

NSK ESG Data Book 2020





Environmental Management

Information on Initiatives | NSK Sustainability Report 2020

pp. 24-27 Executive Summary on the Environment
pp. 28-29 Environmental Management

Category		Scope of coverage	Unit	FY2016	FY2017	FY2018	FY2019
Compliance with environmental laws	Number of serious violations of environmental regulations	NSK Group	Incidents	0	0	0	0
Environmental accidents	Number of serious incidents of environmental pollution		Incidents	0	0	0	0
Environmental education and training	Number of environmental education and training sessions and number of participants (total)	Group in Japan	Sessions	461	583	463	393
			Persons	7,563	10,236	17,776	17,444
	Compliance with environmental laws and regulations, reduction of environmental risks		Sessions	85	175	125	108
			Persons	1,342	2,402	2,398	1,653
	Efforts to raise environmental awareness		Sessions	297	315	274	226
			Persons	5,556	6,242	14,326	14,807
	Acquisition of environmental qualifications		Sessions	58	51	34	36
			Persons	352	259	131	147
Environmentally friendly design, green procurement	Sessions	21	42	30	23		
	Persons	313	1,333	921	837		
Environmental accounting*1	Environmental conservation cost: investment	*2	Millions of yen	3,552	3,730	3,899	3,522
	Business area costs		Millions of yen	1,488	2,185	2,191	2,328
	Pollution prevention costs		Millions of yen	345	476	292	164
	Global environment conservation costs		Millions of yen	892	1,283	1,320	1,450
	Resource circulation costs		Millions of yen	250	426	578	714
	Upstream and downstream costs		Millions of yen	0	0	0	7
	Administration costs		Millions of yen	41	17	6	2
	Research and development costs		Millions of yen	2,018	1,528	1,696	1,180
	Social activity costs		Millions of yen	0	0	0	0
	Environmental remediation costs		Millions of yen	6	0	5	5
	Environmental conservation cost: cost		Millions of yen	13,158	15,092	15,087	13,515
	Business area costs		Millions of yen	2,279	2,767	2,820	2,924
	Pollution prevention costs		Millions of yen	529	574	573	533
	Global environment conservation costs		Millions of yen	956	1,180	1,330	1,432
	Resource circulation costs		Millions of yen	794	1,012	917	960
	Upstream and downstream costs		Millions of yen	259	524	398	255
	Administration costs		Millions of yen	502	544	564	603
	Research and development costs		Millions of yen	10,058	11,179	11,167	9,669
	Social activity costs		Millions of yen	41	49	120	45
	Environmental remediation costs		Millions of yen	19	29	18	17
Economic benefits associated with environmental conservation activities	Millions of yen	961	1,590	1,824	1,140		
Reductions in energy costs through energy conservation activities	Millions of yen	117	129	94	167		
Reductions in waste disposal costs through waste reduction activities	Millions of yen	51	40	16	25		
Sales of recyclable waste material	Millions of yen	793	1,421	1,714	948		

*1 Environmental costs and expenses are determined in accord with the *Environmental Accounting Guidelines 2005* issued by the Ministry of the Environment in Japan.

Depreciation is entered as a cost using the 5-year straight-line depreciation method. Compound costs are divided in proportion to the relevant environmental objective. Costs incurred through green procurement are entered as full amounts and not as differential amounts.

*2 NSK Ltd., NSK Steering Systems Co., Ltd., NSK-Warner K.K., NSK Kyushu Co., Ltd., NSK Machinery Co., Ltd., Inoue Jikuuke Kogyo Co., Ltd., Fujisawa Plant and Matsukawa Plant of NSK Micro Precision Co., Ltd., Amatsuji Steel Ball Mfg. Co., Ltd., AKS East Japan Co., Ltd., Asahi Seiki Co., Ltd., Shinwa Seiko Co., Ltd., and Kuribayashi Seisakusho Co., Ltd.



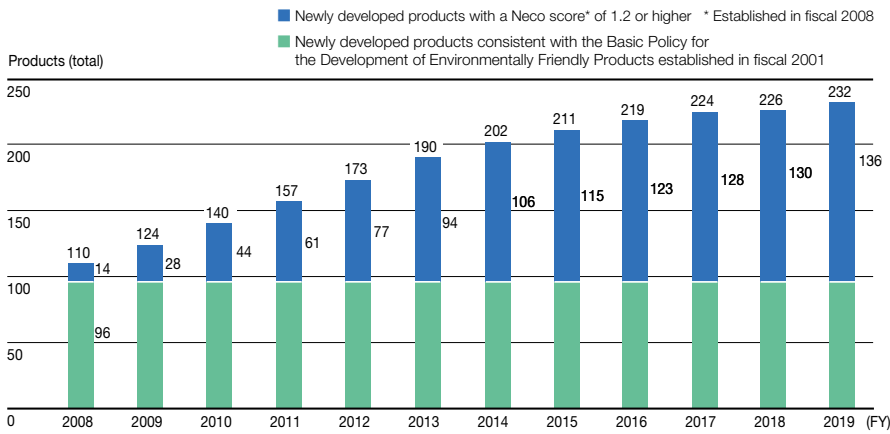
Creating Environmentally Friendly Products

Information on Initiatives | NSK Sustainability Report 2020 pp. 30-33 Creating Environmentally Friendly Products

Category	Scope of coverage	Unit	FY2016	FY2017	FY2018	FY2019
Environmentally friendly products*	NSK Group (Product development divisions)	Products	219	224	226	232
Products that contribute to reduction of CO ₂ emissions	CO ₂ emissions avoided (total)	× 10 ³ t-CO ₂	1,309	1,324	1,446	1,572
	A: Contribution by improving base performance	× 10 ³ t-CO ₂	505	649	879	804
	B: Contribution by developing applications that support energy diversification	× 10 ³ t-CO ₂	804	675	567	767

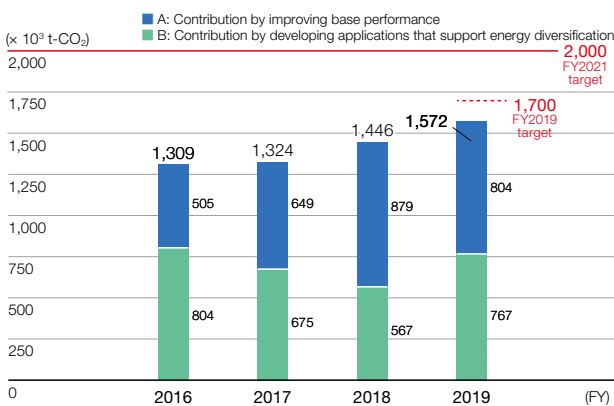
* Newly developed products with a Neco score of 1.2 or higher

Number of Environmentally Friendly Products Developed



In fiscal 2019, we developed six environmentally friendly products with a Neco score of 1.2 or higher, bringing the total up to 232 products. See p. 31, "Assessment Indicators for Environmentally Friendly Products and Fiscal 2019 Results," in NSK Sustainability Report 2020.

CO₂ Emissions Avoided through Products



The NSK Group has set a new target for CO₂ emissions avoided during customer use of its products of 2 million tons by fiscal 2021. In fiscal 2019, we strengthened our initiatives with the aim of achieving the interim target of 1.7 million tons. Total sales for the NSK Group were down year on year in fiscal 2019 due to the economic downturn, and so CO₂ emissions avoided were also lower than target, at 1.57 million tons. This result was still better than the fiscal 2018 level, however, due to increased sales of environmentally friendly products.



Fighting Global Warming and Climate Change

Information on Initiatives | NSK Sustainability Report 2020 pp. 34-37 Fighting Global Warming and Climate Change

Category		Scope of coverage	Unit	FY2016	FY2017	FY2018	FY2019
Energy usage	Total energy usage	NSK Group	TJ	16,316	17,173	17,270	15,872
	Fuel and gas		TJ	2,330	2,426	2,455	2,295
	Electricity and heat* ¹		TJ	13,986	14,747	14,815	13,577
	Rate of renewable energy use* ²		%	0.02	0.3	1.0	2.8
	Rate of change in energy usage per unit of sales* ³		%	+2.6	0 (base year)	+3.7	+14.0
Greenhouse gas emissions	GHG emissions (Total for Scope 1 and Scope 2)	NSK Group	× 10 ³ t-CO ₂ e	991	1,019	998	839
	Scope 1		× 10 ³ t-CO ₂ e	137	143	142	132
	Scope 2		× 10 ³ t-CO ₂ e	854	876	856	708
	Emissions reduction rate (base year: FY2017)		%	–	0 (base year)	2.0	17.6
	Rate of change in emissions per unit of sales* ⁴		%	+2.7	0 (base year)	+3.5	+13.2
	CO ₂ emissions from distribution	*5	× 10 ³ t-CO ₂	23.5	23.4	22.5	19.9
	Rate of change in CO ₂ emissions from distribution by transport volume* ⁶	%	-1.3	0 (base year)	+1.4	+0.6	
	Reference: Scope 3* ⁷	NSK Group	× 10 ³ t-CO ₂ e	2,056	2,039	2,705	2,194
	1. Purchased goods and services		× 10 ³ t-CO ₂ e	1,444	1,397	1,985	1,629
	2. Capital goods		× 10 ³ t-CO ₂ e	187	220	259	177
	3. Fuel- and energy-related activities (Not included in Scope 1 and 2)		× 10 ³ t-CO ₂ e	51	216	215	198
	4. Upstream transportation and distribution		× 10 ³ t-CO ₂ e	13	101	143	118
	5. Waste generated in operations		× 10 ³ t-CO ₂ e	26	54	44	19
	6. Business travel		× 10 ³ t-CO ₂ e	7	5	5	4
	7. Employee commuting		× 10 ³ t-CO ₂ e	94	17	17	16
	8. Upstream leased assets		× 10 ³ t-CO ₂ e	0	0	0	0
	9. Downstream transportation and distribution		× 10 ³ t-CO ₂ e	68	–	–	–
10. Processing of sold products	× 10 ³ t-CO ₂ e		–	–	–	–	
11. Use of sold products	× 10 ³ t-CO ₂ e		–	–	–	–	
12. End-of-life treatment of sold products	× 10 ³ t-CO ₂ e		70	14	12	9	
13. Downstream leased assets	× 10 ³ t-CO ₂ e		0	0	1	1	
14. Franchises	× 10 ³ t-CO ₂ e		0	0	0	0	
15. Investments	× 10 ³ t-CO ₂ e		96	15	24	23	
16. Upstream other	× 10 ³ t-CO ₂ e		–	–	–	–	
17. Downstream other	× 10 ³ t-CO ₂ e	–	–	–	–		

*1 Energy use accounted for by purchased electricity is the primary energy input of power companies that corresponds to the NSK Group's electricity usage.

*2 Rate of renewable energy use = Renewable energy use / energy use

*3 Energy usage per unit of sales = Energy usage / net sales

*4 Emissions per unit of sales = Greenhouse gas emissions / net sales

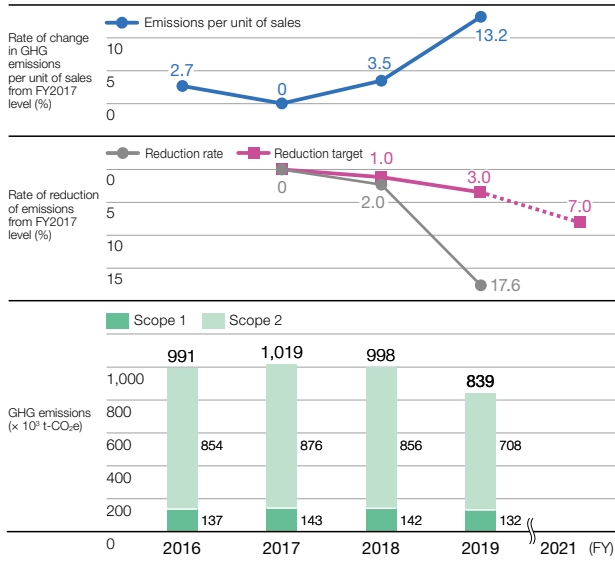
*5 NSK Logistics Co., Ltd., and main distribution contractors (within Scope 3, Category 4, only for transport in Japan)

*6 CO₂ emissions from distribution by transport volume = CO₂ emissions / transport volume (tons)

*7 The calculation criteria were revised in fiscal 2017.

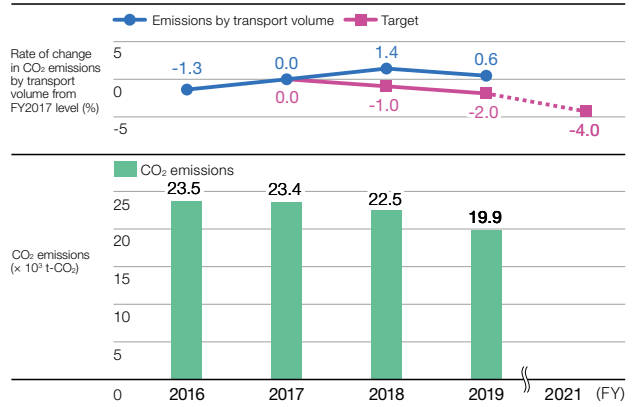


GHG Emissions and Emissions per Unit of Sales



We continued to implement measures such as improving production efficiency, converting to better fuels, and converting to renewable energy in order to reduce greenhouse gas emissions. At the end of fiscal 2019, production decreased due to the recession caused by the COVID-19 pandemic. As a result, greenhouse gas emissions for the year were down by 17.6%, far exceeding the target reduction of 3%. On the other hand, emissions per unit increased by 13.2% compared to fiscal 2017 due to factors such as a decrease in the utilization rate of available equipment.

CO₂ Emissions and Emissions by Transport Volume from Distribution in Japan



We took steps to improve logistics efficiency such as revising transport routes, but CO₂ emissions by transport volume in fiscal 2019 increased by 0.6% compared to fiscal 2017, falling short of our 2% reduction target. This was due to factors such as lower loading efficiency caused by a decrease in volume and an increase in truck shipments for individual transport loads.



Resource Conservation and Recycling Measures

Information on Initiatives | NSK Sustainability Report 2020 pp. 38-39 Resource Conservation and Recycling Measures

Category		Scope of coverage	Unit	FY2016	FY2017	FY2018	FY2019
Steel consumption	Steel consumption	NSK Group (procurement volume from main suppliers)	× 10 ³ t	705	756	758	618
Water consumption	Total water withdrawal	NSK Group	× 10 ³ m ³	4,716	4,713	4,700	4,308
	Groundwater		× 10 ³ m ³	1,840	1,869	2,011	1,789
	General water		× 10 ³ m ³	2,274	2,325	2,194	2,028
	Industrial water		× 10 ³ m ³	601	519	495	490
	Water withdrawal in water-stressed regions (breakdown)		× 10 ³ m ³	157	159	83	19*1
	Total water withdrawal	NSK Group (production sites)	× 10 ³ m ³	4,643	4,557	4,566	4,196
	Rate of change in water withdrawal per unit of sales*2		%	+9.5	0 (base year)	+3.1	+13.0
Waste and valuables	Total waste and valuables	NSK Group*3	× 10 ³ t	212.3	223.5	230.2	201.8
	Valuables		× 10 ³ t	149.0	156.8	159.5	137.4
	Waste		× 10 ³ t	63.2	66.8	70.6	64.4
	Hazardous waste (breakdown of waste)		× 10 ³ t	14.9	18.6	18.9	17.0
	Total waste and valuables	NSK Group (production sites)	× 10 ³ t	212.3	223.5	227.8	200.2
	Valuables		× 10 ³ t	149.0	156.8	159.4	137.3
	Waste		× 10 ³ t	63.2	66.8	68.5	62.9
	Rate of change in industrial waste per unit of sales*4		%	+1.8	0 (base year)	+5.6	+15.8
	Landfill disposal volume		× 10 ³ t	3.66	3.01	3.35	2.62
	Recycling rate*5 for waste		%	98.2	98.6	98.4	98.6
	Amount of packaging waste (distribution)		t	191	195	93	117
Rate of change in packaging waste per production unit (distribution)*6	%	+6.4	0 (base year)	-52.4	-31.0		
		*7					

*1 Refers to water withdrawal at three plants in India that are determined to be located in high water-risk areas based on assessments by WWF Water Risk Filter and WRI Aqueeduct. Based on local assessments, NSK has determined that current risk is low.

*2 Water withdrawal per unit of sales (production sites) = Water withdrawal / net sales

*3 Figures for fiscal 2016 and fiscal 2017 are for production sites only.

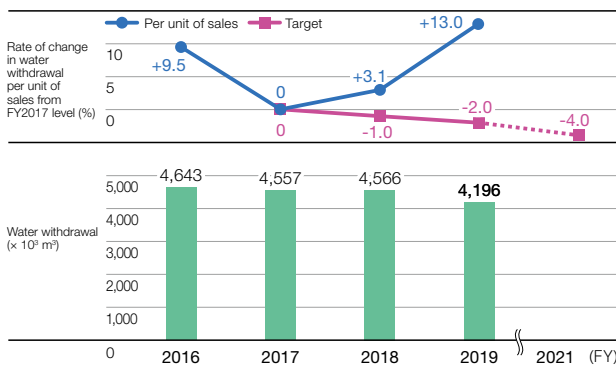
*4 Industrial waste per unit of sales (production sites) = Waste amount / net sales

*5 Recycling rate (production sites) = Recycled amount / (Total waste amount - reduction amount) × 100

*6 Packaging waste per production unit (distribution) = Amount of packaging material waste / production volume

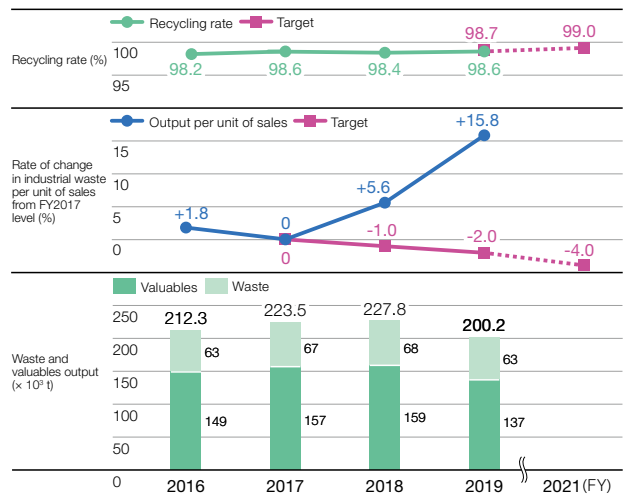
*7 NSK Logistics Co., Ltd., and main distribution contractors (only for transport in Japan)

Water Withdrawal per Unit of Sales (Production Sites)



We monitor the water withdrawal at each of our sites and are working to improve water management and the effective use of water through recycling and other measures. Water withdrawal in fiscal 2019 decreased by 370,000 m³ compared to the previous fiscal year. Water withdrawal per unit, however, increased by 13.0% compared to fiscal 2017 due to a decline in production volume caused by the economic slowdown.

Industrial Waste and Valuables Output, Output per Unit of Sales, and Recycling Rate (Production Sites)



We achieved a recycling rate of 98.6%, just short of our target of 98.7%. This was due to thorny issues with recycling certain wastes in China and the UK and challenges with securing recyclers in the Americas. Waste output in fiscal 2019 decreased by 27,600 tons from the previous fiscal year with advancement in the 3Rs. Output per unit, however, increased by 15.8% compared to fiscal 2017 due to a decrease in production volume and other factors.



Reducing Use of Environmentally Harmful Substances

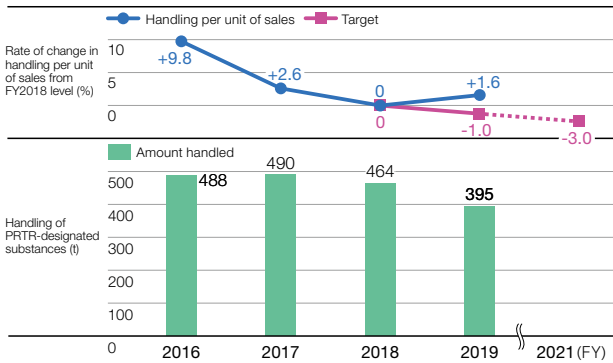
Information on Initiatives | NSK Sustainability Report 2020 pp. 40-41 Reducing Use of Environmentally Harmful Substances

Category	Scope of coverage	Unit	FY2016	FY2017	FY2018	FY2019
Green procurement	Rate of supplier consent to NSK Group Green Procurement Standards obtained	%	96.5	97.4	98.6	99.1
	Number of suppliers audited by NSK Group companies	Companies	129	183	192	124
Reducing use of environmentally harmful substances	Number of suppliers at which the NSK Survey of Environmentally Harmful Substance Inclusion was conducted	Companies	509	468	473	478
	Handling of PRTR-designated substances	t	488	490	464	395
	Discharge/transfer of PRTR-designated substances	t	96	105	72	78
	Rate of change in handling of PRTR-designated substances per unit of sales*1	%	+9.8	+2.6	0 (base year)	+1.6
	Emissions of VOCs	t	162	154	151	141
	Rate of change in emissions of VOCs per unit of sales*2	%	+12.1	-0.9	0 (base year)	+11.4
Protecting air quality	Emissions of NOx	t	128	132	128	119
	Emissions of SOx	t	48	50	42	38
Protecting water quality	Discharged (total)	× 10 ³ m ³	2,863	3,040	3,159	2,847
	Rivers	× 10 ³ m ³	704	453	729	591
	Sewage system	× 10 ³ m ³	2,159	2,587	2,430	2,256
	BOD (biochemical oxygen demand)	t	2.3	1.3	1.4	1.2
	Discharged (total)	× 10 ³ m ³	2,835	2,925	2,982	2,692

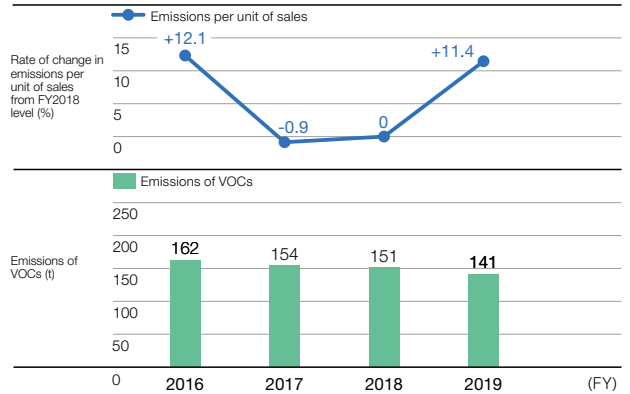
*1 Handling of PRTR-designated substances per unit of sales = Handling of PRTR-designated substances / net sales

*2 Emissions of VOCs per unit of sales = Emissions of VOCs / net sales

Handling of PRTR-Designated Substances and Handling per Unit of Sales



Emissions of VOCs and Emissions per Unit of Sales



Under our mid-term management plan, since 2019 we have been pursuing a target of a 1% reduction each fiscal year, but the performance was nearly flat for fiscal 2019. In fiscal 2020, we will introduce new efforts to achieve our target.

NSK Group's Main Initiatives to Reduce Environmentally Harmful Substances

FY	Action
1994	Completely eliminated CFCs for cleaning
	Completely eliminated trichloroethylene
1999	Phased out in-house incinerators (a measure against dioxins)
2003	Completely eliminated chlorinated organic solvents

FY	Action
2006	Came into full compliance with the EU RoHS Directive*1 and ELV Directive*2
	Reinforced chemical management system for compliance with the EU REACH regulation
2015	Phased out machining oil with chlorine-based extreme pressure additives (a measure against dioxins)

*1 RoHS Directive: An EU directive that restricts the use of harmful substances in electric and electronic devices

*2 EU ELV Directive: An EU directive that prohibits lead, mercury, cadmium, and hexavalent chromium in automotive parts and materials, in order to promote the recycling of end of life vehicles



Biodiversity Conservation

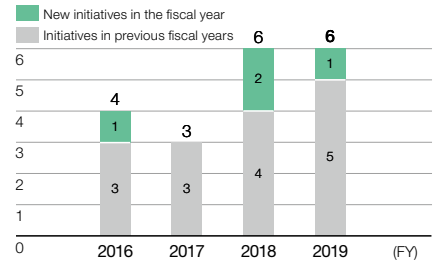
Information on Initiatives | NSK Sustainability Report 2020 pp. 42-43 Biodiversity Conservation

Biodiversity Conservation Activities: Number of Initiatives (Japan)

Category		Scope of coverage	Unit	FY2016	FY2017	FY2018	FY2019
Biodiversity conservation initiatives	Initiatives implemented (total)	Group in Japan	Initiatives	4	3	6	6
	Initiatives in previous fiscal years*		Initiatives	3	3	4	5
	Target: 1 new initiative/year		Initiatives	1	0	2	1

* Varies depending on the fiscal year, as some could not be implemented in the applicable fiscal year due to bad weather, etc.

Number of Biodiversity Conservation Initiatives (Japan)



Biodiversity Conservation Activities: New Initiatives by Fiscal Year and Fiscal 2019 Performance (Japan)

First year	Site (Pref.)	Category	Overview	FY2019	
				Month(s) held	Participants*
2014	Shiga	Removal of specific invasive species	Removing invasive fish species from Lake Biwa, which is a Ramsar Site	June	53
2015	Gunma	Preservation of <i>satoyama</i> forest areas	Improvement cutting and mowing in NSK Gunma Future Forest	(Canceled due to bad weather)	
	Kanagawa	Preservation of <i>satoyama</i> forest areas and nature observation workshops	Clearing of fallen branches, mowing, nature viewing, etc., under the guidance of an NPO in special green zones in Fujisawa City, Kanagawa Prefecture	May and October	90
2016	Saitama	Removal of specific invasive species and nature observation workshops	Protecting the native habitat of the waterwheel plant (<i>Aldrovanda vesiculosa</i>), a protected species, in Houzouji Marsh. Removing tadpoles of American bullfrogs, which eat the waterwheel plant, nature viewing, etc., under the guidance of officials of Hanyu City, Saitama Prefecture	June	20
2018	Fukushima	Preservation of <i>satoyama</i> forest areas	Planting trees, mowing of undergrowth, etc., under the guidance of Tanagura Town, Fukushima Prefecture	November	110
	Shiga	Preservation of <i>satoyama</i> forest areas	Planting trees, mowing of undergrowth, etc., under the guidance of a local forest cooperative based on a Shiga Prefecture Lake Biwa Forest Development Partner Agreement	June	29
2019	Shizuoka	Nature observation workshops	Holding indoor/outdoor nature viewing events at a natural history museum, etc.	November	58

* Including participants from outside the company (personnel of NPOs, forest cooperatives, local governments, and local residents)

Biodiversity Impact Analysis and Initiatives

Action agenda classification	Research and development	Procurement and purchasing	Manufacturing and logistics	Plant and office grounds	Social contribution activities	Communication	
Promotion of positive impacts	<ul style="list-style-type: none"> Making products lighter (manufactured with minimal materials) Developing more fuel-efficient products Developing longer-lasting products Developing products that are easy to recycle after use Revising manufacturing processes 	<ul style="list-style-type: none"> Using environmentally friendly materials and products Reducing environmental impact in parts and raw material production through supplier selection 	<ul style="list-style-type: none"> Utilizing renewable energy Promoting energy- and resource-saving activities Saving energy by using milk runs and empty trucks on outbound and return journeys 	<ul style="list-style-type: none"> Conducting environmental risk assessments Protecting important species 	<ul style="list-style-type: none"> Creating and managing habitats through employee volunteer activities Reducing marine plastic (cleanups) Donating to various organizations 	<ul style="list-style-type: none"> Promoting employee education Promoting activities in the NSK Group Promoting activities based on local characteristics Favorable reputation in the community 	
Control of negative impacts	<ul style="list-style-type: none"> Reducing resource waste 	<ul style="list-style-type: none"> Reducing environmental impact in parts and raw material production by suppliers through supplier selection Reducing overexploitation and habitat loss by reducing surplus purchasing 	<ul style="list-style-type: none"> Reducing use of raw materials, water, and energy Reducing GHG emissions from production and transport Reducing the creation of landfills by reducing landfill disposal of waste Reducing modification of plant premises 	<ul style="list-style-type: none"> Reducing deterioration of energy efficiency dependent on buildings Reducing habitat modification 	<ul style="list-style-type: none"> Reducing the lack of employee education Reducing biodiversity loss 	<ul style="list-style-type: none"> Reducing the lack of recognition of local characteristics 	
NSK's initiatives on impacts	<ul style="list-style-type: none"> Developing environmentally friendly products Revising manufacturing processes Improving yield 	<ul style="list-style-type: none"> Green purchasing and green procurement Reducing waste plastic 	<p>Reducing emissions of harmful substances</p> <ul style="list-style-type: none"> Energy- and resource-saving activities Energy conversion Reducing overproduction Proper inventory control Milk runs and modal shift Using low-emission vehicles 	<p>Reducing pollution of air, water, soil, etc.</p>	<p>Reducing emissions of harmful substances</p> <ul style="list-style-type: none"> Conducting environmental impact assessments before construction of new plants, before plant site modification, and before construction Improving insulation performance of buildings Protecting important species Conducting environmental risk assessments (IBAT analysis) 	<ul style="list-style-type: none"> Preservation of <i>satoyama</i> forest areas Tree planting Reducing marine plastic (cleanups) Removing specified invasive species Donating to various organizations 	<ul style="list-style-type: none"> Cooperation with NPOs, local governments, and local residents and organizations Internal and external public relations
Employee education							



Research and Development

Information on Initiatives | NSK Sustainability Report 2020 pp. 44-47 Research and Development

Category		Scope of coverage	Unit	FY2016	FY2017	FY2018	FY2019
R&D expenses	R&D expenses	NSK Group	Billions of yen	13.9	17.1	19.0	18.3
	Technology-related expenses		Billions of yen	25.7	28.2	32.4	31.4
Sales share of new/improved products	Total sales share of new/improved products		%	23	21	18	18
Patents held by NSK	Patents held by NSK		Patents	6,430	6,987	7,499	8,052

Occupational Health and Safety

Information on Initiatives | NSK Sustainability Report 2020 pp. 48-51 Occupational Health and Safety

Category		Scope of coverage	Unit	FY2016	FY2017	FY2018	FY2019
Lost time injury frequency rate ^{*1}	Japan	Group in Japan	—	0.28	0.23	0.30	0.20
	Outside Japan	NSK Group (outside Japan)	—	0.89	0.79	0.41	0.45
	Globally	NSK Group	—	0.68	0.60 ^{*2}	0.37	0.35

*1 Lost time injury frequency rate = Number of work accidents resulting in one or more days of work absence / total actual working hours × 1,000,000

*2 Revised to improve accuracy.



Human Resources

Information on Initiatives | NSK Sustainability Report 2020 pp. 62-73 Human Resources

Category		Scope of coverage	Unit	FY2016	FY2017	FY2018	FY2019
Number of employees (consolidated)	Total	NSK Group	Persons	31,501	31,861	31,484	30,747
	Japan	Group in Japan	Persons	11,291	11,607	11,755	11,803
	The Americas	Group in the Americas	Persons	3,065	3,080	3,093	2,804
	Europe	Group in Europe	Persons	3,667	3,908	4,259	4,206
	Asia	Group in Asia (excluding Japan)	Persons	13,478	13,266	12,377	11,934
Employee composition by gender	Total	Group in Japan*1	Persons	9,192	9,391	9,501	9,559
	Men		Persons	8,395	8,570	8,667	8,698
	Women		Persons	797	821	834	861
Average age	Total	Group in Japan*2	Age	41	41	41	42
	Men		Age	42	42	42	42
	Women		Age	36	37	37	37
Managers Percentages of men and women	Men	Group in Japan*2	%	98.8	98.4	98.4	98.3
	Women		%	1.2	1.6	1.6	1.7
Number of new graduates hired	Total	Group in Japan*3	Persons	118	102	115	93
	Men		Persons	100	89	99	67
	Women		Persons	18	13	16	26
Turnover rate	Turnover rate*4	Group in Japan*2	%	1.36	1.88	1.64	1.40
Number of rehired senior employees*5	Total		Persons	655	624	660	625
	Senior employee rehiring system		Persons	620	570	592	555
	Other (fixed-term contract, etc.)	Persons	35	54	68	70	
Employment rate of people with disabilities	Employment rate of people with disabilities	—	%	2.20	2.09	2.25	2.24
	Reference: Legally mandated employment rate in Japan		%	2.00	2.00	2.20	2.20
Number of employees who took childcare leave	Total	Group in Japan*2	Persons	75	69	109	162
	Men		Persons	34	40	73	125
	Women		Persons	41	29	36	37
Number of employees who took nursing care leave	Total	Group in Japan*2	Persons	4	3	3	11
	Men		Persons	3	1	2	6
	Women		Persons	1	2	1	5
Human resource development	Number of participants in Global Management College	NSK Group	Persons	13	14	13	12
	Number of participants in Japan Management College	Group in Japan*2	Persons	17	15	10	10
	Number of participants in NSK Institute of Technology	NSK Group	Persons	403	466	451	527
Rate of labor union participation	Non-management employees	Group in Japan*2	%	100	100	100	100
	All employees including management		%	81	82	83	83
Labor-management consultations	Number of labor-management consultations*6	Group in Japan*2	Meetings	6	7	7	7

*1 NSK Ltd. and major NSK Group companies in Japan (regular employees only)

*2 NSK Ltd. and major NSK Group companies in Japan

*3 NSK Ltd. and major NSK Group companies in Japan (career-track positions only)

*4 Percentage of persons employed at the end of the previous fiscal year who left the Company in the given year

*5 Number of employees aged 60 and over

*6 Number of times Central Labor-Management Conference meetings held



Corporate Governance

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Composition of the Board of Directors and Nomination/Audit/Compensation Committees

As of June 30 of each fiscal year

Category	Unit	June 2017	June 2018*1	June 2019	June 2020	
Board of Directors	Chair of the Board of Directors	—	President and CEO	President and CEO	President and CEO	President and CEO
	Number of directors	Persons	12	12	12	9
	Men (percentage)	Persons (%)	12 (100)	11 (91.7)	11 (91.7)	8 (88.9)
	Women (percentage)	Persons (%)	0 (0)	1 (8.3)	1 (8.3)	1 (11.1)
	Number of internal directors (who also serve as executive officers)	Persons	7	6	6	3
	Men	Persons	7	6	6	3
	Women	Persons	0	0	0	0
	Number of internal directors (who do not serve as executive officers)	Persons	1	1	1	1
	Number of independent outside directors (total)	Persons	4	5	5	5
	Men	Persons	4	4	4	4
	Women	Persons	0	1	1	1
	Percentage of internal directors (who also serve as executive officers)	%	58.3	50.0	50.0	33.3
	Percentage of independent outside directors	%	33.3	41.7	41.7	55.6
	Number of independent outside directors with four or more important concurrent posts	Persons	0	0	0	0
Term of directors	Years	1	1	1	1	
Average tenure of directors*2	Years	2.5	3.3	3.3	3.5	
Nomination Committee	Committee chair	—	Independent outside director	Independent outside director	Independent outside director	Independent outside director
	Number of members	Persons	3	3	3	3
	Internal directors	Persons	1	1	1	1
	Independent outside directors	Persons	2	2	2	2
Audit Committee	Committee chair	—	Independent outside director	Independent outside director	Independent outside director	Independent outside director
	Number of members	Persons	3	4	3	4
	Internal directors	Persons	1	1	1	1
	Independent outside directors	Persons	2	3	2	3
Compensation Committee	Committee chair	—	Independent outside director	Independent outside director	Independent outside director	Independent outside director
	Number of members	Persons	3	3	3	3
	Internal directors	Persons	1	1	1	1
	Independent outside directors	Persons	2	2	2	2

*1 One independent outside director was appointed in July 2018.

*2 The average tenure of directors who were reelected following the previous year, at the time directors are elected.

Number of Times the Board of Directors and Nomination/Audit/Compensation Committees Convened and Their Attendance Rates

Category	Unit	FY2016	FY2017	FY2018	FY2019	
Board of Directors	Number of times convened	Meetings	10	10	10	10
	Attendance rate	%	98	100	99	99
	Attendance rate of independent outside directors	%	95	100	98	98
Nomination Committee	Number of times convened	Meetings	6	6	7	8
	Attendance rate	%	100	100	95	100
	Attendance rate of independent outside directors	%	100	100	86	100
Audit Committee	Number of times convened	Meetings	15	14	14	15
	Attendance rate	%	100	100	100	100
	Attendance rate of independent outside directors	%	100	100	100	100
Compensation Committee	Number of times convened	Meetings	5	4	8	5
	Attendance rate	%	100	100	100	100
	Attendance rate of independent outside directors	%	100	100	100	100



Executive Officers, Group Officers

As of April 1 of each fiscal year

Category		Unit	April 2017	April 2018	April 2019	April 2020
Executive officers	Total	Persons	35	34	35	34
	Men (percentage)	Persons (%)	35 (100)	33 (97.1)	34 (97.1)	33 (97.1)
	Women (percentage)	Persons (%)	0 (0)	1 (2.9)	1 (2.8)	1 (2.9)
Group officers	Total	Persons	3	3	3	3
	Men (percentage)	Persons (%)	3 (100)	3 (100)	3 (100)	3 (100)
	Women (percentage)	Persons (%)	0 (0)	0 (0)	0 (0)	0 (0)

Compensation of the President and CEO

Category	Unit	FY2016	FY2017	FY2018	FY2019
Total consolidated compensation, etc., of the President and CEO*1	Millions of yen	136	203	153	Less than 100
Average annual salary of employees (NSK Ltd.)*2	Millions of yen	7.67	7.62	7.76	7.47
Ratio of total consolidated compensation, etc., of the President and CEO to average annual salary of employees	—	17.7	26.6	19.7	Less than 13.4

*1 Disclosed in the Status of Corporate Governance section in the Annual Securities Report.

*2 Disclosed in the Overview of Company section in the Annual Securities Report.

Political Donations

Category	Unit	FY2016	FY2017	FY2018	FY2019
Political donations	Millions of yen	4.00	4.10	4.05	4.05

Compliance

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Category		Scope of coverage	Unit	FY2016	FY2017	FY2018	FY2019
Employee engagement survey*1	Participants (officers/employees)	NSK Group	Persons	22,365 (Worldwide)	28,893 (Worldwide)	15,538 (Japan)	15,518 (Outside Japan)
Compliance hotline: Number of consultations and reports			Incidents	52	88	127	175
Number of serious legal violations, incidents/accidents			Incidents	0	0	0	0
Number of penalties for corruption/bribery incidents			Incidents	0	0	0	0
Number of violations of competition law			Incidents	0	0	0	0
Competition law training (including compliance-related topics)	Sessions conducted		Sessions	100	106	207*2	154*2
	Number of participants		Persons	1,848	1,463	2,960*2	2,867*2
	Average training time	Hours/person	—	1.5	1.0	1.0	

*1 Conducted as a compliance awareness survey until fiscal 2017.

*2 Includes the results of training conducted outside Japan.

Disclaimer

Statements made in this ESG Data Book 2020 with respect to plans, strategies and future performance that are not historical facts are forward-looking statements. NSK cautions that several factors could cause actual results to differ materially from those discussed in forward-looking statements.

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No.1811003934

Independent Verification Report

To: NSK Ltd.

1. Objective and Scope

Japan Quality Assurance Organization (hereafter "JQA") was engaged by NSK Ltd. (hereafter "the Company") to provide an independent verification on "FY2019" NSK Group GHG emission calculation report", "FY2019 NSK Group Water withdrawal calculation report", "FY2019 NSK Group Waste, valuable resources, and Hazardous waste calculation report" and "FY2019 NSK Group VOC emission calculation report" (hereafter "the Reports"). The content of our verification was to express our conclusion, based on our verification procedures, on whether the statement of information regarding GHG emissions, Energy Use, Water withdrawal, Industrial waste and valuable resources, Hazardous waste out of facilities in Japan, and VOC emissions in the Reports was correctly measured and calculated, in accordance with the "NSK Group GHG emission calculation standard (Scope 1 and 2) (Ver. 02-06)", "NSK Group GHG emission calculation standard (Scope 3) (Ver. 01-06)", "NSK Group Water withdrawal calculation standard (Ver. 01-03)" and "NSK Group Total waste of industrial waste and valuables, Recycling rate and Hazardous waste, calculation standard (Ver. 02-02)" and "NSK Group VOC emission calculation standard (Ver.01-03)" (hereafter "the Rules"). The purpose of the verification is to evaluate the Reports objectively and to enhance the credibility of the Reports.

* The fiscal year 2019 of the Company ended on March 31, 2020.

2. Procedures Performed

JQA conducted verification in accordance with "ISO 14064-3" for GHG emissions and Energy use, and with "ISAE3000" for Water withdrawal, Industrial waste and valuables, Hazardous waste, and VOC emissions, respectively. The scope of this verification assignment covers Scope 1, 2 and Scope 3 as GHG emissions, Energy Use, Water withdrawal^{*1}, Industrial waste and valuables^{*2}, Hazardous waste out of facilities in Japan^{*3}, and VOC emissions^{*4}. The verification was conducted to a limited level of assurance and quantitative materiality was set at 5 percent each of the total emissions and total amount in the Reports. The organizational boundaries of this verification cover all NSK Group sites in Japan and overseas, including production sites, technology centers and non-production sites of NSK Ltd., NSK equity affiliates^{*5} and NSK brand producing companies.

^{*1} Water withdrawal is clean water, industrial water, groundwater, reused water and rainwater, used by business activities.

^{*2} Industrial waste and valuables are solid or liquid waste generated by business activities.

^{*3} Hazardous waste is "specially controlled industrial waste" stipulated by the "Waste Management and Public Cleaning Act" out of amount of Industrial waste and valuables out of Japan facilities.

^{*4} VOC emissions are substances specified by the Rules, out of VOC emitted from business activities.

^{*5} NSK equity affiliates which 50 percent or more of the voting stock is owned by NSK.

Our verification procedures included:

- For on-site verification except for Scope 3, visiting four domestic sites: NSK Ltd., Ishibe Plant, NSK Ltd., Fujisawa Plant Kirihara branch, Amatsuji Steel Ball Mfg. Co., Ltd., Shiga Works and NSK Ltd. Headquarters Nissei Bldg., selected by the Company.
- On-site assessment to check the report scope and boundaries; monitoring points of activity data; monitoring and calculation system; and activity data. The number and location of sampling sites for on-site assessment were selected by the Company.
- Visiting the Company's Head Office for validation of the Rules and verification of Scope 3. Checking calculation scenario and allocation method for Scope 3; monitoring and calculation system; and emission data.

3. Conclusion

Based on the procedures described above, nothing has come to our attention that caused us to believe that the statement of the information regarding the Company's FY2019 GHG emissions, Energy Use, Water withdrawal, Industrial waste and valuables, Hazardous waste out of facilities in Japan, and VOC emissions in the Report is not materially correct, or has not been prepared in accordance with the Rules.

4. Consideration

The Company was responsible for preparing the Reports, and JQA's responsibility was to conduct verification of GHG emissions, Energy Use, Water withdrawal, Industrial waste and valuables, Hazardous waste out of facilities in Japan, and VOC emissions in the Reports only. There is no conflict of interest between the Company and JQA.

Sumio Asada, Board Director

For and on behalf of Japan Quality Assurance Organization

1-25, Kandasudacho, Chiyoda-ku, Tokyo, Japan

August 24, 2020



Independent Assurance Statement

September 16, 2020

Mr. Toshihiro Uchiyama
President & CEO
NSK Ltd.

1. Purpose

We, Sustainability Accounting Co., Ltd., have been engaged by NSK Ltd. (“the Company”) to provide limited assurance on the Company's Lost-Worktime Injury Rates for FY 2019 which were 0.20 in Japan, 0.45 outside Japan, and 0.35 globally (“the performance data”). The purpose of this process is to express our conclusion on whether the performance data were calculated in accordance with the Company's standards. The Company's management is responsible for calculating the performance data. Our responsibility is to independently carry out a limited assurance engagement and to express our assurance conclusion.

2. Procedures Performed

Our assurance engagement has been planned and performed in accordance with International Standard on Assurance Engagement 3000 (ISAE3000).

The key procedures we carried out included:

- Interviewing the Company's responsible personnel to understand the Company's standards
- Reviewing the Company's standards
- Performing cross-checks on a sample basis and performing a recalculation to determine whether the performance data were calculated in accordance with the Company's standards.

3. Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the performance data have not been calculated, in all material respects, in accordance with the Company's standards.

We have no conflict of interest relationships with the Company.

Takashi Fukushima
Representative Director
Sustainability Accounting Co., Ltd.

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