aerospace market, in 2019 we created an aerospace Business Unit that brings together the production site in Argonay and all of the activities supporting this market.





Save the date  
November 21<sup>st</sup> 20  
Innovation Day

**15**

NEW RELATIONS ADDED TO  
OUR NETWORK  
(13 in 2018 and 6 in 2017)

**12**

PARTNERSHIPS:  
(7 in 2018 and 2017)

**29**

PATENTS  
(22 in 2018 et 29 in 2017)



## Innovation

### **Challenge our ways of doing and our new projects thanks to our ecosystem of partners to continue to grow and to innovate.**

We are living in a world which is accelerating, in which many technological mutations are taking place and the very way of creating products or businesses is changing, directly impacted by the new technologies on offer.

Today it is no longer possible to claim to know everything, to master everything internal to the business if we have any hope of succeeding in our innovations with the right market timing, especially if they are a clear break from our historical products and expertise.

Of course, there will always be wheels, suspensions, transmissions, engines, gearboxes, pumps, turbines, and therefore ball bearings and CV joints (CVJ), equipment, tools for lubrication and various others.

But we are going to see a multiplication of new disruptive applications with profound changes to our specifications. We must also continue to contend with new arrivals onto a market that is already weakly concentrated.

Our products will incorporate more and more intelligence across sensors, actuators, electronics and software, and in the end this intelligence captures more than half of the perceived value of the product.

Pricing competition is no longer enough, ongoing product improvement is no longer sufficient; we also need to be able to offer new technologies and services.

### RESEARCH AND NETWORKS

Within this context, and to support the global strategic plan of the company, the management reorganised by setting up a Research, Technological Resourcing and Networks Department. The clear objective is for the company to open a wider window onto the outside world.

#### ► Research

Create the "technological bricks" which will make the company stand out. Part of our DNA, our areas of expertise revolve around materials, lubricants, the science of contact and of course ball bearings and their applications.

#### ► Networks and resourcing

To move fast, to access the right skills, the "bricks" will have to be co-produced within the different company teams, and also with the help of partners outside the group. These actions can be carried out in the framework of simple partnership contracts between the two companies or in the case of a consortium between different public and private partners, funded or not. In the case of technological bricks that already exist, it will

involve negotiating the conditions under which these bricks will be accessed.

The prerequisite for the creation of these partnerships is quite clearly our ability to build a network of potential partners in alignment with the themes we seek to address and our capacity to renew them.

### INNOVATION

Innovation is at the heart of the DRIVE NTN 100 business plan. 10% of company revenue in 2027 will be based on innovative products. It is therefore essential that we define the lines of work consistent with the expectations of the current and future market starting now.

The Innovation Department is working on 4 market lines:

- Mobility
- Industry and Services
- Digitisation and Services
- Green Business

These directions show that we are taking the needs and expectations of our customers into account, as well as our changing environment and our social responsibility.



## STRATEGIC LINES

The portfolio of our Innovation projects is composed of incremental projects and disruptive projects, projects that allow us to produce our current means of manufacturing and to create new industrial blueprints. The challenge is to balance all of our activities through collective and efficient leadership within and outside the company, to build the world of tomorrow.

### NETWORK

Networking is the creation, development and renewal of a company eco-system. It is composed of universities, research laboratories and businesses (from start-ups to major companies) and it must be perfectly adapted to the themes that the company is seeking to address and capable of offering added value to the search for partners. Accelerating our partnerships requires having a structured approach to our network in order to guarantee that we can rapidly identify the right partner(s).

The indicator that we retained to measure the effectiveness of our "networking" approach is the number of new relationships created over the course of the year that are given written form through a confidentiality agreement.

### PARTNERSHIPS

Partnership is defined as an active collaboration between different participants from the public or private sphere, businesses or research bodies who, while maintaining their independence, accept to pool their efforts with a view to realising a common objective relating to a problem or a clearly identified need in which, under their respective missions, they have an interest, a responsibility, a motivation, or even an obligation. The goal of the collaboration can vary, from access to new knowledge and new technology to access to new markets or business. These partnerships may also receive public or private funding depending on their content.

A company that works systematically by organising partnerships is a network company.

### PATENTS

The number of patents is not an objective in itself, but rather a result. It is a measure of our creative and inventive dynamic. The patent also allows to protect our inventions. It is equal part offensive and defensive weapon and in the end, it is a negotiating instrument.

In order to boost the inventive approach and to avoid it being concentrated at the level of the innovation or engineering teams, NTN-SNR has started a Fab-Lab (Créa'lab) whose objectives are:

- To create a community of people to guide any person in the company who has an idea, to transform it into a Proof of Concept (POC) in a short period of time (3 months maximum), making the appropriate skills and tools available
- To promote innovation in the company and thereby encourage the most initiatives

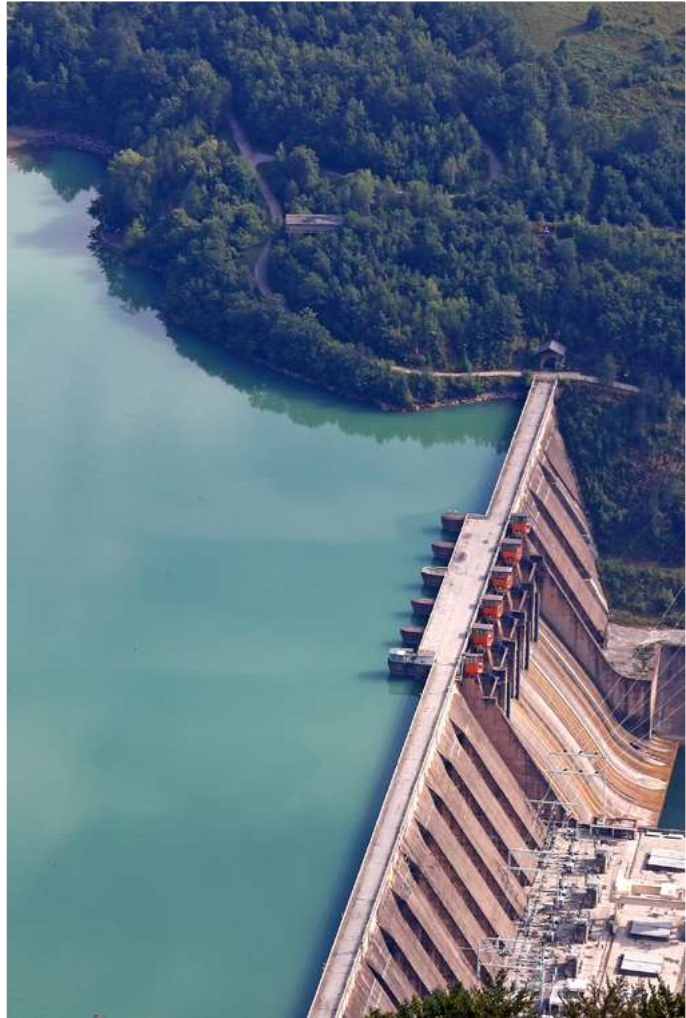
### NTN PROUD AWARD

For the second year in a row, NTN-SNR is part of 8 teams that were rewarded within the NTN group, thanks to the Créa'lab project. This first year of experimentation brought together more than 40 members of the company around themes related to innovation.

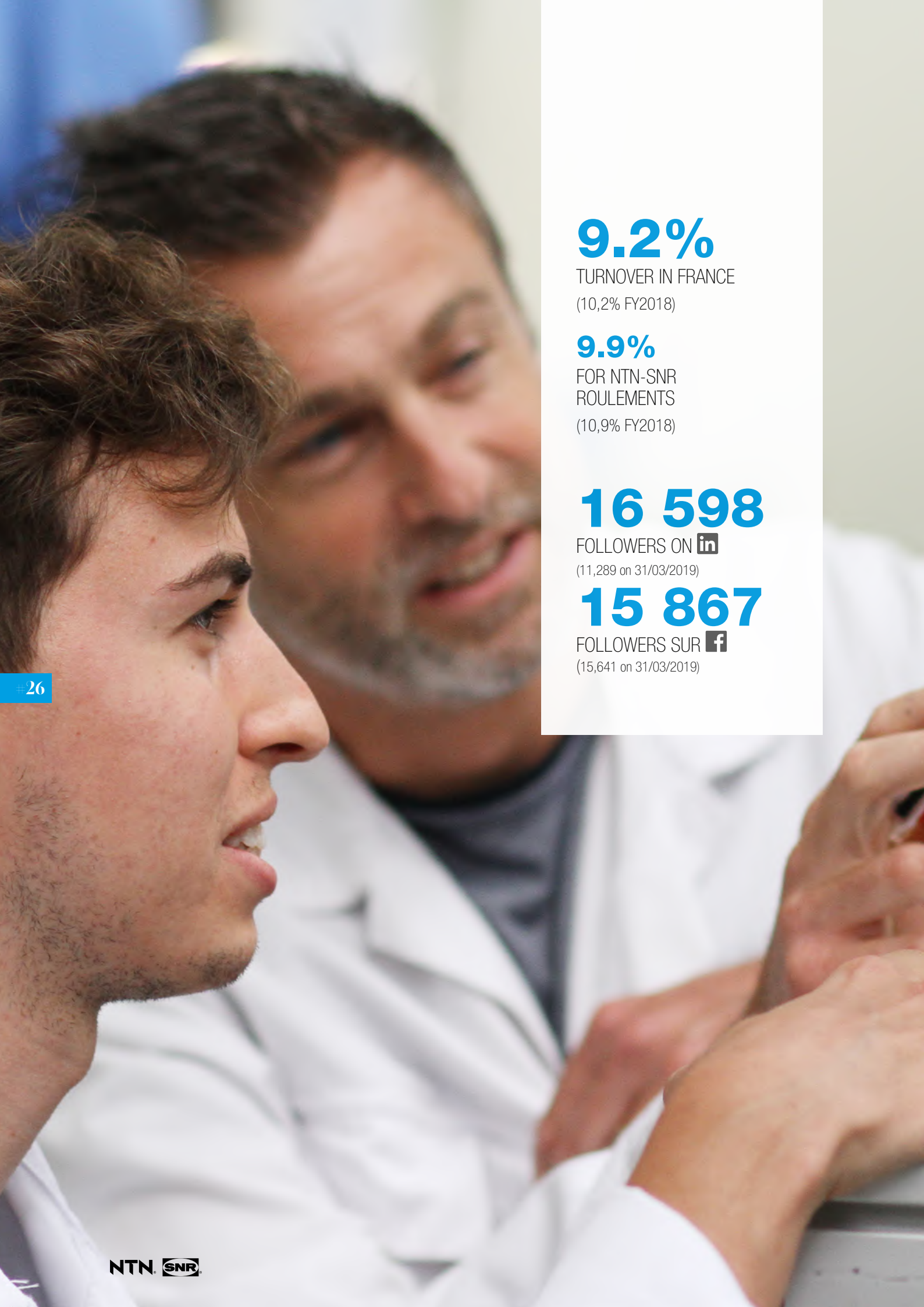


## FOCUS ON GREEN BUSINESS

In accordance with the Drive NTN 100 plan and the desire of the NTN Group to put the emphasis on innovation and diversification, in particular in Green Business over FY2019, the PRODUCT INNOVATION team initiated a promising collaboration with a French start-up in the field of hydro electricity. This collaboration has an ambitious objective: to become a recognised partner in 2 years in the supply of 100% ceramic bearings destined to fit micro-turbines for drinking water pipes. This is a great opportunity to broaden the field of applications that ceramic materials can invest!








**9.2%**

TURNOVER IN FRANCE  
(10,2% FY2018)


**9.9%**

FOR NTN-SNR  
ROULEMENTS  
(10,9% FY2018)

**16 598**

FOLLOWERS ON   
(11,289 on 31/03/2019)

**15 867**

FOLLOWERS SUR   
(15,641 on 31/03/2019)

## Social

**Attract and hold onto diverse talents to ensure the development of NTN-SNR by relying on a strong employer brand.**

### THE ISSUES

Developing the employer brand represents important stakes. It designates the potential perceived benefits of working for a company. It carries the social DNA of the company and must transmit the HR ambition, the values, culture and distinguishing elements of the organisation. There is no limit to the targets: current and future employees, customers, suppliers, partners and institutions. We would like our DNA to be perceived in a homogeneous and authentic way from inside and outside the company. We are pursuing several final objectives: to attract new candidates with a shorter recruitment period, to win the loyalty of our employees to reduce turnover, and, more generally, to develop a sense of pride in belonging to and well-being in the group.

### OUR AMBITIONS

Taking into account the strategic issues raised, and in line with our values, we are investing substantial human and financial resources in order to strengthen our attractiveness and hold onto our talent. We have built and implemented a comprehensive strategy around flourishing lines:

- Integration and guidance for young interns and work-study candidates
- A HR policy centred on the women and men of the company (mobility, training, co-opting campaigns, opening of the LEARN training centre, etc.)
- Communication in line with our DNA, and adapted to our business
- A reviewed and optimised integration process

To date, we are continuing to carry out concrete actions to cultivate our employer brand every day, internally as well as externally.

#### ► The actions we have implemented

##### An optimised integration process

We pay particular attention to the integration of our employees, through an individualised training plan and involvement of the team, as well as the line of management. To take things even further, we have deployed a comprehensive welcome guide, so that our future employees can dive into the everyday life of the group before they even start. This guide is intended to be interactive, entertaining and practical, offering institutional information alongside very practical information, in order to facilitate their arrival and make life easier for our new hires.

##### Communication

We are pursuing our desire to communicate widely in order to spread the word about industry careers, which are extremely rich and varied. To that end, we launched several communication campaigns, both inside and outside the company, in order to lift the veil on little-known specialisations. Interviews, mini-portraits, job descriptions in the internal newsletter, broader communication with our partners using advertising formats, newspapers... We wanted to broaden our communication as much as possible in order to spread the word about the employment possibilities in the industrial sector to as many people as possible.

These actions have improved our visibility and our notoriety, in particular on social media.

### Training and hosting young people as interns and on work-study programmes

The juniors of today are the potential talents of tomorrow! The development of work-study courses and internships is a powerful driver for recruitment. Depending on each person's skills and the needs of the company, interns and work-study placements at the company are the primary candidates of tomorrow. The importance that we give to our work-study placements and interns, who are guided both on the technical aspect by a business tutor, and in close contact with the HR service of the group, translated this year into our receiving the HappyIndex® Trainees label through Choose My Company. This approach is important in our eyes because over and above the HR policy being implemented, this certification is based solely on the opinion of our young trainees. There are several criteria, meaning that the reliability of this study can be validated, and that is why we chose it.



### Launch of the Learn school

2019 was notable for the launch of LEARN. Through this, we want to offer specific guidance to any person who wants to discover the aeronautical sector and get specific certification. This service is supported by national and local partners (Ministry for Labour, Pôle Emploi, Chambre syndicale de la métallurgie, l'UIMM, ADEFIM74, OPCO2I, University of Savoie Mont-Blanc, local public authorities, etc.).

We wanted an innovative recruitment method, 100% without CVs, based on aptitude and motivation. The professional training program is composed of three blocks of actions:

- Recruitment and integration to the company
- Training in the technical basics and assessment of professional skills
- Mobilisation of the NTN-SNR teams to facilitate the transmission and assessment of skills



### Health and safety in the workplace

Safety is a strong Group value, part of the company policy and the commitments made by our senior management. As part of this, the managers take all the necessary measures to ensure the safety and protect the health of employees and more generally any person who enters the company. They are supported by a central HSE department that proposes an improvement plan and guides its operational deployment, and also by an internal medical service that actively participates in the preventive approach. With the assistance of the ergonomics department, the company is therefore committed to making safety and working conditions a permanent priority in order to improve results and to build a robust and sustainable culture of safety. The approach towards preventing occupational accidents and illnesses is currently based on an internal Safety Management System..

2019 was marred by disappointing safety results, but NTN-SNR retains its strong ambitions for the future, with a 30% reduction in the number of accidents involving work stoppages between now and the end of 2022 in relation to the reference year 2017. To reach this objective, a safety improvement plan 2020-2022 was defined at the start of 2020. The idea is to strengthen the safety requirement level, to kick-start an improvement dynamic through actions linked to Technique, Organisation and Conduct (TOC).

The priority lines of work for 2020-2022 are:

- Stabilise safety organisation, roles and responsibilities
- Changes in behaviour
- Deploy standards about the principle risks (e.g.: working at a height, moving around, etc.)
- Simplify and digitise the tools and training
- Strengthen safety leadership (management) and communication
- Track steering indicators
- Change the management system, observing the ISO 45001 standard

One of the first actions of this plan was to change the Safety Code to 12 Safety Fundamentals, to change behaviour and tend towards safer attitudes.





Improving working conditions represents one of the main strands in the NTN-SNR Human Resources management policy. It is therefore as part of this framework and that of the National Interprofessional Agreement of 4 May 2010 signed by all the trade union organisations that NTN-SNR works on the prevention of psychosocial risks.

### Focus on ergonomics

NTN-SNR is also committed to an ergonomics approach built around two principle themes.

The first involves ergonomics of correction: proposing improvements to the existing means or organisation based on an analysis of operator activity (ratings grid, mapping, action plan). The second concerns ergonomics of design: this takes human activity into account, so that the system designed can make the best use of human "capacities and limitations" in order to face workplace situations or future uses that will be encountered in a relevant way.

The associated policy and directives in matters of ergonomics will be overseen by the HSE department. Local ergonomics facilitators deploy the various actions in an operational manner. Tools and means are placed at their disposal:

#### Tools:

- Method: specifications/standards, rating tools for workstations, observation of the compliance of new.
- Training: training modules (managers and technical teams/methods)
- Communication: dashboard, indicators.

#### Financial means:

- An annual budget envelope for ergonomics of correction depending on the priorities at each site.

Most positions are subject to an ergonomics rating in order to identify actions to reduce the physical and mental load of the operators.

Special attention is given to musculoskeletal disorders (MSDs), which represent 85% of occupational diseases recognised in France, across all sectors.

To this end, we want to enrich our workplace health prevention programme with a new surveillance study, that will allow earlier anticipation of the first symptoms related to illnesses of the upper body limbs.

The objective of this study is to better target and increase our monitoring of illnesses relating to over-excessive solicitation of the upper limbs.

To do this, we are creating a standardised self-questionnaire recognised by the INRS of the "NORDIC" type, containing 23 questions and leading to a rating of the symptoms experienced. It will be available initially to production line workers, who are potentially most exposed to this risk. It can help to identify the groups of people

who may be at risk and can lead to the development of preventive actions to better respond to their needs.

“

During FY2019,  
at the Alps plants, 602 workers  
(39% of this professional category)  
answered the questionnaire.

”

### Management

Modernisation of our management approach has been engaged since 2018 to place humans at the heart of our organisations and:

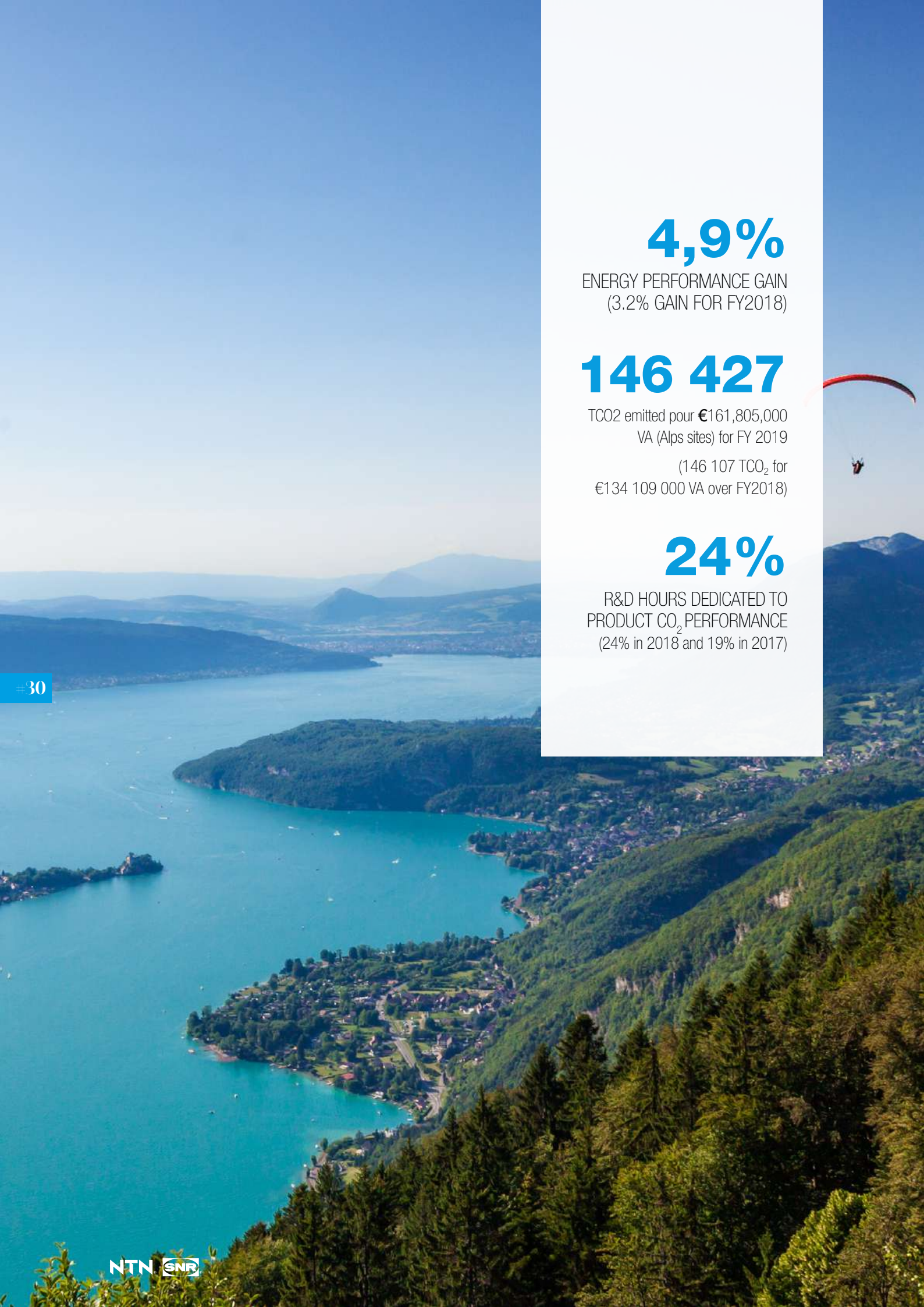
- Give us a better chance of reaching our objectives
- Develop commitment and pride in belonging to NTN SNR
- Clarify the roles and responsibilities of managers by specifying expectations
- Harmonise management practices with clear standards that are shared by all

This approach began with the co-construction of a common reference guide thanks to the contributions of around 300 people from the different European entities. The deployment of the actions to guide the concrete implementation of this reference guide within the teams is being pursued, in particular with:

- regular training activities for our managers to acquire a common base and gradually go on to respond to more individual needs
- the availability of concrete tools to help managers on a daily basis
- facilitation of managerial communities to share their experience and exchange about the company orientations
- regular assessment of management perceptions, as seen by the managers and those managed in order to focus our efforts and measure the progress made

Finally, our management system is there to guide the transformation of the company organisations.





**4,9%**

ENERGY PERFORMANCE GAIN  
(3.2% GAIN FOR FY2018)

**146 427**

TCO<sub>2</sub> emitted pour **€161,805,000**  
VA (Alps sites) for FY 2019

(146 107 TCO<sub>2</sub> for  
€134 109 000 VA over FY2018)

**24%**

R&D HOURS DEDICATED TO  
PRODUCT CO<sub>2</sub> PERFORMANCE  
(24% in 2018 and 19% in 2017)

# Environment

## Develop products and services and manage our business using an approach of eco-responsibility.

### Our ambitions in matters of environment, energy and eco-design:

In order to better respond to this strategic line, NTN-SNR has deployed three policies: an Environment policy, an Energy policy and a policy regarding the Eco-design approach. Overall, the senior management of NTN-SNR, out of concern for the current environmental issues being faced, commits to the following points:

- We are working to reduce our impact on the environment, in particular our consumption of resources, our emissions and our waste, and to control our energy consumption.
- We want to contribute to more environmentally friendly mobility by improving the energy performance of our products.
- We are making efforts to control the risks and impacts in terms of Quality, Security, Environment and Energy from the outset with new products, means, infrastructure or services.

## ENVIRONMENT

### ► Our strategic lines

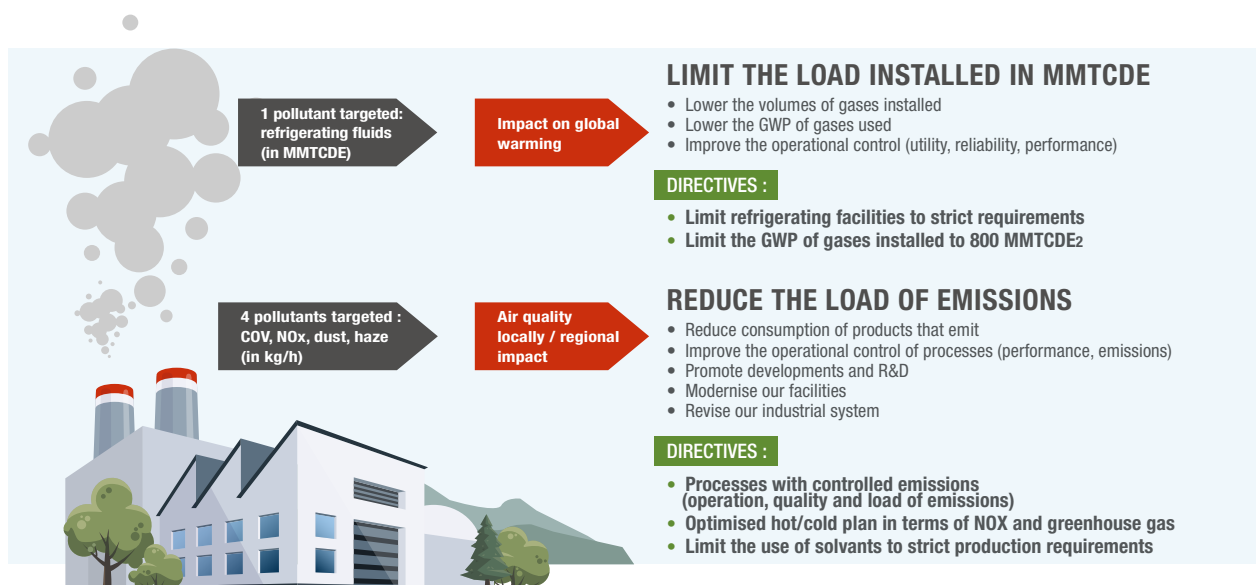
#### Reduce our atmospheric emissions

The management of air pollution is ensured by operation instructions and plant preventative-maintenance plans (extraction, general ventilation, methods of production, etc). Regulatory monitoring and testing are carried out regularly.

For new procedures which are likely to produce atmospheric pollution, the project team, in contact with a representative informed on environmental impact, takes all requirements and atmospheric waste-management good practices into account via a questionnaire.

The HSE department of NTN-SNR has a project to implement monitoring of atmospheric emissions in order to limit the impact on air quality and is working on creating an indicator. The following approach is used to build it:

- Identification of pollutants to monitor





- Overview of the activities that have a important impact on these pollutant emissions /Definition of improvement solutions (available, in progress, to develop) with the players involved  
The company processes concerned take over and commit to reducing the atmospheric emissions through their roadmap and calculated objectives In this way, the implementation of our future production capacities integrates these new commitments in matters of COV or CO2 emissions, for example, right from the specifications stage.
- Define the indicator and monitor the progress plan by pollutant 2020, the reference year, will be devoted to preparing a methodical and in-depth measurement campaign. It will allow us to calculate the value of our KPI and to measure the progress made against this baseline.

Measuring our carbon impact

The greenhouse gas emissions balance sheet at the Alpes sites was updated at the end of 2015.  
On the basis of this balance sheet and the posts where greenhouse gas emissions considered to be significant were highlighted (the posts representing 80% of the greenhouse gas emissions recorded in 2015 outside of product use were selected). The result of this analysis is presented below:

UPSTREAM		DOWNSTREAM	
✓ Inputs	✓ Direct waste	✗ Transport	
✓ Extraction o Energy consumption resources (Electricity+gas)	✗ Immobilisation of goods	✗ Use of the product	
✓ Upstream transport of goods	✗ Business travel	✗ End of life of the Bearing	

The carbon balance sheet for the fiscal year 2019 will be carried out in 2020, and the result of this balance sheet will be the opportunity for NTN-SNR to check the changes in its emissions plan and adjust the progress actions to this new plan.

Controlling our waste recovery

NTN-SNR has engaged a sector optimisation process for waste handling. The objective of this approach is to minimise the environmental impacts of waste, re-establish the market assignments and develop a dynamic of progress at the level of the sectors at the Alpes sites.

NTN-SNR is working on prevention, with the objective of producing less waste, reducing dangerous waste and facilitating waste treatment. In coherence with our engagements, the plan launched in 2014 was pursued in 2019.

We consulted with a wide panel of providers and retained the solutions that work towards waste recovery; the economic criterion is no longer the sole criterion of choice. This approach leads our suppliers to develop and propose new ways to manage waste. The chosen criteria are:

- Define the indicator and monitor the progress plan by pollutant
- The cost of handling
- The cost of transport
- The industry code
- The carbon balance sheet

It offers results above the set objectives. Nowadays, the landfill sector is used only as an emergency solution. This level of performance is the result of constructive collaboration between the suppliers, the Procurement department and the HSE department.

“ Once again this year, we have managed to maintain our recovery level at 97%, above our target of 95% ”

## ENERGY: CONTROLLING ENERGY PERFORMANCE

### ► Our strategic lines

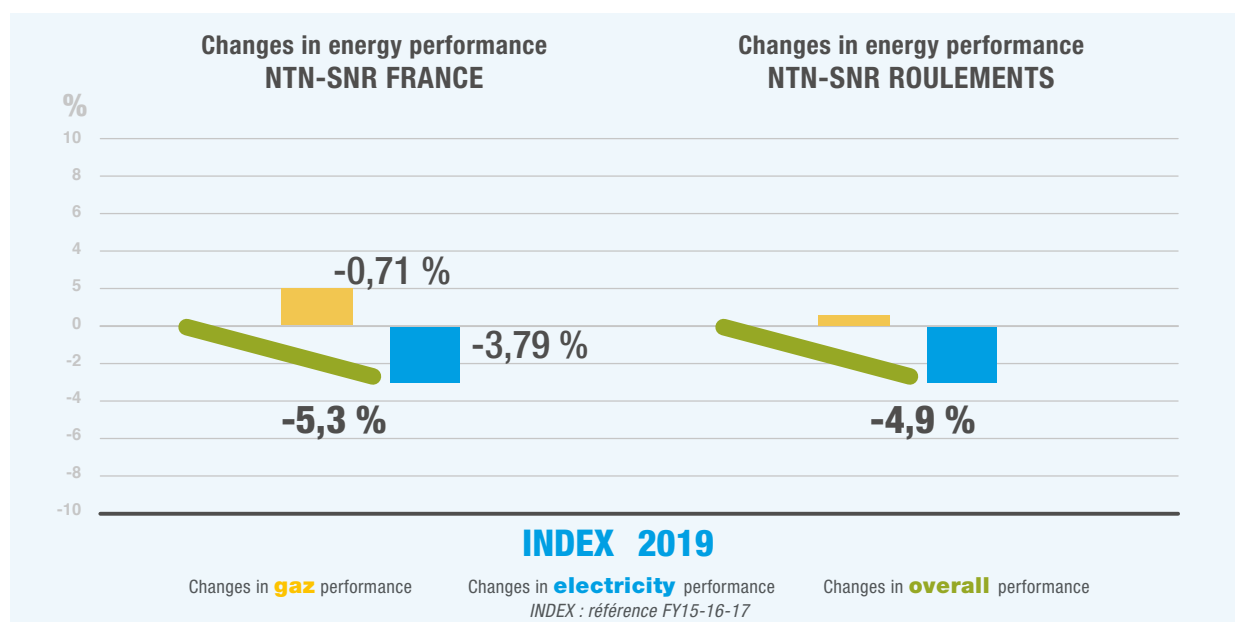
#### Pursue the deployment of the VOR approach

At the start of 2016, in coherence with our ISO 50001 approach, the Factory in Seynod committed to a “no-waste” energy approach for its production units. A pilot unit was designated to test a method called VOR. This method consists of defining the off mode of machines in relation to different criteria:

- Green: full stop at the general mains
- Orange: means left in standby mode with no energy input
- Red: means left in production condition

The objective of this approach is to adjust energy consumption based on need. The results are measured on a daily basis in relation to the electrical energy consumed and production data. This allows savings to be easily quantified in relation to the activity. The main savings relate to the tempering furnaces, the hydraulic generators, the sprinkler circuits, the rotation of the spindles and the conveyor elements. The approach is being deployed in the group and is already in place in all the French sites, and has begun at our Romanian factory in Sibiu certified ISO 50001 in 2019.

### ► KPI for the year 2019:



Excluding data from March 2020, not relevant due to the Covid-19 crisis.

Changes in gas performance are related to climatic conditions. Changes in electricity performance are related to business activity. The reference is the average of FY 2015, 2016 and 2017.

#### Digitise our data: Energy information system

In order to collect all of the energy data, NTN-SNR chose to improve its Energy Information System through the acquisition of expert software, a commercial product at the cutting edge of current best practices. While today we work with several data bases, the site and group energy reference people are currently working on the development of the application **Ycactus.es**.

This choice is the fruit of the work of our energy, procurement and digital transition teams carried out over 2019.

#### Recovery of lost heat

Three sources of energy loss (gas and electricity combined) have been identified at NTN-SNR:

- The production of compressed air
- The water dispersal cooling systems (Air-cooling towers)
- The cooling production units

To combat this waste, calorie recovery systems have been installed. At Seynod, Argonay and Sibiu in particular, this has been implemented on a compressor. The operating principle is the following: part of the return water circuit from heating is diverted to these heat exchangers. This warmed up water then joins the boiler circuit. The increase in the temperature of the return circuit allows a reduction in gas consumption. In 2019, our Alès site finalised its installation on its compressors.

## BEARING ENERGY PERFORMANCE

### The question of anthropological emissions of greenhouse gas

The Intergovernmental Panel on Climate Change (IPCC) established that it is extremely probable that the anthropological emissions of greenhouse gas (GES) were the principle cause of the global warming that has been observed since the middle of the 20th century. In the longer term, this climate change will have direct or indirect consequences on human and animal health, economic activities, biodiversity, etc. A reduction in GES emissions is therefore a necessity to limit climate disturbance and its consequences.

### As applied to the automobile industry

The automobile industry contributes to this effort through commitments by geographical zone. For example, in Europe, in the framework of CAFE 2021, the average emissions per car should be lower than 95g/km of CO<sub>2</sub>. In the event of higher emissions, heavy financial penalties are foreseen for the manufacturers.

### As applied to bearings

NTN is indirectly concerned, in a very strong manner, through its customers and its environmental responsibility.

Bearing technology is used to smooth the rotation of parts in all types of machines. With more precise bearing technology, the shafts can rotate more smoothly, minimising loss of energy. This technology is progressively changing the future of electric vehicles, robots and even society, thanks to renewable energies.

The improvement in energy performance produced represents a clear and unifying objective for NTN-SNR. It is also a means to generate innovation, competitiveness and customer value. It is a sustainable and structuring direction for automobile R&D activities.

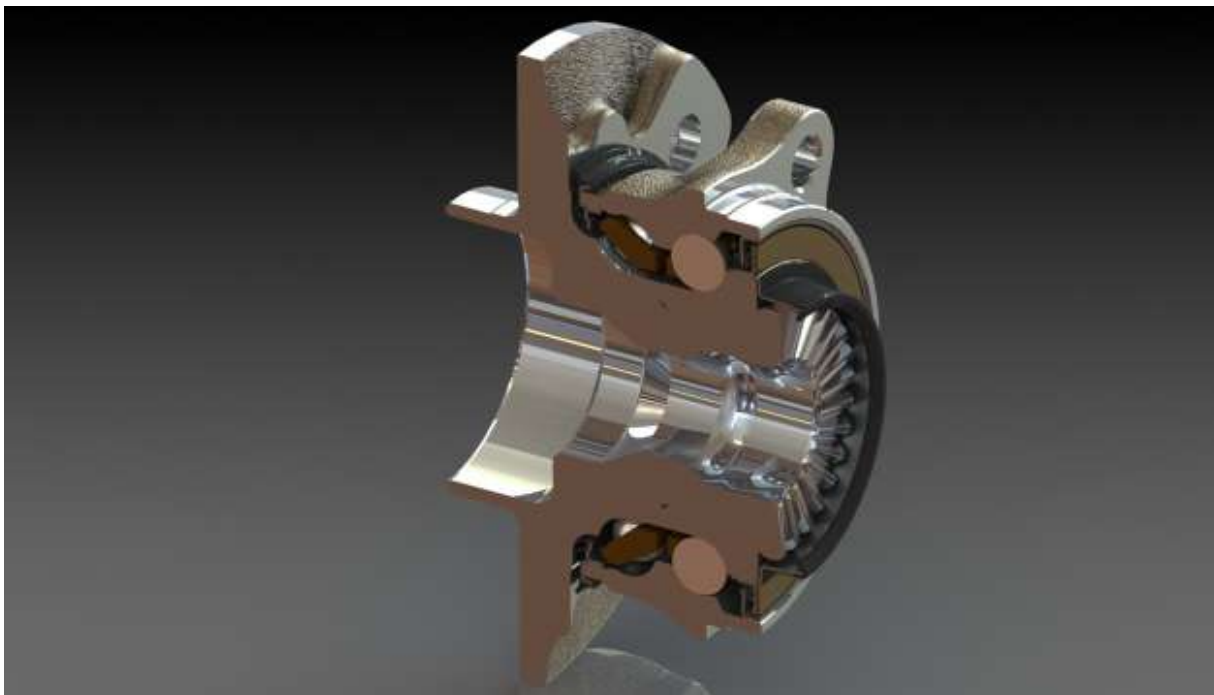
### ► Actions

**Openness:** analysis of the competition, collaborations within the group, R&D partnership.

**Innovations:** leading innovative projects to develop disruptive solutions.

**Fundamentals:** development of our means of testing and calculation for more finely-tuned energy performance. Work on manufacturing methods, materials, surface treatment, rules of design.

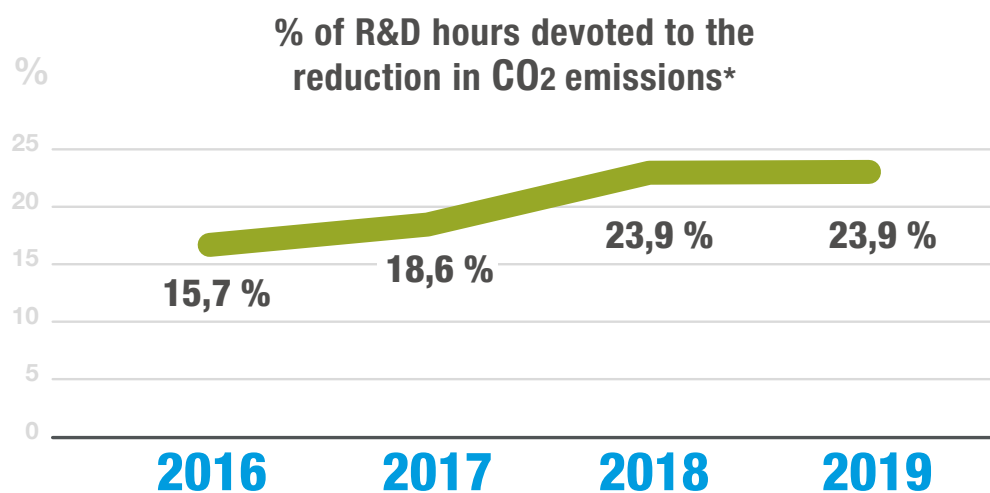
**Sharing of know-how:** implement training.



**► KPI for the year 2019:**

The KPI retained is defined as the percentage of R&D hours devoted to the reduction of CO2 emissions:

This KPI is coherent with the stated lines of direction of the NTN Group. It is based on the overall hours eligible for research tax credits.



\*based on hours eligible for research tax credits, excluding management & steering



**94%**

OF OUR ETAM AND EXECUTIVES  
HAVE BEEN TRAINED ON THE  
CODE OF ETHICS WITHIN NTN-SNR  
ROULEMENTS

(84% for NTN-SNR Roulements  
in 2018 and 2017)

**91%**

WITHIN THE GROUP

**82%**

OF TURNOVER COVERED BY  
THE RESPONSIBLE PROCUREMENT  
CHARTER

(77% IN FY2018)



## Ethics

Ensuring the exemplary nature of our practices

**In a world in which requirements are increasingly important and constantly changing, risks are increasing and the expectations of our partners are on the rise, preserving their trust and our reputation is only possible through exemplary and responsible professional behaviour.**

### ETHICS: OUR COMMITMENT

We are committed to conducting **our business in an honest and fair manner**, observing the regulations and compliance obligations that are applicable to us.

We reject corruption in all its forms as well as any **impediment to competition rules**. We work to ensure the **sincerity of our financial information**. We make every effort to **protect the data and the know-how in our possession**.

#### ► OUR CODE OF ETHICS

In coherence with our values, the **Code of Ethics** was created in 2010. It describes our fundamental principles in ethical matters and the way in which we intend to manage our relations within the Group, on our markets and in our environment.

**The deployment of the Code of Ethics is part of our ongoing progress approach.**

The themes covered in our Code of Ethics include the protection of people, the protection of the Group's assets, environmental protection, abidance by laws and regulations, relationships with partners and the prevention of fraud and corruption.

“ 94% of our Employees and Executives have received training in the Code of Ethics ”

**This training is also deployed within the group.**

#### ► PROTECTION OF PEOPLE

Above and beyond the physical protection considered by our security policy, the protection of persons also concerns:

- Non-discrimination in any form, from hiring to professional advancement
- Protection of the personal data of employees, and also that of all of our partners (customers, suppliers, etc.)
- Respect for national and international regulations: trade union freedom, the prohibition of forced labour and child labour, behaviour contrary to human dignity
- Female/Male equality

#### ► PREVENTION OF EXTERNAL FRAUD AND CYBERCRIME

The "market" for fraud is booming. Players are proliferating, becoming more professional and constantly innovating. We need to integrate this root trend into our reflexes and ensure that every member of staff adapts his or her behaviour in the face of this growing threat.

To limit our exposure to these risks we have chosen to train our staff. A procedure for prevention and a specific training module have been deployed. An alert system has also been put in place to quickly escalate any potential threat and take the necessary measures rapidly. Awareness operations are regularly carried out with all the teams, as reminders of the instructions of vigilance.

▶ **RESPECT FOR COMPETITION LAW**

A programme of compliance with competition law has been in place since 2014. We use different means such as in-person training or online questionnaires. The launch in 2019 of our E-Learning module allowed us to maintain an adequate level of awareness. More than 350 people were retrained on this theme this year.

▶ **ANTI-CORRUPTION COMPLIANCE**

Within the framework of the Sapin II law, a mechanism and a plan of action are under deployment with the following main lines:

- Preventing and combating corruption
- Managing conflicts of interest
- Implementing procedures for partner assessment and strengthening the monitoring of economic sanctions
- Strengthening our alert procedure
- Updating staff training on these developments

**RESPONSIBLE PROCUREMENT**

Company purchases are centralised for the most part for Europe and based in Annecy. The plants manage operating purchases and a few production purchases following the defined delegations. NTN-SNR integrates the principles of collaborative and responsible procurement in its relations with suppliers. Under this title, the company uses **a Collaborative and Responsible Procurement Charter** as a reminder of its commitments in the field of commercial relationships, ethics and the environment and to specify its requirements with respect to its suppliers.

▶ **LEVER OF DEPENDENCE OF LOCAL SUPPLIERS ON THE COMPANY**

In order to limit the risk of dependence of our suppliers we take account of the weight that we represent in their activity when awarding contracts. We are vigilant to remain under the defined thresholds for dependency.

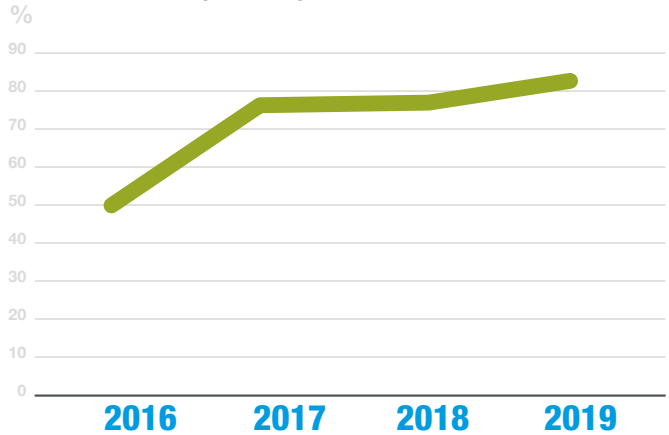
▶ **SUSTAINABLE DEVELOPMENT CRITERIA**

During the analysis of calls for tender, we integrate the overall cost of the solutions proposed by our suppliers in order to take the best decisions with the entire scope of cost at our disposal. The optimisation of our transport flows is also an area for improvement by implementing lower consumption solutions.

▶ **NTN-SNR CARES ABOUT THE QUALITY OF ITS COLLABORATIVE RELATIONSHIPS WITH ITS SUPPLIERS**

NTN-SNR is committed to maintaining a sustainable and balanced relationship with suppliers as a pledge of sustainable performance. Any new supplier that integrates our panels is asked to sign the Responsible Procurement Charter.

**Turnover rate covered by the responsible procurement charter**



# THE COMMITMENTS OF THE NTN SNR RESPONSIBLE PROCUREMENT CHARTER



## The commitments of NTN-SNR with respect to its suppliers

Make our collaborations secure

Develop a win-win relationship

Apply a transparent procurement policy

39

## The expectations of NTN-SNR with respect to its suppliers

Observe the guiding principles of Human Rights

Take environmental challenges into account

Put professional honesty first

**A lasting and balanced relationship in a framework of mutual confidence.**

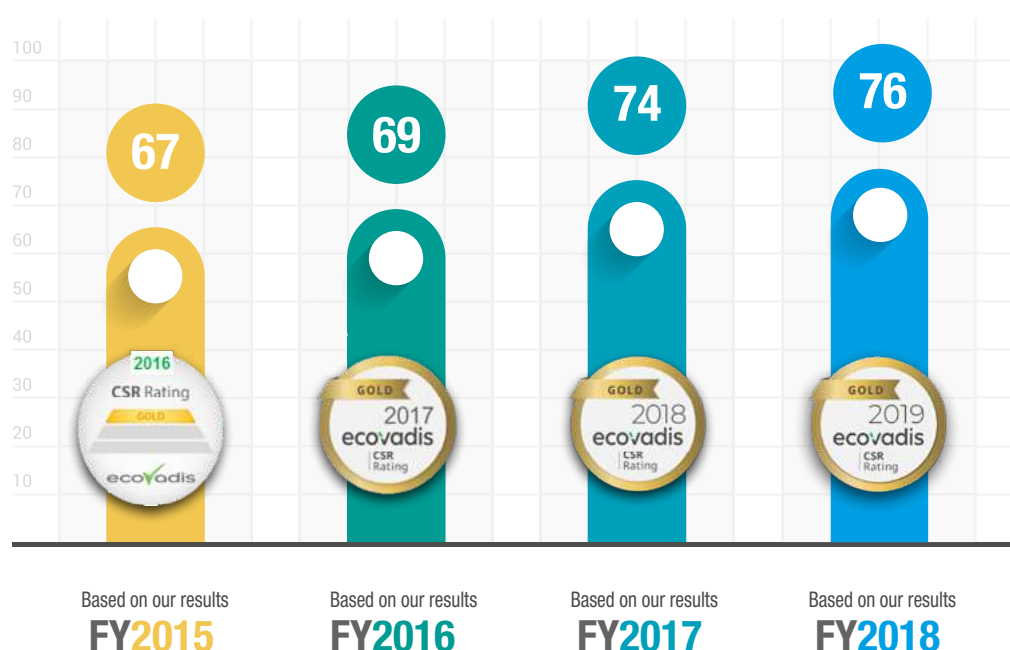
# INI TIA TIVES

## Ecovadis Assessment

**ecovadis**  
Business Sustainability Ratings

In order to assess our performance in the area of CSR in the most objective manner there is, we work in close collaboration with the online platform for assessment and exchange - EcoVadis. This online platform is an interface between customers and businesses, which allows information in matters of Corporate Social Responsibility to be shared and disseminated. The result of the ECOVADIS assessment allows us to identify the steps to make progress and to keep improving our performance, to highlight our methods and to see where we stand in relation to other companies in our sector.

Therefore, we submit to an annual questionnaire, the objective of which is to assess our CSR performance. Our latest result, obtained in December 2019 is 76/100, which places us in the Top 1% of the companies assessed in our sector of activity. With its Gold level of commitment, NTN SNR is now listed as an "advanced" supplier in terms of CSR.



Correspondence of our grade with the EcoVadis reference guide:

# 76/100

**TOP 1%**  
OF COMPANIES ASSESSED

Structured CSR Approach

Quantified commitments and tangible actions  
for all the issues

Detailed information about the implementation

CSR reporting on the actions/performance  
indicators



## Measures for the climate

### MOBILITY PLAN

In 2019, NTN-SNR developed mobility plans for the 5 sites of the Annecy region in association with the greater Annecy agglomeration and with the support of the Savoie Mont-Blanc Eco-mobility Agency. This helped to establish mapping of home-workplace travel, to identify multi-modal accessibility and establish plans of action for the company.



## Measures taken in favour of work for the disabled

### FROM A LEGAL OBLIGATION TO COMPANY POLICY

In accordance with the legal provisions in force, any employer working with at least 20 employees is bound to employ workers with disabilities on a part-time or full-time basis at a proportion of 6.4% of the total workforce of the company.

This obligation can be fulfilled either by the direct hiring of disabled workers or, within a certain limit, by subcontracting with the protected or adapted sector with contracts for the provision of goods or services with:

- Adapted companies (EAs)
- Distribution centres for work from home (CDTDs)
- Work assistance establishments and services (ESATs, formerly CAT)
- Or independent workers with disabilities

NTN-SNR wishes to reaffirm its commitment in favour of the inclusion and retention in employment of disabled workers and is continuing its efforts in this area, in particular by taking the problem of accessibility into account in its future projects.

### PRINCIPLE OF PROFESSIONAL EQUALITY

NTN-SNR wishes to maintain a HR policy free from any discrimination vis-à-vis workers with disabilities, in particular in the field of recruitment, training, compensation, assignment or promotion.

### ROLES OF PARTICIPANTS IN MATTERS OF HEALTH, SECURITY AND SOCIAL SUPPORT AND MANAGERS

The social service and the medical service, both integrated in the company, contribute fully to the integration and the accompaniment of disabled workers within NTN-SNR Roulements. In addition to this, managers are bound to comply with the medical restrictions defined by the occupational doctor.

At NTN-SNR Roulements, 6.4% of the employees have a form of disability. We can emphasize that NTN-SNR has always fulfilled its obligations regarding the recruitment of workers with disabilities since the Law dated 10th July 1987. Adapting work stations, investments in terms of ergonomics and the use of sub-contracting to protected workshops contribute to fostering and maintaining the jobs of disabled workers.

## Exclusions

### FOOD WASTE AND SUSTAINABLE FOOD ACT

Given the business of the NTN-SNR group, these subjects do not stand out as a priority risk. Nevertheless, the company encourages initiatives by its in-company dining partners (local provision, fight against waste, reduction in plastics).

## Other actions

### DEPARTMENTAL CLUB OF INCLUSIVE COMPANIES

At the end of June, the Préfecture officially launched the 1st Haute-Savoie inclusive companies club in the framework of a government initiative and in the presence of around twenty companies that are committed to the approach, State services, professional bodies and workplace integration and employment players. The vocation of the club is to unite businesses that want to share their experience and get involved in concrete actions to reintegrate people who have been out of the workplace. The companies choose the more specific themes on which they want to work. NTN-SNR, a major employer in the area and project initiator when it comes to these topics, was designated leader of the Club.

### THE CENTENARY PENCIL CASES

Centenary tarpaulins turn into pencil cases...

The project was able to take shape thanks to the work of the "Fibr'ethik" workshop. This Savoie association that employs people returning to the workplace, reuses materials by transforming them into eco-goodies (bags, leather goods and accessories).

As part of this first association, the decision was taken to make pencil cases from tarpaulins made for our centenary.

Some of the items were given to the children from the orphanage in Sibiu. The pencil cases were filled with school supplies.



### ANNECY MIFA 19

Created at the end of the 1960s, the Annecy Animated Film Festival is a true institution in the city of Annecy. That is why NTN-SNR decided to be part of the event, the guest country of which was Japan. To mark this first contribution, the company treated its employees to two screenings at the Haras on June 6 and 7, 2019, and on June 11, the city of Annecy hosted a delegation from Japan. It was an opportunity for NTN-SNR to introduce a little more Japanese culture to the region.



### CHANGING LIVES... THROUGH SPORT IN BRAZIL

Being in the forefront internationally in any sport and getting close to qualifying for a world championship is an arduous task for any high-level athlete. This took on every more meaning for the young people of Eazenda Rio Grande who train as part of a social rescue project. NTN Do Brasil decided to focus its efforts and its FY19 social responsibility activities on this social project.

The NTN teams assisted the team from the NGO CADI to take part in the national and pan-American karate championship, encouraged them and celebrated victory with them. The result is more than just medals: by overcoming challenges and fulfilling their objectives, the teenagers also learned about discipline, respect and group spirit - things that they will carry throughout their lives.



**Read our Statement of Extra-Financial Performance  
on the website NTN-SNR.fr under the CSR section.**

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