

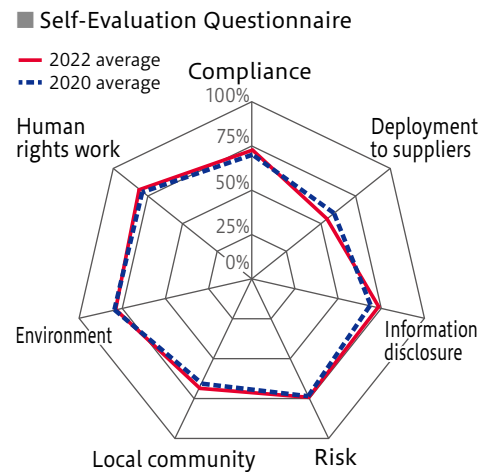
04 Sustainability Supply Chain Management

NSK's business is supported by many suppliers. NSK considers its suppliers to be indispensable business partners for NSK and aims for mutual development while building relationships of trust. Based on our basic philosophy of conducting fair and impartial procurement activities that are considerate of impacts on both society and the environment, we are engaged in efforts throughout our entire supply chain to help create a sustainable society.

NSK distributes the NSK Supplier CSR Guidelines to its approximately 1,700 global suppliers, requesting compliance initiatives such as adherence to competition and anti-bribery laws, human rights and labor initiatives such as the prohibition of child labor and forced labor and occupational health and safety, environmental initiatives such as reductions in CO₂ emissions, and community initiatives such as avoiding the use of conflict minerals.

Revised Supplier CSR Guidelines and Strengthened Initiatives

In June 2023, we held an online procurement policy briefing to explain the contents of our fully revised Supplier CSR Guidelines, as well as to seek responses to growing social demands for human rights, labor, and climate change countermeasures. We also conducted a biennial self-assessment survey in Japan, asking 500 suppliers to respond, and received responses from 90% of suppliers. The results of the survey were fed back to each company, and we asked them to take measures to address the issues identified, such as strengthening measures to prevent industrial accidents and improving the level of green procurement. We have begun to deploy CSR guidelines and feedback to overseas suppliers from each of our bases. Requirements for human rights and the environment in each region are becoming stricter, and we will work with our suppliers to raise their level of compliance.



Please see our website for more information. ▶



Respect for Human Rights

NSK aims to conduct business activities in accordance with its corporate philosophy and to remain a globally needed and trusted company. In accordance with the United Nations Guiding Principles on Business and Human Rights, we support and respect international norms such as the International Bill of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work, and fulfill our responsibility to respect the human rights of stakeholders involved in NSK's business activities.

Compliance with Human Rights Laws and Norms

To further clarify our commitment to conducting business activities with consideration for human rights in each country and region, we established the NSK Human Rights Policy in 2022. The NSK Code of Corporate Ethics also stipulates items to be observed regarding human rights and labor, such as the prohibition of discrimination, harassment, forced labor, and child labor, and proper management of working hours, and requires that all officers and employees thoroughly observe these rules.

Ascertaining and Mitigating Human Rights Risk

Items associated with human rights and labor, such as labor-related legal violations, discrimination, and harassment, are included in the risk assessments that are conducted annually at all NSK Group business sites. Based on the regional situation and trends in legal revisions, risk mitigation measures are taken for items judged to be of high importance.

To fulfill our responsibility to respect human rights not only in our own business activities but also in cooperation with our customers and suppliers, we identify and assess human rights risks and promote initiatives to prevent and mitigate human rights violations (human rights due diligence). In addition, the content of our human rights policy and corporate ethics rules is reflected in the NSK Supplier CSR Guidelines, and we request our suppliers to make efforts to address human rights and labor issues.

NSK Code of Corporate Ethics

Definition

The NSK Code of Corporate Ethics defines the universal principles that the Company and its officers and employees must observe in carrying out various corporate activities in accordance with the NSK Group's corporate philosophy system. With respect to human rights, the specific provisions are as follows:

14. Prohibition of discrimination, cultivation of a sound workplace
Personnel must respect the rights of individuals and shall not unfairly discriminate on the basis of race, appearance, belief, gender, social status, lineage, ethnicity, nationality, age, marital status, physical disability, or other inappropriate reason. In addition, personnel must not engage in acts that are disturbing or threatening to others.
15. Respect for fundamental rights at work
Personnel must not use forced or child labor. In addition, personnel must comply with all labor laws and respect fundamental rights at work.

Please see our website for more information. ▶

