Compliance

NSK’s Approach

NSK has formulated the NSK Code of Corporate Ethics and clarified its “NSK Corporate Ethics Policies” and “Code of Conduct Concerning Compliance” with the aim of outlining universal principles for conducting all of the Company’s activities in accordance with the NSK Corporate Philosophy. NSK aims to continue developing as a company that is trusted by international society and local communities by adhering to the laws and regulations of each country in its corporate activities around the world, and by taking actions based on high ethical standards as a corporate citizen.

NSK’s Efforts to Enhance Compliance

Key initiatives to enhance compliance undertaken to date are as follows.

(1) Strengthening NSK’s Compliance Systems

- Compliance Committee
  
  NSK established this committee in March 2012 and holds it three-four times a year.
- Global Legal and Compliance Meetings; Global Legal Department Manager Meetings
  
  NSK has held these meetings with the members responsible for compliance from regional headquarters biannually since August 2012. In fiscal 2018, meetings were held in the United Kingdom in the first half and Japan in the second half. A meeting solely for legal department managers at key locations was held once in Japan in August.
- Compliance Conferences
  
  NSK has held these conferences with the compliance representatives from each division and Group companies in Japan twice a year since December 2012.

(2) Establishing Relevant Regulations & Systems

- Operates a system for examining whether to participate in meetings attended by competitors
- Distributes the “NSK Compliance Guidebook” (revised in 2018)
- Formulates and revises the “Rules for Compliance with the Competition Law,” “Operational Rules of Hotline,” “Anti-Bribery Standards,” ”Personal Information Management Regulations” and “Internal Regulation for Preventing Insider Trading.”

(3) Strengthening Education and Awareness Raising Activities

- Regularly distributes the president’s message calling for stringent compliance
- Implements compliance-related e-learning for officers and employees
- Conducts compliance training at sales divisions, plants, engineering sections and Group companies
- Designated July 26 as ”NSK Corporate Philosophy Day” during which various special events are held
- Conducts a compliance slogan contest during compliance month (July 26 - August 31)
- Internally shares compliance violation information

(4) Strengthening Monitoring

- Conducts internal audits of sales divisions relating to Antimonopoly Act compliance
- Evaluates internal control related to compliance for the NSK Group
- Conducts a compliance awareness survey for the NSK Group
- Operates a whistleblowing system (hotline) in each region

Examples of Key Initiatives in Fiscal 2018

(1) Preventing Violations of the Competition Law

We work to realize fair and free transactions by raising awareness of adherence to the Competition Law. In fiscal 2018, we conducted training on the Competition Law and compliance which was provided to 2,960 people through 207 sessions mainly at sales divisions both in and outside Japan. It took around 60 minutes per person (including compliance training).

(2) NSK Corporate Philosophy Day

In order to revisit the lessons learned from the past incidents, reconfirm the resolve of all employees that no anti-competitive incident will ever occur again, and to ensure that all NSK Group employees review the Corporate Philosophy and make it their own code of conduct, the date of July 26 has been designated “NSK Corporate Philosophy Day.” In fiscal 2018, the president gave a speech that was broadcasted to NSK facilities in Japan and overseas. In Japan, several executives held a panel discussion on the Corporate Philosophy. Overseas, after speeches by facility managers, each site held its own events that included lectures by outside experts and discussions on the Corporate Philosophy and compliance.

(3) Compliance Awareness Surveys

NSK has commissioned an outside survey agency to conduct a compliance awareness survey since 2014. The fifth survey held in fiscal 2018 was conducted as employee engagement survey in cooperation with the Human Resources Department and 15,538 executives and employees in Japan participated in it. In fiscal 2019, we will continue to undertake initiatives to address issues brought to light in survey results (such as enhancing compliance in manufacturing divisions and further improving the reliability of a whistleblowing system) and activities to raise and spread compliance awareness.

NSK Group Compliance System (As of August 2019)

Compliance representatives are selected for each division, Group company and regional headquarters.