

# NDK Group-Modern Slavery Statement

This statement (“Statement”) is made pursuant to Section 54 of the UK’s Modern Slavery Act 2015 (“Act”). NDK Group strives to ensure that no infringement of human rights takes place in any part of business or supply chains, and that NDK does not have a hand in any other party’s infringement of human rights. The following describes the measures NDK is taking to eliminate modern slavery and human trafficking.

## **1. About NDK**

NDK was established in April 1948 and has been manufacturing and selling quartz crystal devices such as crystal units, crystal oscillators, and applied equipment, using crystal related products such as artificial quartz and crystal blanks.

NDK has 18 sales bases, 2 R&D bases and 6 production bases in the world.

As a subsidiary of NDK Corporation, NDK Europe Ltd has its head office at London in UK and carries out mainly sales activities in the Europe.

Details of NDK Group’s corporate activities are published on the following websites:

<http://www.ndk.com/en/about/philosophy/index.html>

## **2. Policies related to modern slavery and human trafficking**

### 1) NDK’s corporate philosophy

Under NDK’s corporate philosophy of contributing to social prosperity and world peace through NDK’s services to customers, which is based on NDK’s founding principles, it is NDK responsibility at NDK Group to pursue the contribution to best interests of NDK’s customers. On the same time, NDK must uphold high ethical standards and fulfill our social responsibility of helping to create a sustainable society.

\*Corporate philosophy

<http://www.ndk.com/en/about/philosophy/index.html>

### 2) NDK Group Code of Conduct

The NDK Group Code of Conduct has been established as a guide to proper business conduct necessary to create a sustainable society. It has been formulated from NDK's corporate philosophy and ethical standards, and applies to both management and employees of NDK Group.

The NDK Group Code of Conduct are based on the 10 principles of the United Nations Global Compact, and the EICC (Electronics Industry Citizenship Coalition) Code of Conduct, which is the global standard for the electronics industry.

\*NDK Group Code of Conduct

<http://www.ndk.com/pdf/code of conduct en.pdf>

### 3) Policies related to modern slavery and human trafficking

In the NDK Group Code of Conduct, the policies related to modern slavery and human trafficking are listed as follows.

#### ●2.Respect for and Protection of Human Rights / 2-2.Prohibition of forced labor

We prohibit forced labor exploitation in the form of slavery and must not employ anyone under the age of 15.

#### ●6. Minerals Procurement Policy

If products manufactured or sold by NDK Group contain tantalum, tin, tungsten, or gold (“Conflict Minerals”), the NDK Group will make efforts not to use Conflict Minerals that directly or indirectly

finance armed groups that seriously violate human rights in the Democratic Republic of the Congo and adjoining countries ("Covered Countries"). NDK group will also request the suppliers not to use the Conflict Minerals in the supply chain that directly or indirectly finance armed groups that seriously violate human rights in the Covered Countries.

●9.Promotion and Dissemination of Code of Conduct / 9-2.Assessment and improvement

NDK group companies must from time to time verify and assess whether this Code of Conduct is being promoted and disseminated, and endeavor to make further improvements, if necessary. We are also expected to make efforts to assess and improve, if necessary, the ethical standards of their suppliers in the supply chain.

**3. Supply Chain Human Rights Due Diligence Process**

After Establishing "NDK Group Code of Conduct", NDK continues to train the employees to.

NDK share values that respect for human rights is corporate social responsibility.

In addition, NDK checks the existence of compliance problems including respect for human rights in accordance with internal reporting system and take appropriate measures.

Meanwhile, from the suppliers, NDK has received a consent that respects the NDK Group Code of Conduct or the EICC Code of Conduct and can cooperate in its action..

From 2017, NDK will distribute CSR procurement questionnaire to the suppliers, and will grasp the supply chain's CSR procurement situation through their response.

**4. Supply Chain risk assessment and risk management**

NDK has received a consent from most of the suppliers for NDK's CSR procurement action.

In addition, in March 2017 NDK invited the suppliers to hold briefings on CSR procurement policies and deepen their understanding as for CSR.NDK will make further accelerate efforts by holding briefing sessions every year.

NDK will start from 2017 by performing CSR Procurement Questionnaire which is a survey of policies, response procedures and efforts concerning elimination of discrimination, respect for human rights, forced labor, child labor, safety and health, etc.

NDK will analyze the response content of this CSR procurement questionnaire, and evaluate and grasp the risk. Through the action, NDK will make efforts to prevent complacency of human rights violations such as contemporary slavery and trafficking of human beings.

**5. Training and Capacity building**

NDK Group Code of Conduct has been translated into local languages and distributed to all employees. Furthermore, by the training to new employees and the annual education plan in each division, NDK will try to thoroughly understand the NDK Group Code of Conduct by all employees.

NDK will strive to improve the content of explanation so that understanding of the risks of contemporary slavery and trafficking will further deepen at supplier briefings.

This Statement was reviewed and approved by the NDK Corporation Board of Directors on 19 March 2018.

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