

ESG 2025 REPORT

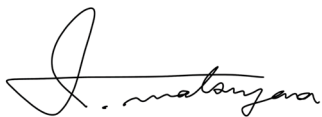


CEO MESSAGE

“ Together, we can transform our tomorrow and continue keeping the world in motion for future generations.”



Itaru Matsuyama
Director, Representative
Executive Officer, CEO



At Tsubaki Nakashima, our Purpose is **to help the world to move by the power of precision**. By supporting industries such as medical, automotive, aerospace, and defense—while also contributing to everyday life around the world—our work enables essential technologies and services that people rely on every day. Through these efforts, we strive to contribute to a more sustainable and resilient future.

As a global company that supports modern society, we take **our responsibility to help shape a sustainable future seriously**. Even in an increasingly uncertain world, we remain committed to manufacturing excellence and reliable products while steadily advancing our ESG goals and the objectives outlined in our Mid-Term Business Plan toward 2029.

We view sustainability not only as a responsibility, but also as a driver of long-term competitiveness and innovation. By integrating ESG into our business strategy, we aim to **strengthen our resilience, create value for society, and position Tsubaki Nakashima for sustainable growth**.

Under our ESG theme, **“Transforming Our Tomorrow Together,”** we made steady progress across all three ESG pillars in 2025 and are already accelerating our efforts further in 2026.

Environmental

In 2025, we focused on reducing energy consumption and expanding the use of green energy. As a result, our CO₂ emissions intensity improved from 0.72 to 0.69 ton/ton. In 2026, we will further advance these efforts through 13 productivity initiatives and 6 green energy projects.

Social

In 2025, we strengthened the foundation of our safety management by establishing baseline data and conducting employee engagement surveys. As we believe our people are the driving force behind Tsubaki Nakashima’s success, our priorities for 2026 include enhancing employee engagement, diversity, and development.

Governance

In 2025, we enhanced governance through the execution of the Quality Compliance Committee (QCC) program, expanded risk oversight by the Audit Committee and Board of Directors, and introduced a multilingual whistleblowing system. In 2026, we will continue strengthening governance through policy harmonization and expanded compliance training.

Looking ahead, we are positioning Tsubaki Nakashima to adapt and thrive in an ever-changing world. By upholding **the highest standards of social, ethical, and legal responsibility**, we aim to strengthen trust with society. As we build on the achievements of the past 90 years, we will continue to set ambitious goals and pursue innovative initiatives that drive meaningful change.

Together, we can **transform our tomorrow and continue keeping the world in motion for future generations**.

We sincerely appreciate your interest in our efforts and thank you for your continued support.



ESG

ESG AT A GLANCE



ESG AT A GLANCE

TRANSFORMING OUR TOMORROW TOGETHER

ENVIRONMENT

By embracing sustainability and setting ambitious Science Based environmental goals, Tsubaki Nakashima is taking a **proactive standing in fighting climate change** and contributing to a more sustainable future and growth.



SOCIAL

Tsubaki Nakashima is committed to provide **safe and healthy** working conditions for all employees. Tsubaki Nakashima **leverages its global footprint and the diversity of its teams** to create added value, while creating a safe work environment.



GOVERNANCE

Tsubaki Nakashima continues to improve its corporate governance system aiming to grow as an **environmentally responsible and ethical business**. The company reaffirms its commitment to transparency and good governance.



OUR MATERIAL TOPICS

ENVIRONMENT

- **Climate change:** CO₂ emissions (Scope 1, 2 & 3), energy consumption.
- **Circular economy:** design along circular principles, waste generation, depletion of natural resources.
- **Water and marine resources:** water consumption.

SOCIAL

- **Own workforce:** work-related injuries, development and enhancement of workers' skills, breach and loss of workers' data, deterioration of relations with trade unions and associations, work-related ill health, inadequate remuneration, lack of diversity in governance bodies and among employees.
- **Workers in the value chain:** breach and loss value chain workers' data, failure to enhance the skills of workers in the value chain.
- **Consumers and end users:** offering safe products of high quality and durability, failure to meet customer applications, provision of misleading information.

GOVERNANCE

- **Business conduct:** creating a culture of business ethics, incidents of corruption and anti-competitive practices, contribution to improving the ESG performance of suppliers.

ESG AT A GLANCE

ESG VISION AND STRATEGY: ENVIRONMENT

OUR STRATEGY



PRODUCTIVITY INITIATIVES

Improve the productivity and efficiency through dedicated productivity projects



DECARBONIZATION PROJECTS

Purchase Green energy and deploy renewable systems for green electricity.

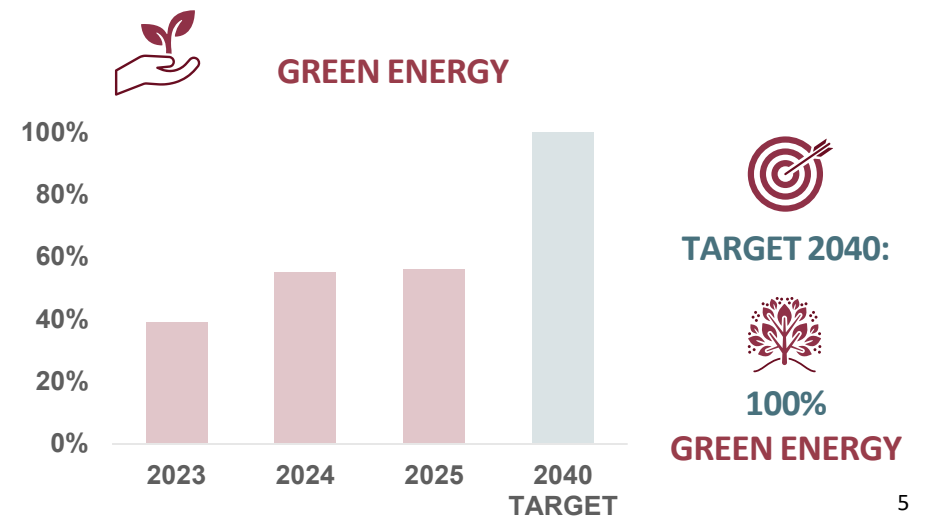
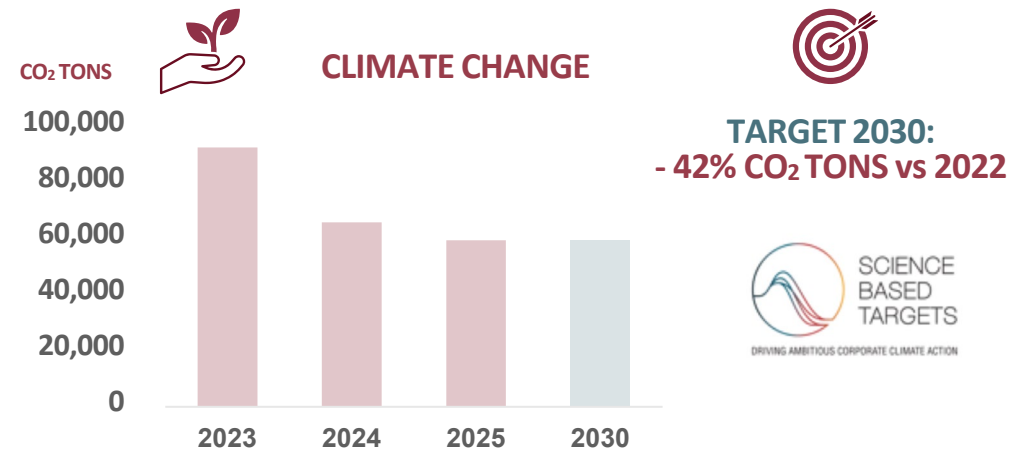


TECHNOLOGY

Identify relevant technologies; execute engineering projects to improve efficiencies.



OUR TARGETS



ESG AT A GLANCE

ESG VISION AND STRATEGY: SOCIAL

OUR STRATEGY



HEALTH & SAFETY

Provide and maintain a safe and healthy work environment and promote physical and mental well-being.



EMPLOYEE ENGAGEMENT

Employee engagement index of 70% or higher driving High Performance culture to create value for our customers, shareholders and local communities.



LEADERSHIP AND PROFESSIONAL DEVELOPMENT

In times of changes, we ensure that our people are equipped to deliver on transformation through training and coaching.



EQUALITY AND DIVERSITY

Drive innovation and accelerated growth leveraging our Global blueprint and diversity of our teams.



COMMUNITY ENGAGEMENT

Provide work opportunities to local citizens and make a positive impact for local communities.

OUR TARGETS



Improve safety performance 5% YOY with focused programs (Near miss reporting, Behavioral based safety) that move us from a reactive to a proactive mindset.



Drive employee engagement beyond 70% with YOY improvement delivered through targeted activities in response to employee feedback.



Achieve gender diversity target of 70/30 for male/female employees at the N-1/N-2 leadership levels by 2030 through recruitment and focused development.

ESG AT A GLANCE

ESG VISION AND STRATEGY: GOVERNANCE

OUR STRATEGY



CORPORATE GOVERNANCE

Code of Conduct and other related policies.



RISK MANAGEMENT

Enhance a risk assessment promotion system that enables us to assess the major risks and promote suitable countermeasures.



ETHICS AND COMPLIANCE

Strengthen the Internal Audit Division as ethics and compliance are the premise and foundation of corporate value.



CORPORATE DISCLOSURE

Disclose and publish transparent and fair information toward establishing the relationship of trust with stakeholders.

OUR TARGETS

123

Review top risk items for audit committee and BOD.



Continue once-a-year compliance trainings (Code of Conduct, compliance, etc.).



Review and harmonize internal policies.



ESG GENERAL INFORMATION

GENERAL INFORMATION

WHO WE ARE

Tsubaki Nakashima is a leading high precision manufacturer specializing in the production of high-performance steel, ceramic and plastic balls, rollers, engineered plastic components, and blowers. With nearly a century of expertise, we deliver unmatched accuracy, durability, and reliability to OEMs and leading suppliers in critical industries worldwide.

Precision That Moves the World

From automobiles to advanced robotics, Tsubaki Nakashima has built its reputation as a world-class industrial solutions manufacturer. With operations across Asia, Europe, and North America, we combine global expertise with local support, ensuring fast response, tailored solutions, and consistent quality. Our products power innovation across industries, enabling lighter, safer, and more efficient performance in today's fast-changing world.

Advanced technologies for future demands

Advanced technologies enable us to meet evolving customer demands while improving quality and reducing production costs. Leveraging decades of expertise, we produce precision balls and rollers that deliver superior noise reduction and vibration control, providing reliable solutions for high-performance equipment worldwide. Through deep technical expertise and flexible design capabilities, we continue to innovate and keep the world moving.

A Trusted Partner for Our Customers

We are committed to delivering products and solutions of the highest quality. We continuously refine every stage of our manufacturing processes to ensure superior product performance. Proprietary in-house inspection systems drive near-zero defects and exceptional consistency. Guided by a culture of continuous improvement and supported by robust quality management systems, we consistently meet the expectations and requirements of customers in the most demanding markets.

All Tsubaki Nakashima plants are equipped with in-house laboratory capabilities that provide ongoing quality assurance and ensure compliance with our strict standards. In 2017, we established a Central Laboratory with two units—one in Japan and one in Italy—featuring advanced instruments and expertise to support our global network of customers and suppliers. Tsubaki Nakashima's Central Laboratory serves three primary functions: materials analysis, chemical analysis, and testing. We offer a broad range of capabilities—from raw material analysis and material benchmarking to coolant and lubricant monitoring, research into new chemical solutions, and environmental impact reduction, as well as fatigue testing and noise and corrosion analysis.

GENERAL INFORMATION

OUR GLOBAL PRESENCE



19 PLANTS IN 10 COUNTRIES



Figure 1
Manufacturing Network

GENERAL INFORMATION

OUR BUSINESS

Although Tsubaki Nakashima’s history dates back to 1936, the Company has successfully adapted to globalization and expanded its presence across international markets.

Today, Tsubaki Nakashima is a worldwide leader in rolling elements and component solutions, supplying the automotive markets across EMEA, NAFTA, LATAM, and APAC. A large majority of the Company’s revenues are generated outside Japan, reflecting its strong global presence and focus on specialized markets with significant growth potential.

Tsubaki Nakashima’s strategy is primarily focused on the automotive sector, which accounted for over 60% of net revenues in 2025.

The remainder of the business mainly relates to the industrial sector, which represents approximately 40% of the Group’s total market.

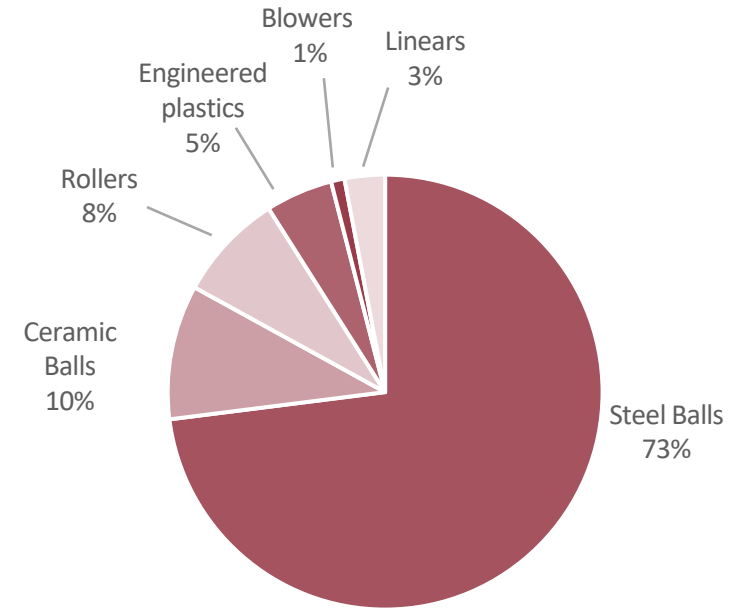
Over the past decade, globalization has been a strategic priority for the Company, enabling Tsubaki Nakashima to establish a presence across the world’s three leading automotive markets.

Sales by product and by region are shown below:



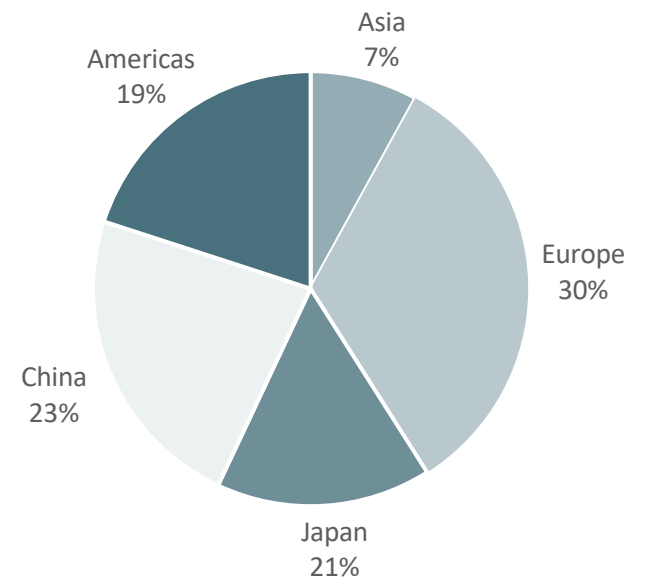
BY PRODUCT

Figure 2
Sales by product



BY REGION

Figure 3
Sales by region



GENERAL INFORMATION

OUR PRODUCTS AND APPLICATIONS

Tsubaki Nakashima produces a broad range of high-quality precision balls, rollers engineered plastic components, and blowers with more than 20,000 product types. Utilizing various materials, including ceramics and steels, in a range of sizes to meet our customers' specific requirements.

PRODUCTS
USING PRECISION BALLS AND ROLLERS



Figure 4
Tsubaki Nakashima products portfolio and end applications

GENERAL INFORMATION

CORPORATE INFORMATION

Company Name	TSUBAKI NAKASHIMA CO.,LTD.	
Title and Name of Representative	Director, Representative Executive Officer, CEO Itaru Matsuyama	
Global Headquarter	5F Nomura Midosuji Hommachi bldg, 4-2-12, Honmachi, Chuo-ku, Osaka, Japan	
Registered Company Address	19, Shakudo, Katsuragi-shi, Nara, Japan	
Established	June 1, 1936 (Founded in 1934)	
Capital	17,116.73 million yen (as of December 31, 2024)	
Stock Exchange Listing	The Prime Market of the Tokyo Stock Exchange	
Executives	Director, Representative Executive Officer, CEO	Itaru Matsuyama
	Director, Executive Officer, CFO	Yoichi Ueda
	Director, Executive Officer, CHRO	Anna Dolgikh
	Independent Outside Director	Noboru Yamamoto
	Independent Outside Director	Yuri Kato
	Independent Outside Director	D. Michael Wilson
	Independent Outside Director	David Evans
Employees	2,447 (as of December 31, 2025)	

ABOUT THIS REPORT

The reporting period of Tsubaki Nakashima's Sustainability report corresponds to the fiscal year 1st January to 31st December 2025 and all the locations and entities of the production network are included in this report.

Contact person for questions regarding this report is:

Stefania Lamparelli, *Global Sustainable Development Manager*
email: Stefania.Lamparelli@tsubaki-nakashima.com



ESG

ENVIRONMENTAL



ENVIRONMENTAL

CLIMATE CHANGE AND ENERGY EFFICIENCY

CARBON FOOTPRINT [CO₂ tons/tons]

Tsubaki Nakashima carbon footprint is calculated taking into account Scope 1 and Scope 2 emissions and the production expressed in tons. This KPI reflects the sustainability of Tsubaki Nakashima factories and targets are set up considering the planned CO₂ reduction and the organization's future rate of production.

Table 1 Carbon footprint.	2023 [CO ₂ tons/tons]	2024 [CO ₂ tons/tons]	2025 [CO ₂ tons/tons]
CARBON FOOTPRINT	1.02	0.2	0.69

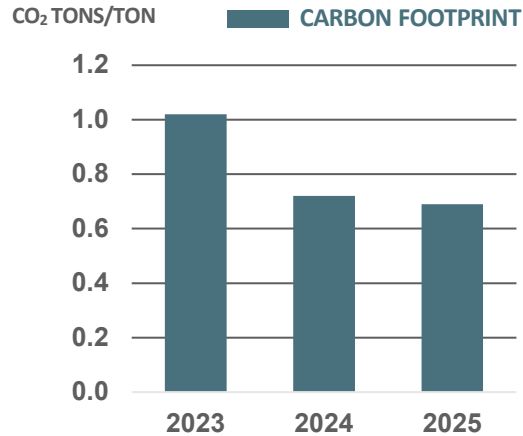


Figure 5
Carbon footprint

SCOPE 1 AND SCOPE 2 CO₂ EMISSIONS [CO₂ TONS]

Total CO₂ emissions of Scope 1 & Scope 2 are monitored monthly and calculated taking into account the guidelines provided by the GHG Protocol and ISO 14064.

Table 2 Scope 1 and Scope 2 emissions.	2023 [CO ₂ tons]	2024 [CO ₂ tons]	2025 [CO ₂ tons]	2030 SBTi Target [CO ₂ tons]
SCOPE 1 CO ₂ EMISSIONS	5,801	4,858	6,232	3,817
SCOPE 2 CO ₂ EMISSIONS	86,249	60,610	52,836	55,175
SCOPE 1+2 CO ₂ EMISSIONS	92,050	65,469	59,068	58,992

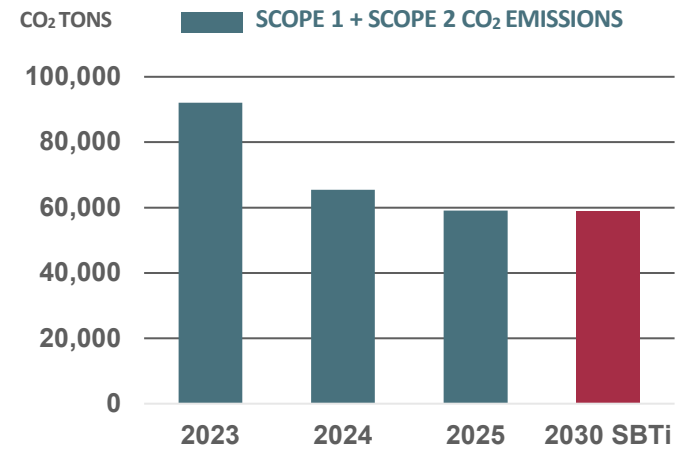


Figure 6
Scope 1 and Scope 2 emissions.

ENVIRONMENTAL

CLIMATE CHANGE AND ENERGY EFFICIENCY

SCOPE 3 CO₂ EMISSIONS [CO₂ TONS]

Total CO₂ emissions of Scope 3 are monitored yearly and calculated taking into account the guidelines provided by the GHG Protocol and ISO 14064. The database used to calculate these emissions are: Ecoinvent, NAICS, DEFRA.

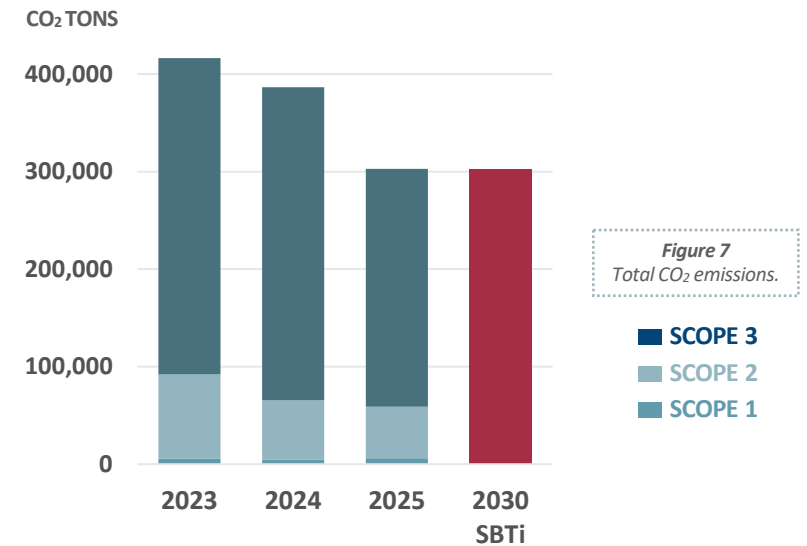
Table 3 Scope 3 emissions.	2023 [CO ₂ tons]	2024 [CO ₂ tons]	2025 [CO ₂ tons]
SCOPE 3 – CAT. 1	209,871	213,143	182,475
SCOPE 3 – CAT. 2	2,922	2,686	627
SCOPE 3 – CAT. 3	13,475	12,900	11,716
SCOPE 3 – CAT. 4	15,693	15,219	13,344
SCOPE 3 – CAT. 5	11,907	16,229	8,488
SCOPE 3 – CAT. 9	9,198	8,967	8,418
SCOPE 3 – CAT. 10	56,355	46,677	14,590
SCOPE 3 – CAT. 12	4,455	4,808	4,264
TOTAL SCOPE 3	324,490	321,184	243,921
2030 SBTi Target [CO ₂ tons]			243,368

Scope 3 category 6 and 7 were excluded because their share of the total is negligible (<0.5%).

TOTAL CO₂ EMISSIONS [CO₂ TONS]

Below the total CO₂ emissions of Tsubaki Nakashima are shown.

Table 4 Total CO ₂ emissions.	2023 [CO ₂ tons]	2024 [CO ₂ tons]	2025 [CO ₂ tons]	2030 SBTi Target [CO ₂ tons]
SCOPE 1	5,801	4,858	6,232	3,817
SCOPE 2	86,249	60,610	52,836	55,175
SCOPE 3	324,490	321,184	243,921	243,368
TOTAL	416,540	386,652	302,989	302,360



ENVIRONMENTAL**CLIMATE CHANGE AND ENERGY EFFICIENCY****ENERGY CONSUMPTION [MWh]**

Total energy consumption of Tsubaki Nakashima's plants is monitored on a monthly basis. The majority of the energy consumption is related to electricity (86%), followed by gas. In the following table and chart Tsubaki Nakashima's energy consumptions are shown.

<i>Table 5</i> Energy consumption.	2023 [MWh]	2024 [MWh]	2025 [MWh]
PURCHASED ELECTRICITY	211,915	195,193	178,452
SELF GENERATED RENEWABLE ENERGY	1,206	4,046	3,659
STEAM	1,293	2,842	927
GAS	27,181	22,024	23,600
BIOMASS	438	95	132
TOTAL	242,033	224,199	206,770

% OF GREEN ENERGY

This indicator is useful to monitor the amount of green energy consumed by the organization and to properly set the strategy on purchasing and self-producing green energy and to monitor the results obtained. Tsubaki Nakashima plans to consume 100% renewable electricity by 2040.

<i>Table 6</i> % of green energy.	2023 [%]	2024 [%]	2025 [%]	2040 TARGET [%]
% OF GREEN ENERGY	39%	55%	56%	100%

ENERGY INTENSITY [MWh/tons]

This KPI is the ratio between energy consumption and production expressed in tons and this is an indicator of the energy efficiency of Tsubaki Nakashima factories. The lower this KPI and the higher the energy efficiency of Tsubaki Nakashima.

<i>Table 7</i> Energy intensity.	2023 [MWh/tons]	2024 [MWh/tons]	2025 [MWh/tons]
ENERGY INTENSITY	2.42	2.80	2.41



ENVIRONMENTAL

WATER AND EFFLUENTS

Tsubaki Nakashima monitors water withdrawal and water discharge and the water footprint. This indicator is another key aspect of a company's sustainability, but because no major deterioration is found, a long-term target has not been set.

<i>Table 8 Water data.</i>	2023	2024	2025
WATER WITHDRAWAL [M liters]	333	385	370
<i>Surface water from rivers, lakes</i>	0	0	0
<i>Groundwater from wells</i>	73	116	130
<i>Used quarry water collected</i>	0	0	0
<i>Municipal potable water</i>	260	269	240
<i>External wastewater</i>	0	0	0
<i>Harvested rainwater</i>	0	0	0
<i>Sea water, ocean water</i>	0	0	0
WATER DISCHARGE [M liters]	81	133	108
<i>Ocean</i>	0	0	0
<i>Surface water</i>	2	22	28
<i>Subsurface/ well</i>	0	0	0
<i>Third-party water</i>	79	111	80
<i>Beneficial / other use</i>	0	0	0
WATER CONSUMPTION [M liters]	252	252	262
WATER FOOTPRINT [liters/kg]	2.7	2.7	3.1

WASTE MANAGEMENT AND CIRCULAR ECONOMY

Tsubaki Nakashima in addition to energy and CO₂ emissions aspects also takes care of waste management by trying to minimize the amount of waste from year to year and increase the recycling rate of waste through special circular economy projects such as sludge recycling.

<i>Table 9 Waste data.</i>	2023	2024	2025
TOTAL AMOUNT OF WASTE [tons]	26,816	27,195	19,792
Hazardous [tons]	2,974	3,784	3,222
Non-Recycled [tons]	13,972	16,420	11,922
Recycled [tons]	12,898	10,775	7,870
RECYCLING RATE [%]	48%	40%	40%

ENVIRONMENTAL CERTIFICATION

In Tsubaki Nakashima during 2025 **16 plants** (almost 85%) are covered by environmental management systems **ISO14001** certified.



ESG SOCIAL



SOCIAL

COMMITMENT TO PEOPLE

In 2025, Tsubaki Nakashima continued to execute the People and Organization strategy introduced in 2024, further embedding our four strategic pillars:

- **Mobilize Global Scale,**
- **Champion Growth as a Talent Powerhouse,**
- **Upskill at Speed and Scale,**
- **and Foster Success through a High-Performing Culture.**

These pillars guide how we organize, develop, and engage our people to deliver on our Mid-Term Management Plan.

1 Mobilize Global Scale

To accelerate mobilization across the Group, we complemented process standardization with targeted, critical hires in key functional and regional roles. These new capabilities are helping us drive global synergies, simplify ways of working, and better leverage our collective scale and expertise.

2 Champion Growth as a Talent Powerhouse

Through Talent & Succession reviews we identify and promote our key talents, to ensure we grow through local role models and champions.

In addition, to further speed up the growth of the organization, in 2025 we launched SHIFT, a leadership development program designed to strengthen core leadership competencies and support our renewed Purpose, Vision, Mission, and Values, with a focus on leading others.

3 Upskill at Speed and Scale

To build future-ready skills, we continued to expand our learning ecosystem. Our digital learning platform currently provides curated content to approximately 500 employees, with ambition to extend access to the full employee population in 2027.

This phased approach enables us to test, refine, and scale learning offerings quickly while supporting diverse development needs.

4 Foster Success Through a High-Performing Culture

Our high-performance culture agenda is linked to how employees experience our renewed values. In 2025, we launched the global TN HeartBeat engagement survey as a cultural baseline, achieving an overall engagement score of 7.03 out of 10 and translating results into plant-level action plans for 2026.

Follow-up pulse checks and annual HeartBeat surveys will help us track progress, adjust actions, and ensure our culture supports sustained performance and employee well-being in line with our long-term strategy.

SOCIAL

INCLUSION AND DIVERSITY

At Tsubaki Nakashima, people are central to everything we do. Our dedication to human rights, diversity, and inclusion aligns with internationally recognized frameworks, including the Universal Declaration of Human Rights. These commitments are integrated into our daily practices and formalized in our global Code of Conduct, which is provided to all employees during onboarding and once per year.

Operating in 10 countries across 4 continents, we value the strength of a diverse global workforce. Our teams represent more than 30 nationalities, and we actively support local talent in taking leadership roles within their regional contexts.

We view diversity as more than a statistic—it is a core mindset. Across generations, genders, cultures, and abilities, we strive to create a workplace where every individual can perform at their best. Our inclusive policies are designed to remove barriers and foster equal opportunities, recognizing and celebrating the unique contributions of each employee.

SUPPORTING EVERY GENERATION

We acknowledge the value of intergenerational collaboration and actively support initiatives that leverage the diverse skills and perspectives within our workforce. We ensure that age diversity in our workforce leads to improved stability and efficiency and critical knowledge retention for equipment or knowledge-based roles.

ADVANCING GENDER EQUALITY

We take a strong stance against gender-based discrimination and stereotypes. By promoting initiatives that support work-life balance, accommodate family responsibilities, and guarantee equitable opportunities—regardless of gender identity or sexual orientation—we ensure that every voice is heard and respected.

Globally, women represent 20.4% of the workforce and gender diversity at the managerial level is a key indicator for monitoring progress toward an inclusive and balanced leadership structure.

For 2025 we've set a target for managerial gender diversity of 20% female representation and nearly succeeded in achieving the goal (19.8%).

We continue to work on increasing managerial diversity year on year, setting our target to 21% for 2026.

EMBRACING DISABILITY INCLUSION

True inclusion involves recognizing and valuing talent in all its forms. We provide equal opportunities for individuals with sensory, cognitive, and motor disabilities, based on the type of work that's required within specific roles.

By creating accessible work environments and promoting inclusive practices, we enable full participation and actively work to remove both societal and physical barriers.

FOSTERING INTERCULTURAL UNDERSTANDING

Tsubaki Nakashima fosters a culture that embraces diverse perspectives by encouraging open dialogue across cultures and regions, grounded in mutual respect and collaboration.

Our dedication to intercultural engagement drives innovation and supports sustainable growth on a global scale. Looking ahead, we are committed to nurturing an inclusive workplace where individuals from all backgrounds can thrive collectively.

SOCIAL

INCLUSION AND DIVERSITY

2025 - HEADCOUNT	
CLASSIFICATION	DECEMBER 2025
DIRECT	1584
INDIRECT	877
SG&A	331
TOTAL EMPLOYEES	2792

Table 10
2025 Employees

As of December 31, 2025, Tsubaki Nakashima had 2,792 employees of which 1,584 direct workers, 877 indirect workers, and 331 SG&A employees.

Proactive and agile headcount management enabled Tsubaki Nakashima to navigate market volatility while acquiring critical new capabilities essential for future business success.

Employee retention is a key factor in supporting organizational stability and fostering a positive workplace culture.

Monitoring voluntary staff turnover helps us assess employee satisfaction and the effectiveness of our retention strategies.

As of year-end 2025, the voluntary staff turnover rate was 11.4%, and New Hire Talent Retention was at 95%.

LOCAL COMMUNITIES

In our hiring policies, we prioritize local talent while maintaining the same high standards of professionalism applied across all roles. This approach is already widely implemented for both direct and indirect employees. In addition, we assess our ability to attract, develop, and retain local managerial talent, as well as individuals who relocate to areas near our production facilities and progressively integrate into local communities.

The below table illustrates the outcomes of these efforts.

% OF MANAGERS HIRED FROM LOCAL COMMUNITIES

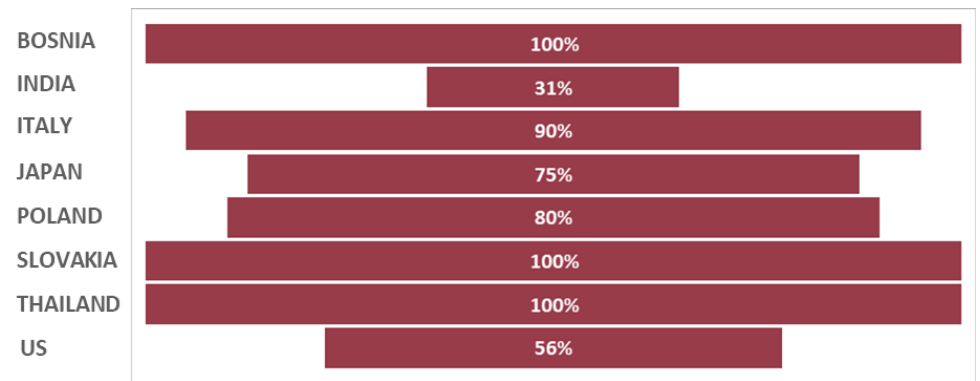


Figure 8
Proportion of management hired from the local communities (within a radius of 50 km/30 miles)

SOCIAL

REMUNERATION

Our approach to remuneration ensures that employees are paid fairly and competitively. It outlines the terms for workers' compensation, benefits, short- and long-term incentives at different levels within our organization to enable the Company to attract and retain talent and motivate employees to achieve greater results by linking pay to business and individual performance.

Compensation and benefit provisions vary from country to country as they are determined by local laws and regulations, market practice, and collective agreements in half of our plants. But in every instance, they are deeply aligned with the Company's culture and adhere to the Management Principles and Corporate Governance.

Tsubaki Nakashima is deeply committed to fostering a work environment where everyone can thrive and achieve outstanding results. We believe that a holistic approach is essential to truly support and empower our team.

Clear and transparent rules concerning compensation and benefits increase employee motivation. We believe that reward and recognition, built to support a high-performance culture, encourage employees to bring their best to a workplace to meet personal and the Company's goals and objectives.

Effective and fair compensation also enriches our company culture by bringing new talent. Employees are more likely to recommend our organization as an employer, which proved to increase employees' loyalty and reduce turnover.

In every country where we operate, we ensure our entry-level wages are set at least at the legal minimum. This not only guarantees fair treatment to those, especially young people, approaching the world of work for the first time but also constitutes a solid basis for salary progression linked, in addition to the adjustments required by local laws or collective agreements, to the development of competence and professionalism, and career opportunities.

A second truly determining factor for Tsubaki Nakashima is the relationship with the communities and the territory in which we operate.

FREEDOM OF ASSOCIATION
AND COLLECTIVE BARGAINING

At Tsubaki Nakashima, respect—for individuals, laws, and the communities we serve—underpins our labor relations. We fully protect freedom of association and the right to collective bargaining through internal governance policies and compliance with local legislation across all operations.

In countries where laws enable collective agreements at national or company levels, Tsubaki Nakashima provides 100% protection for employees choosing union membership.

Constructive dialogue with representatives is institutionalized, addressing employment relations and working conditions.

Where formal structures exist, we hold regular consultation meetings. In locations without them, management delivers annual updates on strategy, business trends, and performance to keep employees informed.

This transparency fosters trust and an inclusive workplace culture aligned with our renewed 2025 values of Integrity and Collaboration.

SOCIAL

EMPLOYEE WELL-BEING

At Tsubaki Nakashima, fostering employee well-being remains foundational to building a resilient, high-performing organization.

In 2025, we upheld rigorous legal compliance alongside our ethical principles, as outlined in the Tsubaki Nakashima Code of Business Ethics, managerial commitments, and core corporate values.

These guide daily behaviors, decisions, and our unwavering dedication to respect, safety, and integrity across all operations.

With specific focus on fostering psychological safety, we maintain supportive environments promoting self-care and peer support, fully adhering to employment laws across all operating companies on wages, hours, benefits, and fair treatment.

Ethical standards extend to all stakeholders, including new operations and acquisitions, with due diligence processes to identify and mitigate labor risks.

Our Labor Standards Policy aligns with the Universal Declaration of Human Rights, ensuring dignity, fairness, and equal opportunity. This encompasses hazard identification and risk controls for occupational health and safety, fair compensation, leadership engagement, and development opportunities with feedback mechanisms.

Well-being is woven into our culture, extending "doing what's right" to communities. We support work-life balance and professional growth through benefits including:

- **Health care and Disability (public and/or private) in every country;**
- **Life or accident insurance: 10 plants;**
- **Parental Leave in every country;**
- **Canteen and/or break rooms uniforms;**

Tsubaki Nakashima reports zero risk of child labor incidents across operations and suppliers, with no employees under 18 in any factories.

SOCIAL

SMART - SETTING TARGETS AND EXPECTATIONS

In 2025, Tsubaki Nakashima laid the foundation for a new leadership competency model, anchored in our renewed corporate values:

Safety (Stewardship, Clarity, Inclusivity),

Dynamic (Drive, Simplicity, Adaptability),

Integrity (Transparency, Accountability, Trust),

Performance (Resilience, Commercial Acumen, Collaboration),

Growth (Empowerment, Customer Centricity, Growth Mindset).

Our transparent, equitable approach supports individual growth and organizational goals equally for all employees, regardless of working hours, fostering development, recognition, and advancement. We employ a unified SMART methodology for setting and assessing goals and competencies, promoting consistency, alignment, and simplicity across our global operations.

Goals & Objectives Process

Employee performance objectives are set collaboratively via the Global Performance Process, ensuring targets are meaningful, measurable, and aligned with strategic priorities and operational needs.

First-level managers and employees establish these goals together, followed by reviews from second-level leadership and HR for clarity and alignment.

Mid-year checkpoints allow adjustments or reaffirmation as required.

Performance Evaluation and Competencies

We streamlined the Annual Performance Review into a unified Performance Management Platform, aligning processes for blue- and white-collar employees to ensure fair, calibrated evaluations.

In parallel, our Performance Evaluation process emphasizes holistic development, assessing strengths and improvement areas across the new competency model tied to 2025 values.

This includes behavioural dimensions (e.g., leadership, growth mindset, adaptability) and role-specific technical skills, culminating in personalized development and training plans for long-term success.

These competencies are embedded in our culture, guiding every assessment cycle to build a high-performance organization.

Coverage and Outcomes

As we continue to enhance our Global Performance Evaluation process, we are expanding its scope to progressively cover our entire workforce, including above-shopfloor employees and, where permitted by local market practice and union frameworks, shopfloor employees as well.

SOCIAL

TRAINING AND EDUCATION

OUR TRAINING MAPPING AND UTILIZATION

Tsubaki Nakashima is committed to providing all employees with opportunities for personal development training, regardless of role or location. Building on our global framework and local training approaches, we aim to enhance the abilities and individual skills of our workforce in line with evolving business needs and organizational priorities.

In 2025, Tsubaki Nakashima introduced Leapsome Learning Pathways, a structured set of trainings explicitly linked to our renewed values and deployed across all plants to reach all employees. Each pathway combined personal development content with practical tools that, over the year, shaped how we provide feedback, set ambitious goals, and cultivate a growth mindset. Leapsome will remain our core learning platform, hosting increasingly specialized trainings tailored to evolving business and competency needs.

To ensure operational excellence and compliance with customer requirements, we apply structured evaluation processes for job-specific technical skills.

Managers and Management Team members assess knowledge and technical capabilities linked to specific machines, production stages, and specialized processes, with results continuously tracked to sustain high performance and quality. While tools and formats differ by site, the core evaluation content is consistent.

Department Supervisors confirm capabilities as recorded in each employee's Skill Map or Training Plan, helping identify training needs, confirm proficiency levels, and review training effectiveness through dated assessments.

Skill mapping begins from clearly defined and formalized roles, especially for key positions highlighted in the Performance Evaluation process and selected roles.

Local HR teams coordinate data collection and integrate outcomes into broader Training and Development Plans, ensuring alignment between technical capability building and career development.

Training is activated in several scenarios, including onboarding of new hires, job changes or rotations, introduction of new technologies or equipment, updates to work instructions, procedures, policies, systems or customer requirements, and skill recovery or development needs identified through performance reviews.

TIME SPENT ON TRAINING

In 2025, we continued to invest meaningfully in building the skills and capabilities of our people, reflecting our belief that learning is essential to both individual growth and long-term business performance.

Across the Group, employees spent a total of 37,569 hours in development-focused training, combining 32,619 hours of locally delivered programs with ~4,950 hours of corporate and mandatory trainings.

On average, this represents approximately 13.5 hours of training per employee, or around 1.7 training days per person based on an eight-hour learning day.

These learning opportunities ranged from role-specific technical upskilling and safety-related content to programs focused on leadership, feedback, and personal development, helping employees adapt to evolving customer expectations, new technologies, and changing ways of working.

By systematically allocating time for training and embedding it into our annual cycle, we aim to enhance both job-related competencies and individual skills such as communication, collaboration, and problem-solving capabilities that are critical to sustaining a high-performing, resilient organization.

SOCIAL

NON-DISCRIMINATION

In accordance with our Policies on Non-Retaliation and the Whistleblower Process, every employee is assured protection when reporting potential incidents. Our Whistleblower Policy is translated into local languages and readily accessible on the company intranet.

In 2025, the company implemented a whistleblowing system to enhance transparency and accountability. Reporting channels are accessible both internally and externally. It is an easy-to-use reporting platform with multi-language support. This is a global process tailored to accommodate each local language, ensuring that employees worldwide feel comfortable and confident when raising concerns.

Over the course of 2025 we have received 3 validated reports concerning a potential incidents of labour non-compliance, indicating efficiency of whistleblowing system that allows employees to raise concerns in protected environment.

In 2026, we plan to conduct **Global Anti-Harassment and Anti-Discrimination training** for employees and managers separately. The training for managers will specifically focus on enabling them to respond appropriately if they notice any concerns regarding an employee's well-being or comfort.

In 2025 Global Anti-Harassment and Anti-Discrimination training and awareness was provided within Global Code of Conduct training.

In connection with anti-harassment measures at Tsubaki Nakashima, we maintain a dedicated and separate policy, namely the **Corporate Policy on Non-Discrimination and Equal Opportunities**.

DIVERSITY AND EQUAL OPPORTUNITIES

As of the end of 2025, Tsubaki Nakashima's **Risk Management Committee and Sustainability Management Committee** demonstrate notable progress in leadership diversity, reinforcing our ESG governance structure with inclusive and globally attuned perspectives.

The **Risk Management Committee** includes six members, with one-third of the seats held by women and two-thirds by individuals of non-Japanese nationality. This international and gender-balanced composition strengthens our capacity for comprehensive risk oversight by incorporating a broader range of insights and cultural perspectives, critical in managing the complexity of a global supply chain and regulatory environment.

Similarly, the **Sustainability Management Committee** includes five members, with women accounting for 40% of the group and non-Japanese nationals representing 40% as well.

This composition reflects our commitment to ensuring that sustainability-related decisions are shaped by both gender-inclusive and globally representative leadership.

The presence of female and non-Japanese leaders in both committees reflects our commitment to **equitable representation** and **inclusive dialogue** in strategic areas, including environmental responsibility and long-term value creation.

By embedding diversity within key governance structures, **Tsubaki Nakashima** strengthens accountability, enhances risk resilience, and improves responsiveness to stakeholders—core elements of strong ESG performance.

Our Labor Standards, together and **Code of Conduct**, ensure that all employees are treated fairly and equitably.

In practice, we maintain **equal pay** for employees performing the same role with equivalent experience and skill sets, while also adhering to government-mandated minimum wage requirements and applicable collective agreements.

SOCIAL

HEALTH AND SAFETY

OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM

In alignment with our commitment to sustainability, we have developed and deployed a Global Sustainability System (GSS) across our locations. This system integrates health and safety management, environmental management, energy efficiency, and broader sustainability initiatives, ensuring a consistent approach across the Group.

The GSS Policy sets high standards for occupational health and safety and provides guidance for both management and employees. Procedures related to health, safety, and hygiene management are integrated into the management system applied at the Group, Business Unit, and site levels, ensuring compliance with legal requirements and internal standards while supporting the continuous improvement of health and safety performance.

Health and safety risk assessments are conducted for new operations, projects, and significant process changes as part of the planning and due diligence process to identify potential hazards and implement appropriate preventive measures.

Risk assessments are regularly conducted for existing operations and updated when changes occur in processes, equipment, or working conditions to reduce workplace risks and improve safety performance. In 2025, 23 health and safety risk assessments were carried out for new operations and projects, and 118 for existing ones.

The scope of this management system covers physical and mental health as well as workplace safety and applies to all employees, contractors, and visitors at Tsubaki Nakashima locations.

Currently, 9 out of 19 operational sites are certified to ISO 45001, representing 47% coverage of sites. The company continues aligning its health and safety management systems with internationally recognized standards such as ISO 45001.

PROMOTION OF WORKER HEALTH

In 2025, Tsubaki Nakashima implemented initiatives to promote employee health and well-being and support preventive healthcare, including sports facilities, anti-smoking campaigns, medical check-ups, diet and health workshops, and health awareness presentations.

The company also implemented occupational health programs to prevent workplace-related risks, such as the Stress Check program for mental health monitoring, as well as noise prevention and hearing conservation programs and annual noise and hearing surveys. Additional initiatives included Bloodborne Pathogens prevention, Heat Illness prevention, health test days, and regular health monitoring activities.

While HIV/AIDS, tuberculosis, and malaria are not considered material occupational health risks in the company's operations, general health promotion and awareness activities support disease prevention and employee wellbeing.

These initiatives contribute to a proactive approach to occupational health management and continuous improvement of workplace health standards.

SOCIAL**HEALTH AND SAFETY****WORKER TRAINING ON OCCUPATIONAL HEALTH AND SAFETY**

We recognize the importance of continuous education and training to ensure that our employees are well equipped to work in a safe and healthy environment. Across all our facilities, we provide regular and comprehensive training programs focused on occupational health and safety.

In 2025, a total of 2,562 employees participated in safety-related training programs, including general training that incorporates occupational health and safety topics.

Some of our facilities maintain their own firefighting teams responsible for preventing fires and responding to emergency situations. These teams work closely with local fire departments to ensure a rapid and effective response when needed. Facilities without internal firefighting teams also maintain close cooperation with local emergency services.

Our training programs aim not only to prepare employees for emergency situations but also to raise awareness of workplace hazards and promote proactive risk prevention. Through these initiatives, employees are encouraged to actively identify and avoid potential hazards.

These programs cover a wide range of topics, including hazard awareness, emergency procedures, safe work practices, and the proper use of personal protective equipment (PPE). Training is tailored to specific roles and responsibilities, ensuring that both new employees and experienced personnel receive the relevant knowledge and skills needed to effectively manage health and safety risks.

In addition, we promote a strong safety culture through regular communication, refresher training, and updates on safety procedures and regulatory requirements.

We implement a range of safety communication activities, including regular awareness campaigns, targeted communication initiatives (e.g. Safety Newsletter, “10 Golden Safety Rules” Campaign), and employee engagement actions aimed at reinforcing key health and safety principles and promoting proactive risk prevention.

Employees are actively encouraged to report hazards and near misses through dedicated reporting systems, supporting early identification of risks and continuous improvement of safety performance.

Our commitment to worker training plays a key role in promoting a safe workplace, minimizing risks, and empowering employees to take responsibility for their own health and safety as well as that of their colleagues.

WORK-RELATED ILL HEALTH

There were no new reports of occupational diseases among the employees of our company in 2025.

SOCIAL

HEALTH AND SAFETY

WORKER RELATED INJURIES

In general, the production of precision balls and rollers can be considered to have a relatively low level of risk in the workplace. Nevertheless, there are still some activities that are associated with an increased risk of accidents. Typical workplace hazards include lifting and carrying loads, working in a noisy environment, and operating short-range transport equipment. As part of the GSS, workplace hazards are systematically assessed, and appropriate measures are implemented to protect employees.

Tsubaki Nakashima consistently strives to create safe and clean workplaces in production plants. This is done, for example, by optimizing and modernizing systems and processes, replacing hazardous substances, and reducing noise emissions. Workstations are also further optimized in terms of ergonomics. Standardized reporting on occupational health and safety enables the company to monitor the effectiveness of implemented measures and identify the need for corrective actions at an early stage.

The Lost-Time Incident Rate (LTIR) is defined as an injury resulting in an employee being unable to perform their normal work duties for at least one full working day after the incident, excluding the day of the incident. Based on this definition and covering 100% of employees, the LTIR was 0.67 in 2025, compared with 0.44 in 2024 and 0.44 in 2023. Despite these changes, no serious or fatal workplace accidents were recorded.

The company continues to set time-bound and quantitative health and safety targets to reduce workplace incidents and improve overall safety performance. Key indicators such as LTIR, TRIR, and near-miss reporting rates are monitored and reviewed regularly. Progress against these targets is assessed through periodic management reviews, and corrective actions are implemented where necessary to support the continuous improvement of occupational health and safety performance.

Health and safety performance is systematically monitored through a structured management system using key performance indicators such as the Lost Time Injury Rate (LTIR), Total Recordable Incident Rate (TRIR), near-miss reporting, and safety observations. These indicators are regularly tracked and reviewed, and progress against established health and safety objectives and targets is assessed through periodic management reviews. This process enables the identification of trends and the implementation of corrective and preventive actions to support continuous improvement in workplace safety.

In addition, performance is evaluated against internal targets and external benchmarks where available, with indicators such as LTIR and TRIR compared to industry benchmarks for the manufacturing sector and corporate performance standards.

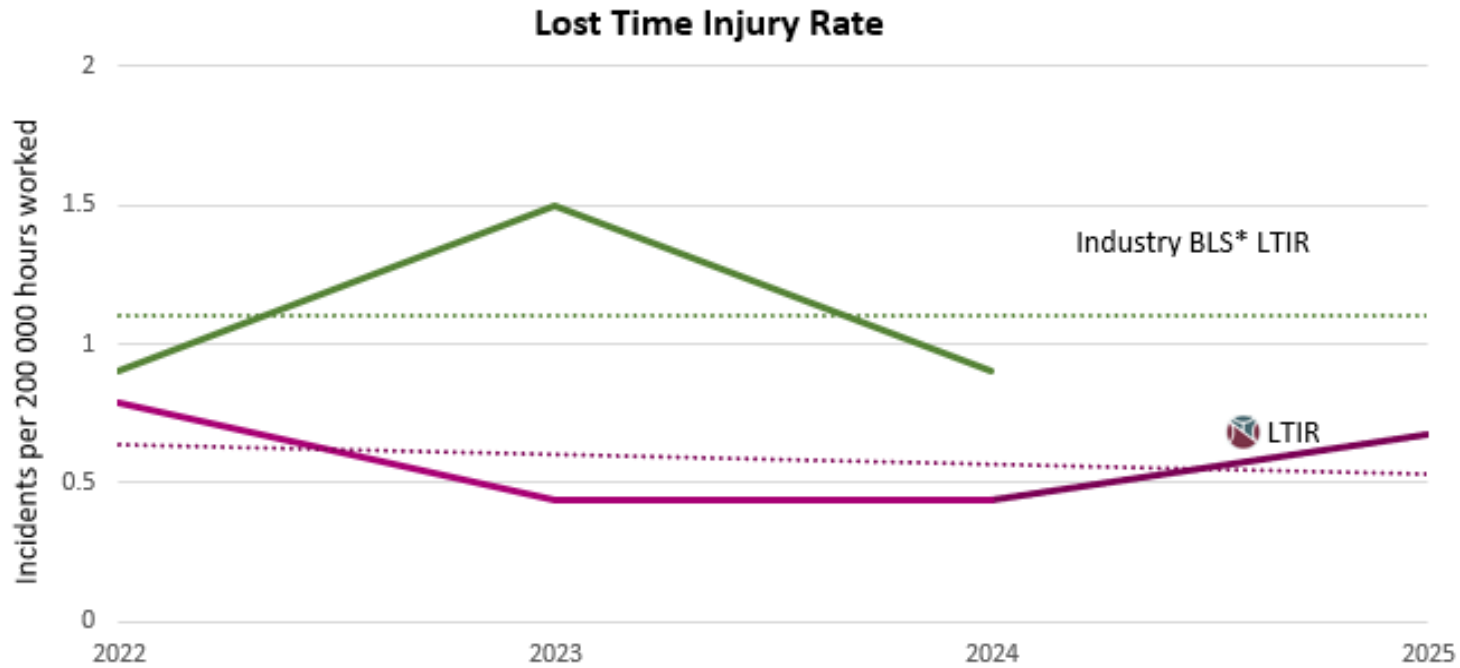
This benchmarking approach supports the identification of performance gaps and helps drive ongoing improvements in occupational health and safety management.

The chart on the next page presents the results of the conducted analyses.

SOCIAL

HEALTH AND SAFETY

WORKER RELATED INJURIES



*Bureau of Labor Statistics data for 2025 will be published on November 2026

*Bureau of Labor Statistics data related to the industry: Ball and Roller Bearing Manufacturing

Figure 9
Lost Time Injury Rate

SOCIAL

2025 INITIATIVES FOR OUR EMPLOYEES

TN-AWARDS

In Tsubaki Nakashima, **we recognize and celebrate each other's achievements**, especially when push boundaries, challenge the status quo going above and beyond to deliver outstanding results.

This is a key part of **TN's culture**, and we pursue the recognition initiatives, which inspire employees to be better, think bigger, and continue to grow and achieve excellence in every aspect of the business including customers, employees and environment.

Each year, we select and award "**The Best Run Plant**" that best exemplifies our Purpose, Vision, Mission and Values as demonstrated through outstanding performance and world-class operational excellence.

In day-to-day work, the efforts of employees have not gone unnoticed. We recognize the results of peers and colleagues who have achieved excellence and become an inspiration and example for others, irrespective of the role and the level of responsibility they fulfil, be it at a corporate, regional or plant level.

Our goal is that every employee steps on board and feels the spirit of being part of a winning team.

In 2025 we amplified the program even further, which signified our commitment to supporting our organizational objectives and recognising the individual contributions that drive our collective success. Be Excellent awards went to 125 employees in all continents where we operate.



Figure 10
TN Awards

SOCIAL

2025 ESG INITIATIVES

Across 2025, Tsubaki Nakashima implemented more than 100 ESG-related initiatives worldwide, reflecting our commitment to creating positive environmental and social impact in the communities where we operate.

These initiatives spanned **social engagement**, **community sponsorships**, and **environmental improvements**, with few examples below:

SOCIAL:

- Slovakia: Donation of shirts to schoolchildren in Zanzibar, supporting basic needs for young learners.
- Japan: TN employees supported the Crane Practical Skills Exam for the local community, helping strengthen technical skills and employability in a region.
- Elementary School students visited our facilities as part of their “Town Exploration” project, where our employees explained what we manufacture and how our products are used in daily life, fostering early awareness of industry and technology.



Figure 12
Students visit
Katsuragi plant

COMMUNITY SPONSORSHIPS & DONATIONS:

- Americas: Donation of critical winter supplies to Johnson County Senior Center and Rescue Dog & End of Life Sanctuary, supporting vulnerable seniors and animals during cold periods.
- “Stuff the Bus” campaign, where employees collected school supplies for local students and classrooms, helping prepare children for the school year.
- Italy : Donations to the local Fire Brigade, “Walk in Read” initiative, and Children’s Comic Exhibition, promoting safety, literacy, and culture.
- Main sponsorship of the “Big Walking del Cuore” solidarity walk to fund a cardio monitor for the Neonatology department of local Pinerolo Hospital.
- Sponsorship of local mountain running races (“Trail del Manfre” and “Laza run”), encouraging health and community cohesion.
- Sponsorship of Union Volley women’s volleyball team, supporting women’s sport and local pride.



Figure 11
“Big Walking del cuore»

ENVIRONMENTAL:

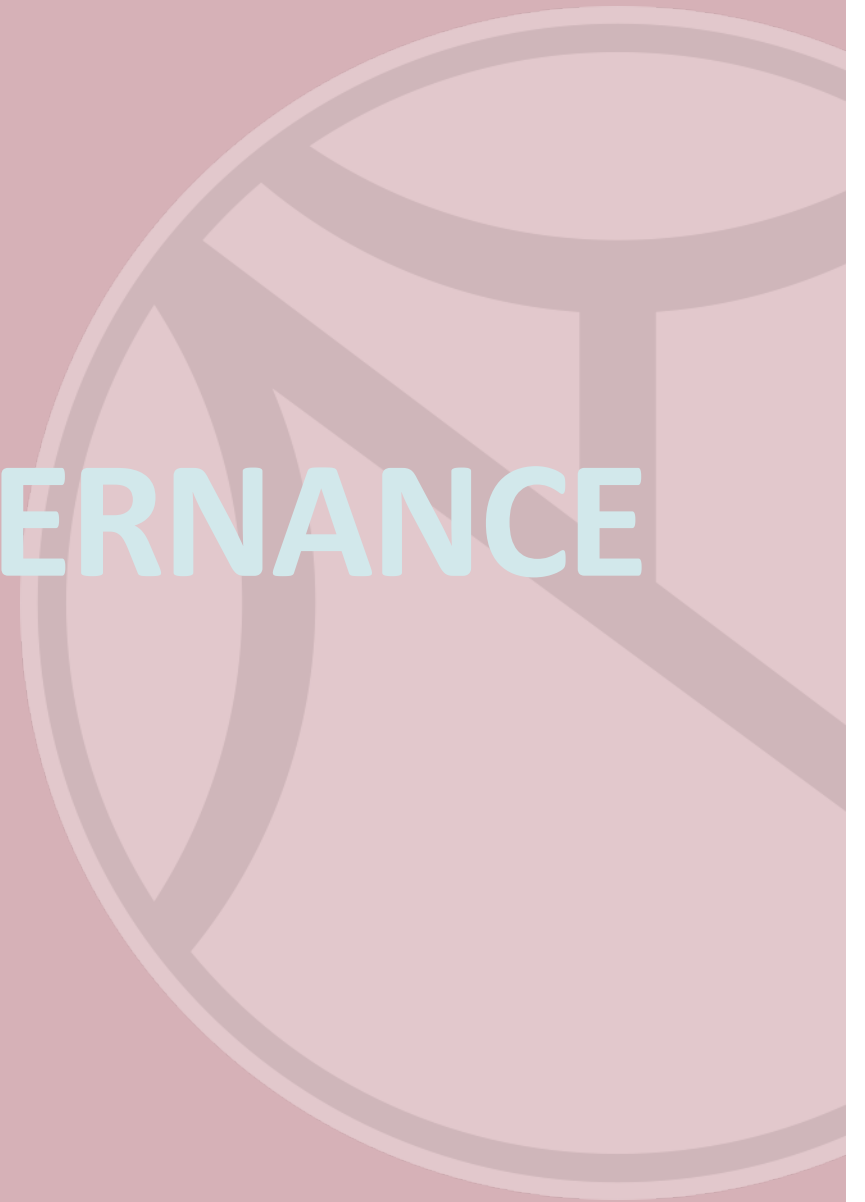
- India: Implementation of automatic cyclic hour timers to switch off morning streetlights and reduce electricity consumption.
- “Solar Saving” proposals and actions to cut electricity use during a 70-minute interval for the furnace pre-wash.
- Expansion of onsite solar generation capacity through an additional 76 kW solar module, supporting emissions reduction and energy savings.



Figure 13
“Laza run»



ESG GOVERNANCE



GOVERNANCE

CORPORATE GOVERNANCE STRUCTURE

The company believes corporate governance is one of the most important management issues as our basic management policy is to continue profitable growth and contribute to society.

The executive officers responsible for business execution are separated from the board of directors, which accounts for half of the external directors, to enhance the agility and flexibility of business execution while supervising the executive officers from the board of directors.

In addition, we have established three committees, the Nomination Committee, the Compensation Committee and the Audit Committee, which account for the majority of outside directors. As a result of this, we ensure “separation of supervision and execution” and enhance management transparency.

From the perspective of conducting and growing our business on a global scale, we aim for a highly transparent and objective governance system. In addition, we will realize efficient and specialized group company management functions and build a group management system with a sense of unity.

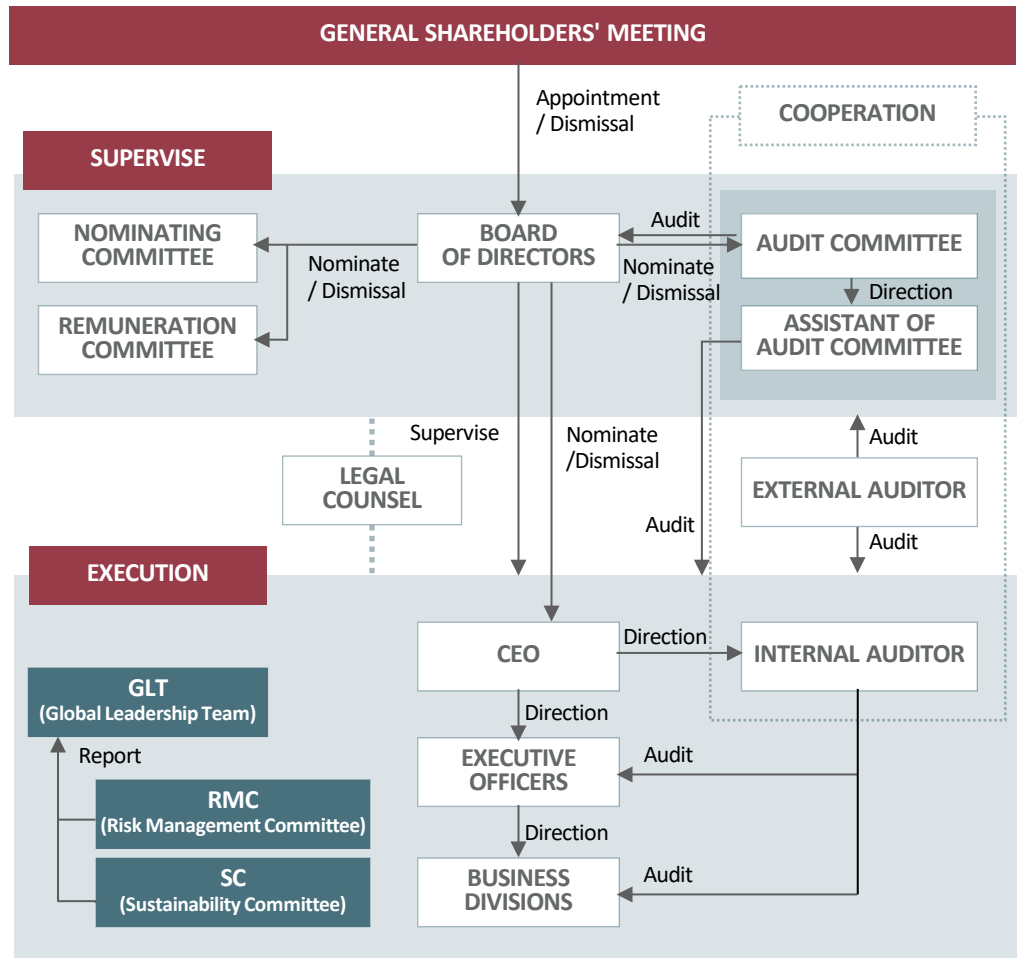


Figure 14
Diagram of Corporate Governance System

GOVERNANCE

CORPORATE GOVERNANCE STRUCTURE

THE COMPANY

- shall improve the agility of decision-making by clarifying the authority and scope of work of the Board of Directors and Executive Officers,
- improve management transparency by establishing the Nomination Committee, the Remuneration Committee, and the Audit Committee, the majority of which are outside directors, and make the supervisory function of the Board of Directors more effective by highly specialized outside directors, and
- with the aim of having independent and insightful outside directors provide advice to the Board of Directors and other committees from an outside perspective, the Company has adopted a company with a Nomination Committee as its organizational design.

BOARD OF DIRECTORS

The Board of Directors deliberates and makes resolutions on matters stipulated by laws and regulations and basic management matters, and supervises the execution of duties by Executive Officers. The Board of Directors meets once a month, and extraordinary meetings of the Board of Directors are held in a timely manner as necessary. The Board of Directors consists of seven directors (including four outside directors). The committee is chaired by Noboru Yamamoto, a member of the Board of Directors.

NOMINATION COMMITTEE

The Nomination Committee decides on the content of proposals for the appointment and dismissal of directors. The Nomination Committee consists of two outside directors (including the chairperson) and one internal director, and the majority of the members are outside directors, thereby ensuring the appropriateness of nominations.

COMPENSATION COMMITTEE

The Compensation Committee determines the basic policy on remuneration for directors and executive officers and the amount of remuneration for each individual. The Remuneration Committee consists of two outside directors (including the chairperson) and one internal director, and the majority of the members are outside directors to ensure the appropriateness of remuneration.

AUDIT COMMITTEE

The Audit Committee audits and supervises the execution of duties by directors and executive officers, and decides on the content of proposals for the appointment and dismissal of accounting auditors submitted to the General Meeting of Shareholders. The Audit Committee meets once a month and consists of three outside directors, each of whom has a different field of expertise, and is appointed in the belief that it is possible to conduct audits from various perspectives.

REPRESENTATIVE EXECUTIVE OFFICER, CEO AND EXECUTIVE OFFICER

The Representative Executive Officer and CEO execute business on behalf of the entire company, and the Executive Officer assists the Representative Executive Officer and CEO in the execution of business. In addition, the Global Leadership Team (GLT), which meets weekly meetings, shares information and conducts deliberations, and executes delegated duties under the supervision of the Board of Directors.

GOVERNANCE

SUSTAINABILITY MANAGEMENT

SUSTAINABILITY COMMITTEE

All the strategies and activities are reviewed by the Sustainability Committee, which is responsible for assisting the Management Committee by fulfilling a preparatory, consultive and advisory role in assessments and decision making processes with regard to Environmental, Social and Governance issues, related to Tsubaki Nakashima business and its engagement with all stakeholders, the Corporate Governance of the Company, and the review of scenarios envisaged in the preparation of the Mid-Term Business Plan, based also on the analysis of significant issues for the creation of long-term value. Sustainability Committee has the objective to plan, coordinate and implement the Sustainability initiatives and measures, in accordance with TN Policy, as well as review and adapt it to the global standards and trends.

The Sustainability Committee shall meet in need to discuss important ESG topics of relevance to the company.

Important ESG topics include:

- The previous year’s ESG results for disclosure
- The sustainability rating obtained through the CDP
- The new targets and strategy for the current year
- The preparation of the ESG report
- A regulatory update on ESG with potential risks and impacts to our company.

Sustainability Committee meetings are also a time for sharing and education on climate change, social and governance issues; each member can share relevant experience, knowledge and information thus increasing the collective knowledge on these issues.

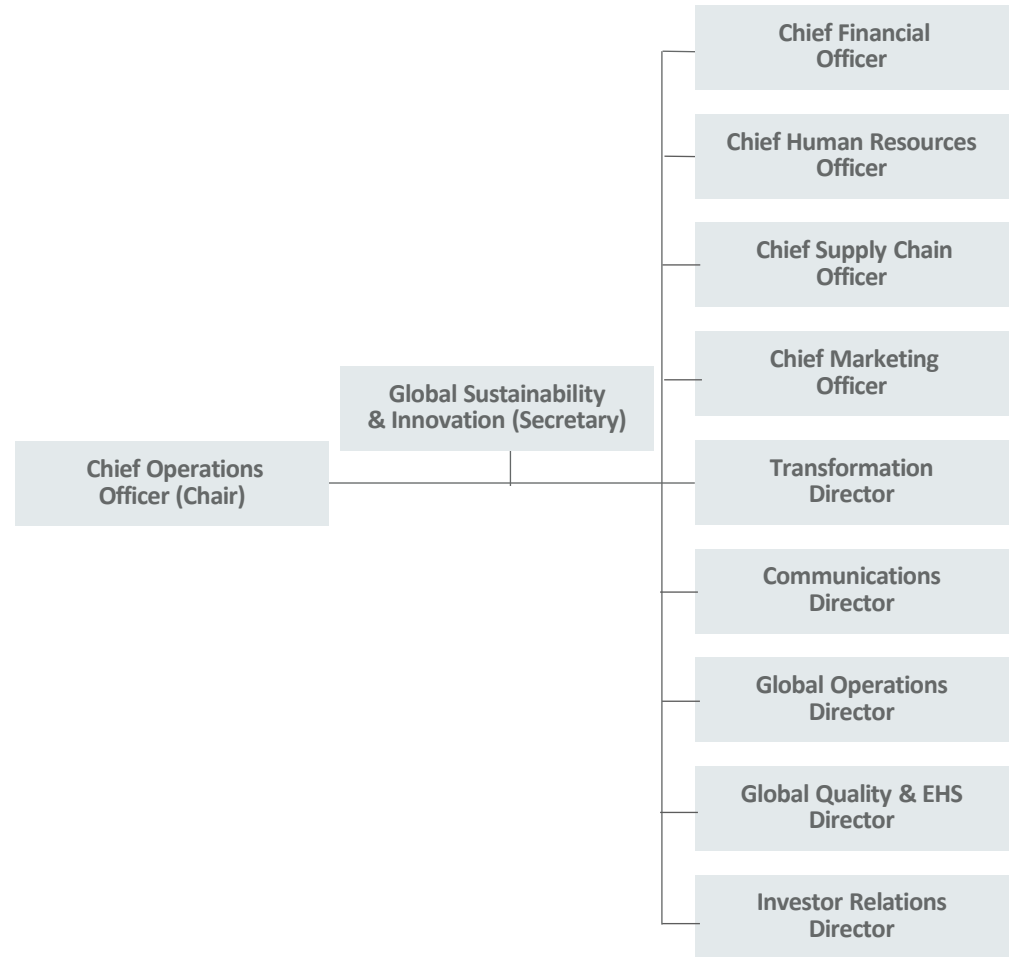


Figure 15
Sustainability Committee

GOVERNANCE

COMPLIANCE

Integrity is one of the core pillars of our Purpose, Vision, Mission, and Values. We believe that acting with integrity is fundamental to earning the trust of our customers, business partners, and local communities, alongside product quality and technological capabilities.

In today's rapidly changing business environment and shifting societal values, where the actions of each individual significantly impact the company's reputation, we must clearly define our stance of "doing the right thing in the right way" and ensure it permeates as a shared guiding principle for all employees.

To clarify standards for ethical conduct and establish consistent global decision-making criteria, we have established a Code of Conduct with the following objectives:

- **Ensuring Compliance with Laws and Ethical Conduct**
- **Practicing corporate activities based on transparency and fairness**
- **Maintaining Trust as a Global Company**
- **Establishing mechanisms to protect employees and programs for all employees.**

The Code of Conduct applies to all officers and employees, including all domestic and international group companies. It clearly states that individual inappropriate actions can damage the trust in the entire company, encouraging each person's autonomous judgment.

Furthermore, by establishing consultation windows and reporting systems* for discovering compliance violations and promoting their active use, we strengthen a framework enabling appropriate actions based on shared ethical values.

Furthermore, to ensure the Code of Conduct is not merely a document but becomes an ingrained standard for daily decision-making, we implement compliance training.

*TN has multilingual whistle-blowing system for this purpose.

SUSTAINABILITY RISK MANAGEMENT

Sustainability risk management is integrated into the company's overall risk management framework. The Risk Management procedures, designed to improve Quality, Health and Safety, Environment, Energy and to address urgent and relevant issues (in all the business fields, including the Sustainability part) are applied to all risks that are present in the different Organizations and which could potentially harm the stakeholders, including workers, impact the environment, the energy management and reputation, liability, business in general. The analysis and evaluation of individual risks inherent in business activities are carried out by the responsible of each business unit, as well as the global functions for manufacturing, quality, sales, purchasing, technology, finance, and human resources. When significant risks are identified, the Risk Management Committee (RMC) is convened to review the results of the risk analysis and evaluation conducted by each region and global functions. These results are then reported to the Global Leadership Team (GLT). GLT discusses and decides on the response to the identified risks and, if significant losses and other concerns are anticipated, promptly reports to the Board of Directors and takes appropriate measures.



ESG

