

# NTT Germany - Supplier Code of Conduct

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# 1. Introduction

NTT Germany AG & Co. KG (“**NTT Germany**”) is committed to responsible business and supports the UN Sustainable Development Goals. This commitment extends throughout our supply chain.

NTT Germany bases this Supplier Code of Conduct (S-CoC) on the NTT Group Supplier Code of Conduct which is based on the [NTT Group Guidelines for Sustainability in Supply Chain](#) established by NTT Holdings in February 2022.

NTT Group has established the [NTT Group Global Sustainability Charter](#) and is conducting a number of initiatives to realize a sustainable society, with the aims of ‘growing as corporations’ and ‘solving societal’ issues. As the supply chain of NTT Group has become more global and complex in recent years, it has become a crucial issue for us to respond appropriately to global issues including disasters, pandemics, the environmental, human rights an(S-CoC) details the standards for responsible business we expect suppliers to follow. Suppliers must adhere to these standards, shall demand the same of their own suppliers, and commit to the continual improvement of business practices.

Suppliers must comply with applicable laws, regulations, contractual agreements, and recognised standards wherever they operate globally, whether having a direct presence or using locally contracted suppliers. Their employees should be trained to comply with the principles laid down in this NTT Germany Supplier Code of Conduct and adequate documentary evidence should be kept.

NTT Germany is subject to the German Supply Chain Due Diligence Act [Lieferkettensorgfaltspflichtengesetz - LkSG].

This S-CoC is also intended to support NTT Germany's ability to meet its obligations under the LKSG.

## 2. Applicable documents

[NTT Group Guidelines for Sustainability in Supply Chain](#)

[NTT Group Global Sustainability Charter](#)

Requirements described in these guidelines apply to all suppliers with whom we transact directly. One such responsibility of suppliers with whom we transact directly is to communicate the contents of these guidelines to other suppliers who constitute their upstream supply chain and encourage their compliance with these guidelines, as well as to confirm their compliance status, based on contracts. NTT Group may conduct audits to confirm that all suppliers are complying with these guidelines. To that end, NTT Group may require suppliers to disclose necessary information. We ask that suppliers guarantee the accuracy and completeness of such information, and to provide it without delay. When actions or events that do not satisfy the matters described in these guidelines are identified through an audit or the like, NTT Group will request all suppliers to implement necessary remediation activities. If the necessary remediations are not implemented, NTT will take appropriate measures, including cancelling transactions where permitted. If NTT Group companies establish their own guidelines other than these guidelines, or if requests are made that differ from these guidelines due to the laws of the countries where NTT Group companies are located, or ordinances and rules of local governments, or requests from customers, then priority shall be given to the guidelines of each Group company. We ask our suppliers to understand and support NTT Group's procurement policies and sustainable supply chain initiatives, as well as to cooperate with the active promotion of these guidelines.

# Common matters

## 2.1. Build management systems

Suppliers shall build a management system to achieve each of the objectives in the NTT Germany Supplier Code of Conduct (S-CoC).

Build a management system means to build a system for continuous improvement following the Plan-Do-Check-Act (PDCA) method, focusing on policy compliance, implementation systems, corrective actions and stakeholder engagement. This does not include obtaining certification.

Points to consider when building a management system:

- Are you complying with laws, regulations and customer requirements related to your business and products?
- Are the aspects described in the S-CoC included?
- Are you identifying and mitigating risks related to aspects described in the S-CoC?
- By doing so, can you expect to continuously make improvements?

A management system also includes:

- corporate commitment
- accountability and responsibility of top management
- legal requirements and customer requirements
- due diligence
- risk identification and risk management
- improvement goals
- education and training
- communication
- worker feedback, participation, lodging complaints
- assessment and audit of identified risks
- corrective action processes
- documentation and recording

The following typical management systems exist for each individual matter.

- occupational health and safety: ILO Guidelines on Occupational Safety and Health Management Systems, OHSAS 18001, ISO 45001, and more.
- environment: ISO 14001, EMAS, Eco Action 21, Eco Stage, and more.
- product quality and safety: ISO 9000 Family, IATF 16949, ISO 13485, and more.
- information security: ISO/IEC 27001, ISO 20243, SOC 2, IEC 62443, security-related NIST documents, and more.
- business continuity plans: ISO 22301, and more.

## 2.2. Detect inappropriate activities early by building complaint processing mechanisms:

- In addition to the risk management requirements necessary for complying with the NTT Germany and NTT Group Supplier Code of Conduct, suppliers shall establish complaint processing mechanisms for employees, clients and third parties to raise concerns about suspected or actual unethical behaviour or misconduct in their business, without fear or threat of retaliation, and to be confident in the knowledge that their concerns will be treated confidentially, fairly, ethically, and responsibly in accordance with applicable laws and regulations.
- Suppliers shall inform their employees and stakeholders of the SpeakUp complaint processing platform operated by NTT Ltd., which is accessible to anyone who wishes to anonymously “SpeakUp” and raise any concerns about actual or suspected unethical behaviour or misconduct within our business.

A 'complaint processing mechanism' is a mechanism through which relevant parties can report on, and/or request corrections to be made to, any actions suspected of violating the NTT Germany Supplier Code of Conduct. When lodging a complaint, it must be possible to do so anonymously. In processing complaints, individuals who SpeakUp must not be treated negatively. For example, by including comment boxes, telephone numbers, email addresses, or a SpeakUp service using an external organization, and more. In order to the complaint processing mechanisms to function effectively, it is helpful to conduct awareness surveys that confirm the level of employee understanding and to take part in continuous improvement through amendment proposals.

An individual who chooses to SpeakUp is a person who reports or discloses inappropriate behaviour by employees or officers of a company, or by civil servants or government institutions.

Negative treatment refers to any act that harms the working environment, including harassment, as well as changes to working conditions, such as unfair personnel evaluation, compensation, dismissal and reassignment.

Below is an example of NTT Ltd.'s 24/7 anonymous and confidential reporting platform SpeakUp, available to employees, third parties and other external stakeholders to report inappropriate acts.

<https://www.speakupfeedback.eu/web/nttexternals>

### **2.3. Publicize and disclose the status of initiatives related to S-CoC:**

- Suppliers shall make public or disclose information on initiative status, business activities, organizational structure, financial status and business performance related to the NTT Germany Supplier Code of Conduct, according to the applicable laws, regulations and industry practices. Suppliers shall make public and disclose as much information as possible concerning environmental conservation activities. When actions or events that do not satisfy the matters described in the NTT Germany Supplier Code of Conduct have occurred or are identified, suppliers shall independently disclose this information to NTT Germany., without waiting for it to be requested by NTT Germany
- Suppliers shall not falsify records or disclose false information.

Information publication and disclosure media include sustainability reports made through our website or through print media.

Environmental conservation activities include the implementation status of guidelines 5.1 to 5.9, as well as independently set goals, their achievement plans, and their implementation status.



## 3. Environment

**We expect our suppliers to operate in an environmentally friendly manner. Suppliers should be committed to minimising their environmental impact, preventing pollution and protecting the environment, in compliance with legal and regulatory requirements. Suppliers should strive to continually improve their environmental performance.**

### 3.1. Climate change

Suppliers should make efforts to reduce energy consumption and greenhouse gas emissions from their own operations, and from the manufacture and use of their products.

### 3.2. Natural resource conservation

Suppliers are expected to conserve natural resources in their operations and sourcing practices.

### 3.3. Re-use and recycling

Suppliers should re-use and recycle materials where possible. Products and packaging should be designed to simplify re-use and recycling.

### 3.4. Waste

Waste shall be handled, moved, stored, recycled, re-used, and managed in compliance with local laws. Suppliers must comply with local laws that relate to waste disposal, and air and water emissions.

## 4. Labour and human rights and modern slavery

**We expect our suppliers to protect the human rights of their employees and treat all people with dignity and respect, while providing a safe and healthy working environment.**

### 4.1. Prohibit forced labour:

Suppliers shall not use modern slavery in the form of coercion, detention, inhumane prison labour, slavery or human trafficking.

- Suppliers shall protect the right of all workers to leave their positions or terminate their employment and shall not force them to work.
- Suppliers shall not transport, conceal, recruit, transfer, or hire people through intimidation, coercion, or abduction.
- Suppliers shall not exploit workers by charging them fees for employment. Furthermore, suppliers shall not force workers to do labour by using such fees as debt.
- When recruiting foreign workers, suppliers shall provide them with employment contracts that describe employment conditions in languages they can understand before they leave their home countries. Suppliers shall not interfere with foreign workers' use of their own government issued identification cards, passports, visas, work permits, or immigration permits (unless the law requires non-workers to hold such documents) by means of concealment or confiscation. Furthermore, suppliers shall not impose unreasonable restrictions on workers entering or exiting facilities or moving around inside facilities.
- Suppliers shall not employ or use private or public security services that threaten torture or cruel, inhuman or degrading treatment, threaten life or limb or violate the freedom of association and the right to organise.

'Forced labour' refers to labour by a person under threat of punishment and/or against their free will (involuntarily).

### 4.2. Prohibit inhumane treatment:

- Suppliers shall respect the human rights of workers and shall not subject them to inhumane treatment such as mental or physical abuse, coercion, harassment, or any acts that could potentially be inhumane.
- Suppliers shall ensure equipment for storing personal belongings and valuables, as well as adequate personal space for proper entry and exit of facilities.
- Suppliers shall formulate disciplinary policies for relevant parties, and procedures for responding to incidents. Simultaneously, suppliers shall establish an internal Speakup system (complaint processing mechanism), notify workers of its existence, and operate this system in order to track the status of inhumane treatment.

### 4.3. Prohibit child labour and take appropriate measures for young workers:

- Suppliers shall not employ children who are under the minimum working age as defined by the International Labour Organization (ILO) or as defined based in accordance with local law, whichever is higher.
- Suppliers shall not make young workers under the age of 18 do potentially hazardous work which could harm their health or safety, such as night shifts or overtime work.
- If child labour is identified, suppliers shall provide improvement plans or programs to provide support.

Child labour can harm the intellectual, physical, social, or moral development of young people depending on the characteristics and execution of the labour. Specifically, it refers to activities or work that impair children's educational opportunities and healthy growth by making it impossible for them to attend school, forcing them to drop out of school, or forcing them to both work and study.

According to the ILO Minimum Age Convention, 1973 (No. 138), the minimum age for employment or engagement in work must not be lower than the age at which compulsory education is completed and may under no circumstances be lower than 15 years. (Note that the minimum working age may be set to 14 years, in a transitional period in developing countries where economic and educational institutions are underdeveloped). The age at which young people can engage in work also differs depending on the type of work. With regard to hazardous work, all countries must set a minimum working age of 18 years. However, children may engage in such work from the age of 16 years under the following conditions:

- Negotiations have been held in advance between domestic labour and management organizations.
- The safety, health, and morals of children are adequately protected.
- Workers have received adequate and specific education or vocational training in the field they will work in.

Hazardous work refers to the following categories of work:

- work which exposes children to physical, psychological, or sexual abuse
- work done underground, underwater, or in dangerous high places or cramped places
- work done using dangerous machines, equipment, or tools, as well as work that involves manually handling or transporting heavy objects
- work done in unhealthy environments (for example, environments that expose children to dangerous or hazardous substances, factors, processes, or even temperatures, noise levels, or vibrations that could harm their health)
- work in particularly hard conditions, such as long hours, night work, or work where children are wrongfully constrained to the user's premises

#### **4.4. Prohibit discrimination:**

- With respect to wages, promotions, compensation, recruitment, and employment practices, suppliers shall not commit acts that could possibly discriminate based on race, skin colour, age, sex, sexual orientation, gender identity or gender expression, ethnicity or nationality, disability, pregnancy, religion, political party membership or political opinion, membership in a labour union, military experience, protected genetic information, or marriage history.
- Suppliers shall make appropriate consideration for requests from workers regarding religious customs, so long as they do not interfere with public welfare or conventional wisdom.
- Suppliers shall ensure that health check-ups and pregnancy tests do not undermine equal opportunity or fairness in treatment.
- Suppliers shall make appropriate mitigation or countermeasures for potential or actual acts of discrimination unique to each country or region.

#### **4.5. Provide proper wages and allowances:**

- Suppliers shall comply with all applicable legislation regarding compensation (including minimum wage, overtime pay, and legally mandated allowances and wage reductions) paid to workers. Also, suppliers shall make consideration for paying wages at a level that can cover the necessities of life (living wage).

The 'minimum wage' refers to the lowest wage specified in each country's wage-related laws. This must be paid to workers at the appropriate timing without delay, based on the laws of each country.

'Living wage' refers to a wage level that meets the needs of workers and their families, enables them to have a social life, and gives them dignity, in accordance with international standards.

'Improper wage reduction' refers to wage reductions that violate labour laws. However, this does not include non-payment of wages equivalent to scheduled hours not worked because a worker arrived late or was absent.

When paying compensation, suppliers shall also provide pay slips showing information that enables workers to confirm that their payment is correct.

#### **4.6. Regulate working hours:**

- Suppliers must not allow workers to work beyond limits defined by legislation in the country where they work and shall appropriately manage the working hours and holidays of workers, considering international standards set by the ILO.
- Suppliers shall strive to ensure that working hours do not result in excessive work, even if they are within the working hours defined by law.
- Suppliers shall respect the will of workers when implementing overtime work and shall pay them compensation for overtime work according to local laws.

Appropriate management refers to the following:

- Scheduled working days per year shall not exceed the legal limit.
- Working hours per week including overtime (but excluding disasters and other unavoidable emergencies and crises) shall not exceed the legal limit.
- Suppliers shall grant workers the right to obtain all required labour employment benefits including, but not limited to, leave and health benefits in compliance with local labour laws.
- Suppliers shall grant break times as defined by law.

Suppliers must grant working hours, holidays, and breaks to workers appropriately based on the legislation of each country. Suppliers also need to comply with international standards. For example, under the ILO Hours of Work (Industry) Convention, 1919 (No. 1) and Hours of Work (Commerce and Offices) Convention, 1930 (No. 30), which are both international standards, weekly working hours are defined as not exceeding 48 hours per week including overtimes, except in the event of emergencies or crises. Also, in ILO Weekly Rest (Industry) Convention, 1921 (No. 14) and Weekly Rest (Commerce and Offices) Convention, 1957 (No. 106), it is stipulated that a minimum of one day (24 hours or more) of holidays be given for every seven days of work (that is to say, workers must not work for more than six days consecutively). Furthermore, the ILO Reduction of Hours of Work Recommendation, 1962 (No. 116), which was issued as a social standard aimed at achieving the Forty-Hour Week Convention, 1935 (No. 47), has been adopted. Some industry standards limit working hours, including overtime, to 60 hours per week. Working hours are also a health and safety factor, and so shall be subject to risk assessment and management.

#### **4.7. Respect the right to freedom of association and collective bargaining:**

- Suppliers shall comply with local legislation, and respect workers' rights to organize as it refers to the realization of labour management negotiation regarding the working environment and wage levels.
- Suppliers shall respect the rights of all workers to form or join the labour union of their choice. Simultaneously, suppliers shall respect the right of workers who do not participate in, or else withhold from, such activities.

#### **4.8. Implement human rights due diligence in the supply chain:**

- Suppliers who supply raw materials and parts or provide services shall conduct human rights due diligence as necessary in order to check that there are no such violations.
- Suppliers with whom NTT Germany has direct transactions have a responsibility towards the suppliers that constitute their upstream supply chain to convey the requirements of the S-CoC and urge

compliance with regard to human rights issues, as well as check compliance status, including whether or not there are any such violations.

The OECD Due Diligence Guidance for Responsible Business Conduct recommends that companies conduct risk-based due diligence to address or avoid negative impacts in their businesses and supply chains.

## 5. Health and safety

### 5.1. Ensure occupational health and safety:

- Suppliers shall comply with the legislation of each country regarding occupational health and safety, identify risks to occupational health and safety, and ensure health and safety using appropriate references to design, technology and management. In particular, suppliers shall make reasonable consideration for pregnant women and breastfeeding mothers.
- Suppliers shall provide workers with training on health and safety in the workplace.
- Suppliers shall prohibit work under the influence of illegal or controlled drugs and alcohol.
- Occupational health and safety risk refers to the risk of accidents or ill health occurring due to work-based hazards, such as electricity or other energy, fire, vehicles and moving objects, floors that are easy to slip or trip on, falling objects, exposure to hazardous substances such as chemicals, or work practices that harm mental health.

Appropriate design, technology, and management measures include the following examples:

- monitoring to maintain safe working parameters
- designing for ease of energy isolation execution, including the Lock Out, Tag Out, Try Out procedure
- providing personal protective equipment such as protective goggles, hard hats and gloves, which fit the people as per design

Pregnancy must also be risk assessed. Reasonable considerations for health and safety of pregnant women and breastfeeding mothers include risk management for the following:

- lifting and moving heavy objects
- exposure to hazardous materials, such as biohazards and chemicals
- work in stressful or straining postures
- long hours of work, including night-shifts
- extreme temperatures
- noisy environments

When a worker breastfeeds a child within one year after birth, it is advisable to take measures such as providing adequate breaks for breastfeeding or breastmilk extraction as well as a safe, clean, private space in which to do so.

### 5.2. Apply safety measures for equipment and instruments:

- Suppliers shall evaluate machinery and equipment used by workers in the course of their work to assess safety risks and implement appropriate safety mitigation measures.

'Appropriate safety measures' refers to measures aimed at preventing accidents and health problems that occur during work, including the following:

- safety mechanisms including fail-safe interlocks and/or guards
- signage regarding hazards such as noise levels, vibration, and more
- planned intervals for inspection and maintenance of machinery

### 5.3. Promote industrial hygiene in the workplace:

- Suppliers shall identify and evaluate the risk of workers being exposed to harmful biological, chemical, or physical effects in the workplace, and manage these risks appropriately.

Substances with harmful effects include those that are poisonous, radioactive, or may cause chronic diseases (lead, asbestos, and more). They may also be in the form of soot, steam, mist, dust, and more.

Significant noise or foul odours will also be considered harmful.

'Appropriate management' refers to, for example, the following:

- setting and applying management standards
- appropriately educating and training workers
- providing appropriate personal protective equipment

#### **5.4. Apply appropriate measures for occupational injuries and illnesses:**

- Suppliers shall identify, evaluate, record and report on the status of occupational injuries and illnesses, and take appropriate corrective and preventive measures.
- Suppliers shall report the details of occupational injuries and illnesses that occur when executing NTT Germany business, and for which NTT Germany should fulfil legal, moral, or ethical responsibilities.
- Suppliers shall report the details of occupational injuries and illnesses that occur on property held by NTT Germany, or while providing services to NTT Germany

'Appropriate measures' refers to systems and measures that make the following possible:

- Providing treatment when necessary
- Promoting incident reporting by workers, including anonymous reporting
- Classifying and recording injuries and illnesses
- Investigating the workplace organization that led to injuries and illnesses
- taking corrective measures to eliminate causes
- promoting workers returning to the workplace, including rehabilitation/back-to-work services
- sharing gained insights with workers throughout the organisation

Also, the following actions are included as appropriate countermeasures:

- implementing the necessary administration procedures according to the law
- investing in worker's accident insurance

#### **5.5. Prepare for and respond to emergencies:**

- In preparing for emergencies that may endanger human lives or physical safety, suppliers shall identify the potential occurrence of such emergencies. Suppliers shall also create a course of action for responding to emergencies which limits the emergency and minimizes harm to workers, the public and assets. They shall install the necessary equipment, as well as provide education and regular training exercises so that all of the workplace organization, including workers, can take action in the event of a disaster.

'Emergency response countermeasures' refers to, for example:

- the prompt reporting of emergencies
- notification to workers
- clarification of evacuation methods
- installation of evacuation facilities
- easily understood and obstacle-free exits
- appropriate egress equipment
- stockpiling of emergency medical supplies
- installation of fire extinguishers
- fire doors and fire sprinklers
- planning and enabling ways of communicating with the outside in cases of lockdown or lock-in
- formulation of restoration plans



It is also necessary for suppliers to disseminate information thoroughly in the workplace, which includes the following:

- scheduling regular emergency exercises involving more than one type of failure, where the decision-making process is practiced, challenged, debriefed and improved, to enable prompt response to emergencies
- implementing emergency response education for workers (including evacuation drills)
- storing and posting emergency response procedure manuals in places that are easily accessible in the workplace
- Consider physical workload:
- Suppliers shall identify and evaluate work that is physically taxing and shall manage this appropriately so that it does not lead to occupational injuries or illnesses.

Physically taxing work includes the following:

- handling raw materials during manual labour
- heavy labour such as manually transporting heavy loads
- long hours of repetitive work or continuous work, such as data entry, or assembly work that requires physical strength
- working in an unnatural posture for long hours

Proper management includes the following:

- developing work environments based on ergonomics
- regular short breaks, job rotation
- providing working aids
- dividing labour and cooperation among multiple workers

Appropriate management also includes developing an environment in which people can move appropriately, naturally and efficiently, and reducing accidents and mistakes.

Ergonomics refers to the field of research in designing objects, environments and conditions in which humans can move as naturally as possible. This also includes adjusting environments so that people can move correctly and efficiently, reducing human error that may lead to accidents.

## **5.6. Promote safety and hygiene in company facilities:**

- Suppliers shall ensure the appropriate safety and hygiene at facilities for the daily health and wellbeing of workers (company housing, dormitories, cafeterias, toilets, and more).
- Suppliers shall establish appropriate emergency exits in company housing and dormitories.

To ensure safety and hygiene, suppliers must maintain the cleanliness and hygiene of company facilities, and pay special attention to the following:

- drinking water: water quality inspections in compliance with legislation, and more
- hygienic provision of meals: health surveillance and vaccinations (for example typhoid, hepatitis, and more) for kitchen and serving staff; food safety, for example, temperature control of food to manage safe bacterial levels, and more
- toilets: providing an adequate number and clean toilet facilities for the number of employees
- company housing and dormitories: fire countermeasures, adequate space in rooms, ventilation, temperature control, proper lighting, leisure facilities, and more

## **5.7. Conduct health management programs for employees:**

- Suppliers shall conduct appropriate health maintenance programs for all employees.

'Appropriate health management programs' refers to programs for the prevention and early detection of illnesses among employees by conducting medical examinations, at least at the level stipulated by law and



according to the health and safety hazards that workers are exposed to in the working environment. This includes adequately considering the prevention of health problems due to overwork, as well as mental healthcare.

## 5.8. Communication:

- Suppliers shall use languages and methods that workers can understand to provide appropriate education and training on safety and hygiene information, with regard to various occupational dangers that workers may incur and shall test for the correct understanding of the communications.
- Suppliers shall clearly post safety-and hygiene-related information inside facilities or place it in locations that workers can identify and access, and in languages that workers can understand.
- Suppliers shall provide education and training to all workers before they start work, and on a regular basis after they start work, and shall test workers for competent demonstration of the training objectives.
- Suppliers shall create a mechanism for workers to raise concerns regarding safety, for example at briefings, toolbox talks, to their supervisors, through workers' safety representatives or inwriting.

Education and training items include the following:

- correct choice and use of personal protective equipment
- response to emergencies
- safe operation of machinery
- preparation before entering harmful environments

## 5.9. Leadership:

- Suppliers shall have a program for health and safety leadership.
- The supplier's executive shall take direct responsibility for the health and safety program, keeping in mind that accountability for health and safety cannot be delegated.
- Suppliers shall provide a clear vision for health and safety, and support their management and workers in achieving the goals and objectives of their health and safety program.
- The supplier's executive shall provide the resources, expertise, and follow-up to manage the risk exposures of their workers to an acceptable level.

Health and safety leadership examples include:

- leadership targeting a high-risk category of work every month
- annual health and safety review meetings led by the supplier's leadership
- leadership contextualizing the health and safety policy to their workers and demonstrating how the policy affects their decisions regarding their working environment

## 5.10. Performance reporting:

- Suppliers shall have a program for reporting on their activities in preventing accidents and ill health (leading indicators) and on their actual and potential accidents and ill health suffered by employees, contractors and members of the public affected by the suppliers' business (lagging indicators).

Performance reporting examples include:

- safety observations per worker, per month
- team-based risk assessments and revisions
- lessons learned per risk category
- Total Recordable Injury Frequency Rate per 200000 hours worked

## 6. Environment

In addition to requirements 5.1 to 5.9 described in the S-CoC, please see the separately defined NTT Group Green Procurement Standards for a summary of the NTT Group's environmental activities, matters and laws that all suppliers should consider, reference, and strive for, and evaluation items for suppliers and products in the procurement process.

### 6.1. Obtain environmental permits and report to the government:

- Suppliers shall obtain permits and approval, as well as register and report as necessary for their business, in accordance with legislation of the location of their business.

Permits stipulated by legislation include the following:

- permits for waste disposal
- permits concerning the prevention of air pollution

Also, depending on the chemical substances used in their business, it may be necessary for suppliers to obtain permits for the handling and management of poisonous substances, deleterious substances, specified chemical substances, and dangerous substances. Also, depending on their business content and locations, it may be necessary for suppliers to obtain government permits for environmental impact assessments and facilities that handle hazardous materials.

### 6.2. Manage chemical substances contained in products:

- Suppliers shall comply with all applicable legislation, as well as customer requirements related to the prohibition of, or restrictions on, the use of specified substances contained in products.

Suppliers must comply with the legislation of the country for which the products are made, with regard to substances contained in such products. Also, suppliers must take responsibility for components embedded in final products, and companies in the upstream supply chain must provide information required by companies in the downstream supply chain.

### 6.3. Manage chemical substances:

- Suppliers shall comply with the legislation of their respective countries in which they deliver goods or services, operate or have a presence in, to identify, label and manage chemicals and other substances which pose a danger to human health and the environment, and manage such substances in order to ensure the safe handling, transportation, storage, use, recycling or reuse, and disposal thereof.
- Suppliers shall comply with "The Stockholm Convention on Persistent Organic Pollutions (POP Convention). The Convention is an international agreement on binding prohibition and restriction measures for certain persistent organic pollutants (POPs).
- Suppliers shall comply with "The Minamata Convention", which draws attention to a global and ubiquitous metal that, while naturally occurring has broad uses in everyday objects and is released to the atmosphere, soil and water from a variety of sources. Controlling the anthropogenic releases of mercury throughout its lifecycle has been a key factor in shaping the obligations under the convention.

### 6.4. Minimize environmental pollution impact (wastewater, sludge, exhaust, noise, vibration, and more.):

- Suppliers shall comply with the legislation of the country they operate in with regard to wastewater, sludge, exhaust, noise, vibration, and other pollution, and make additional improvements based on voluntary standards, as needed.

- For wastewater management, suppliers shall monitor the source, use, and discharge of water, in order to conserve and reuse water. Also, before discharging or disposing of all wastewater, suppliers shall identify characteristics, monitor, control, and treat wastewater as necessary. Furthermore, suppliers shall identify sources of pollution that can cause water pollution, and manage them appropriately.
- For sludge management, suppliers shall reduce sludge emissions and implement appropriate sludge treatment or sludge recycling.
- For exhaust management, suppliers shall take appropriate measures to reduce the emission of toxic substances into the atmosphere.  
For noise and vibration management, suppliers shall strive to protect the living environment by suppressing noise and vibrations.

'Voluntary standards' refers to having targets for reducing the organization's environmental burden beyond the level stipulated by laws, and more. This includes preventing the occurrence of pollution, as well as activities that further reduce the organization's environmental burden, such as improving methods for monitoring, controlling, and treating wastewater, sludge, exhaust, noise, and vibration, as well as reducing the amount of leakage and emissions.

In wastewater management, the following examples are part of management of wastewater pollutant pathways:

- ensuring there is no stagnant water or oil puddles near rainwater drain pipes
- installing shut-off valves and faucets to stop the leakage and outflow of tap water or sewage due to factory disasters or natural disasters

In sludge management, appropriate treatment of sludge includes reducing the volume of sludge by concentrating, dehydrating, or incinerating it.

In exhaust management, toxic substances released into the atmosphere include volatile organic compounds, aerosol sprays, corrosive substances, fine particles, ozone-depleting substances and by-products of combustion. Suppliers must analyse and monitor these substances before discharging them, and only discharge these substances after implementing the necessary management or measures based on the results of analysis and monitoring. Countermeasures against the emission of toxic substances into the atmosphere include the following:

- handling of discharged substances and regular monitoring of treatment system performance

## 6.5. Reduce energy consumption and greenhouse gas emissions:

- Suppliers shall strive to improve their energy efficiency and introduce ongoing activities to reduce energy consumption and greenhouse gas emissions.
- Suppliers shall use renewable energy as far as possible.

In 1997, the Kyoto Protocol was adopted at the Third Session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP3). It set numerical goals for reducing emissions of six greenhouse gases:

- carbon dioxide (CO<sub>2</sub>)
- methane (CH<sub>4</sub>),
- nitrous oxide (N<sub>2</sub>O)
- hydrofluorocarbons (HFCs)
- per fluorinated compounds (PFCs)
- sulphur hexafluoride (SF<sub>6</sub>)

In 2015, the Paris Agreement was adopted at COP21 with the aim of solving the global issue of climate change. As a long-term goal shared across the world, it includes an agreement to prevent the global average temperature to rise from the level before the Industrial Revolution, which was well below 2 °C, and pursue efforts to keep the rise down to 1.5 °C. It also includes an agreement for the latter half of the century to

achieve an equilibrium between the amount of greenhouse gas emissions from human activities and the amount of greenhouse gases removed by carbon 'sinks' (that is, to achieve carbon neutrality).

At COP26 in 2021, these long-term global goals were reaffirmed. In order to achieve these agreements and goals, it is crucial for all companies in the entire supply chain to be aware of them and work towards them collectively, not only within each company, but also with upstream and downstream suppliers and stakeholders.

The following are examples of frameworks in which each company voluntarily sets its own goals and conducts its own efforts to reduce greenhouse gas emissions.

- science based targets (SBT), an international climate change initiative
- RE100, a corporate alliance aimed at covering electricity used in one's own business with 100% renewable electricity

The NTT Group has also established an environmental energy vision and is driving initiatives to reduce greenhouse gas emissions. See the separately defined NTT Group Green Procurement Standards for specific details, goal values, and NTT's procurement ideas for achieving those goals.

## 6.6. Reduce environmental burden by implementing product assessment:

- Suppliers shall independently work on implementing product assessments, as well as on design and manufacturing, to reduce their impact on the environment.

Product assessment includes the following:

- assessment of materials (selection of easily recycled materials, reducing use of toxic substances, and more.)
- assessment of design (energy conservation, weight reduction, useful life extension, and more.)
- assessment of labelling (clearly stating material names, and more.)
- assessment of packaging materials (e.g. according to German Packaging Act [*Verpackungsgesetz – VerpackG*])
- assessment of recycling and disposal

## 6.7. Effectively use resources and manage waste:

- Suppliers shall promote waste reduction, re-use, and recycling, try to make effective use of resources, and keep the generation of wastewater to a minimum by complying with legislation, as well conduct appropriate management.
- Even when disposing of substances that have not been identified as toxic, suppliers shall strive to reduce waste by taking a systematic approach to identifying and managing waste, then dispose of or recycle such waste responsibly.
- Suppliers shall take measures to avoid wasting natural resources (land, water, fossil fuels, minerals, old growth forests, and more) by complying with the legislation in the country of their business, and by minimizing the disposal of substances.
- Suppliers shall minimize the environmental impact of their business activities (in particular with regard to waste, waste water, soil quality, soil modification, water quality, forests, air and noise pollution)
- Suppliers shall ascertain the waste generated by their business activities, and reduce it as much as possible, as well as reuse and recycle this waste. Suppliers shall also strive to ascertain the methods of disposals (material recycling, thermal recycling, final disposal method, and more) and the recycling rate.
- Suppliers shall act according to the Basel Convention (Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal), which is an international environmental treaty that established sound waste management and regulates the control of transboundary movements of hazardous wastes such as used electronics.

Means of execution include the following:

- changing production equipment at the source
- substituting materials
- re-using resources
- recycling

It is crucial that suppliers set goals and act independently, in order to comply with legislation.

We also recommend that suppliers do not use or re-use disposable plastics, and to use compostable materials.

## **6.8. Conserve biodiversity:**

- Suppliers shall consider biodiversity conservation, and work with stakeholders (employees, local governments, experts including NGOs, and more) to conserve the ecology, as well as drive rare animal and plant conservation activities, both inside and outside of their business premises.
- Suppliers shall strive to minimize damage to local water resources.

## **6.9. Implement environmental investigations in the supply chain:**

- If there are concerns about violations of the law or serious environmental destruction by suppliers that supply raw materials and parts or provide services, then suppliers shall conduct investigations and take appropriate corrective and preventative measures.

## 7. Fair trade and ethics

### 7.1. Prevent corruption and illegal political contributions, prohibit improperly providing or receiving benefits:

- Suppliers shall establish, and continuously comply with, a policy that prohibits all bribery, excessive gifts and entertainment, corruption and illegal political donations, extortion and embezzlement.
- Suppliers shall not provide or accept bribes or other promises, offers, or approvals as a means of gaining undue or improper benefits.
- Suppliers shall provide appropriate education and training to employees, in order to ensure continuous compliance.
- Suppliers shall take measures to prevent money laundering.

Bribery refers to providing money, entertainment, gifts, or other benefits and conveniences to civil servants and equivalent people (hereinafter referred to as 'civil servants and more.') in pursuit of any form of business-related favour, such as receiving permits, acquiring or maintaining transactions, obtaining non-public information, and more.

Bribery also includes providing entertainment and gifts that go beyond social courtesies to civil servants and more, even when not pursuing business-related favours.

Illegal political donations include making political donations in pursuit of business-related favours, such as receiving permits, acquiring or maintaining transactions, obtaining non-public information, and more. It also refers to making political donations.

### 7.2. Prohibit anti-trust and competition:

- Suppliers shall not create disadvantages for other suppliers by abusing a dominant bargaining position.

'Abusing a dominant bargaining position' refers to taking advantage of a dominant position as a buyer or outsourcer, for example, by the following actions:

- unilaterally determining or changing trade conditions with suppliers, and more
- imposing unreasonable demands or obligations

Suppliers are required to fairly and faithfully conduct procurement transactions based on contracts, in order to prevent the abuse of a dominant bargaining position. In countries with legislation relating to the abuse of a dominant bargaining position, suppliers are required to comply with relevant laws (for example, the Subcontracting Law in Japan)

### 7.3. Execute business fairly:

- Suppliers shall comply with laws regarding fair competition and fair transactions established in each country or region, and shall not engage in illicit acts including agreements to restrict competition such as cartels, as well as unfair transaction methods and improper advertising.
- Suppliers shall take measures against forces that threaten the order and safety of civil society, and shall comply with laws, ordinances and all other social norms.

Fair advertising refers to advertising which does not have an improper purpose or provide false information. Furthermore, it refers to not making expressions that mislead consumers or customers, and making considerations to not include content that slanders or infringes upon the rights of other companies or individuals.

## 7.4. Respect intellectual property:

- Suppliers shall respect intellectual property rights, and shall transfer technology and know-how in a manner which protects intellectual property.
- Suppliers shall protect the intellectual property of third parties such as customers and suppliers.

Intellectual property refers to intellectual property rights, as well as the know-how contained in trade secrets and technologies, and more.

Intellectual property rights are rights protected by law, including patent rights, utility model rights, design rights, trademark rights, copyrights, and more.

## 7.5. Appropriately manage imports and exports:

- Suppliers shall understand and comply with various legislation in each country regarding import and export of technologies and goods. To that end, suppliers shall develop a clear management system, and conduct appropriate import and export procedures.

Technologies and goods regulated by law include parts, products, technologies, facilities and software for which export is regulated by legislation based on international agreements (such as the Wassenaar Arrangement). Certain exports may require specific procedures, such as acquiring permission from governmental regulatory authorities.

## 7.6. Prevent improper acts:

- Suppliers shall take measures to prevent improper acts.

'Measures to prevent improper acts' refers to educating and informing employees, as well as creating a rich communication environment in the workplace.

## 7.7. Responsibly procure minerals and carry out due diligence:

- Suppliers shall carry out due diligence to ensure that minerals contained in the products they manufacture, such as tantalum, tin, tungsten and gold, do not cause or contribute to serious human rights violations, environmental destruction, corruption, conflict, or other such problems in conflict areas and high-risk areas.

Some minerals produced in conflict areas may potentially be a source of funds for militants who commit inhumane acts and thereby promote conflicts, or cause human rights violations.

In order to fulfil corporate social responsibilities in procurement activities, NTT Germany will work with suppliers to ensure the transparency of the supply chain.

Furthermore, with respect for the spirit of the law, we will promote initiatives to eliminate the use of conflict minerals, which are a source of funds for militants.

Even in areas where there are conflicts, some minerals are not a source of funds for militants, so we will work to prevent militants from using such minerals.

The internationally recognized OECD Due Diligence Guidance for Responsible Supply Chains gives the following five steps for due diligence regarding responsible mineral procurement:

- Step 1: Establish strong company management systems.
- Step 2: Identify and assess risks in the supply chain.
- Step 3: Design and implement a strategy to respond to identified risks.
- Step 4: Carry out independent third-party audits of smelter/refiner's due diligence practices.
- Step5: Report annually on supply chain due diligence.

When actions or events that do not satisfy the matters described in S-CoC are identified as a result of due diligence, NTT Germany will request all suppliers to make improvements. If no improvements are made, then we will take appropriate measures, including cancelling transactions.



## 8. Product quality and safety

### 8.1. Ensure product safety:

- Suppliers shall meet safety standards defined by laws and regulations of each country in which their products are sold, and shall fulfil responsibilities as a supplier by designing, manufacturing and selling products in a manner that ensures adequate product safety.

Examples of Japanese laws on product safety include the Electrical Appliance and Material Safety Law, the Consumer Products Safety Law, and the Household Goods Labelling Law. Japanese safety standards are defined in detailed regulations, JIS, and more. Safety standards in other countries include UL (USA), BSI (UK), and CSA (Canada).

Effective ways of ensuring product safety include management such as traceability (history of materials, parts, processes, and more) and prompt responses to solving problems.

### 8.2. Provide accurate product and service information:

- Suppliers shall provide accurate information about products and services that is not misleading.
- Suppliers shall not provide falsified or manipulated information.

'Accurate information that is not misleading' includes the following:

- accurate specifications, quality, and handling methods for products and services
- accurate information about the materials and parts used in products

## 9. Information security

### 9.1. Provide products and services that take security and privacy into consideration:

- Suppliers shall design products or services to provide data with confidentiality, authenticity, integrity and availability.
- When developing products or services, suppliers shall develop and implement policies and procedures to prevent products or services from having backdoors, malware or malicious code.
- Suppliers shall provide support necessary according to risk, such as providing security patches during the support period.

Suppliers must provide data confidentiality, authenticity, integrity and availability in order to ensure product or service security and privacy. When developing a product or service, it is crucial for suppliers to develop and implement policies and procedures that do not allow for backdoors, malware, or malicious code to be included in the product or service. It is advisable to conduct regular security scans, tests, and fixes on the products, services and the infrastructure they rely on, as well as to prepare processes to ensure that products and services are authentic and verifiable.

It is critical that product or service providers offer guidelines for secure configuration, operation and use. Furthermore, it is important for providers to offer contact information, security advice, vulnerability management and security patches according to risk during the support period. As a prerequisite for this, it is advisable to appropriately implement asset management, vulnerability management, and modification management policies, which can reduce risk to the service environment.

### 9.2. Prevent the leaking of confidential information:

- Suppliers shall build mechanisms and management systems (including setting information management levels, as well as conducting employee education and training) in order to appropriately manage and protect not only their own company's confidential information, but also that received from customers and third parties.

'Confidential information' is usually any information disclosed with a document, and more (including electromagnetic or optically recorded data information), that is agreed to be confidential, or disclosed verbally after having been notified of its confidentiality.

'Appropriate management' refers to building and operating general management mechanisms for confidential information, preparing norms and policies that workers should comply with, as well as planning, implementation (access management with ID of an appropriate level, and more), auditing, and revision according to those norms and policies.

'Appropriate protections' refers to preventing unauthorized or improper acquisition, utilization, disclosure, or leaking of confidential information throughout the entire data life cycle. It is necessary to implement data protection by such means as appropriate encryption. It is also critical to properly manage entry and exit to facilities to prevent unauthorized physical access.

### 9.3. Protect personal data:

- Suppliers are required to comply with the relevant legislation in each country in order to appropriately manage and protect all personal information of suppliers, customers, consumers, employees, and more.

'Personal data' means any information relating to an identified or identifiable natural person. An identifiable natural person is someone who can be identified, directly or indirectly, in particular by reference to an identifier such as a name, an identification number, location data, an online identifier or to one or more factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of that

natural person (for example, email address, employee number, disability). In certain jurisdictions, personal data includes the data of juristic persons.

'Appropriate management' refers to building and operating general management mechanisms for personal data. This includes preparing norms and policies that workers should comply with, as well as planning, implementation, auditing and revision according to those norms and policies.

'Appropriate protection' refers to not improperly or unfairly obtaining, utilizing, disclosing, or leaking personal data.

#### **9.4. Take countermeasures against cyber attacks on one's own company:**

- Suppliers shall take countermeasures (identification, defence, detection, response, recovery) against the threat of cyber attacks on their own company's information systems, networks, products and services, and to manage these aspects appropriately so that their own company or other parties do not suffer damages.
- Suppliers shall establish and implement security policies that comply with international standards.

'Cyber attacks' refers to acts that cause damage such as leaking trade secrets or personal information, customer information, business partner information and confidential information, or the encryption of important files, by such means as malware infections through targeted emails or misleading users to malicious websites.

It is necessary to prevent problems such as information being leaked or manipulated, or information systems collapsing due to cyber attacks. The attacker may expand the scope of their attack to other targets using customer information or business partner information they have obtained, so the damage is not limited to one's own company.

Devices targeted by cyber attacks extend beyond conventional computers and servers to include devices in industrial systems and the Internet of Things, so it is possible to take countermeasures with these devices as well. It is also crucial to formulate plans for quick recovery in the event of a cyber attack. Countermeasures include backing up important data and securing redundant servers and data centres.

For suppliers who have contracts with cloud services, it is also important to confirm that such plans have been formulated and are feasible within the contract conditions.

#### **9.5. Respond to security incidents:**

- In the event of a security incident, suppliers shall promptly contact stakeholders, identify the cause of the incident, prevent damage from spreading and take countermeasures to prevent recurrence.
- Suppliers shall promptly notify NTT Germany in the event of a security incident involving products and services they provide to NTT Germany or work outsourced to them by NTT Germany, or if there is suspicion that such an event has occurred.
- Suppliers shall report the cause of events, the result of their response, and recurrence prevention measures upon request from NTT Germany

## 10. Formulate business continuity plans

- Suppliers shall prepare appropriately so that they can resume operations as soon as possible and strive to minimize the impact on the supply chain in the event of a situation that has a major impact on business continuity. Such situations include large-scale natural disasters (earthquakes, tsunamis, floods, heavy rain, heavy snow, tornadoes) and resulting power outages, water supply failure, traffic obstacles, accidents (fires, explosions), as well as epidemics of infectious or contagious diseases, terrorist attacks and riots, cyber attacks, or drastic changes in the balance of supply of and demand for raw materials or parts.
- Suppliers shall ascertain the impact on delivery dates and/or service levels in the event of a disaster and strive to develop rapid means of stakeholder contact, which should include customers.

As a precautionary countermeasure, it is critical to have a local restoration strategy, concerning how to protect, mitigate and restore individual elements of a production base against possible damage. It is also crucial to secure alternative means of production, assuming that recovery from damage caused by a disaster may take long. It is effective to prepare a manual for rapid recovery of business according to contents described in a business continuity plan, and continuously educate and train employees so that they can respond to actual disasters when business has stopped.

## 11. Audit Rights

NTT Germany reserves the right to audit Supplier (upon reasonable notice) to verify Supplier's compliance with applicable laws and Supplier's obligations under this Supplier Code of Conduct.

## 12. Acceptance and Signature

Supplier agrees to comply with this Supplier Code of Conduct and to also commit its subcontractors to it. Vendor's failure to adhere to this Supplier Code of Conduct shall be considered as a material breach.

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**Supplier's Full Legal Name**

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**Supplier's Full Address**

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**Place and date of signature**

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<b>Signature, name and function</b>	Signature, name and function (if applicable)
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