

Human Rights and Labor Practices

NSK's Approach

NSK supports and respects international norms, such as the Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights. Including items related to human rights and labor practice issues in the NSK Code of Corporate Ethics, which stipulates matters to be observed by officers and employees, we are working to prevent illegal and fraudulent activities. By fostering the creativity and individuality of every employee while working to create engaging workplaces we are also aiming to enhance our ability to create value that helps resolve social issues and achieve sustainable growth, for example, with products and services that contribute to a smoother, safer society and help protect the global environment.

Human Rights and Labor Initiatives

Including the prohibition of discrimination and harassment, as well as the appropriate management of working hours, NSK stipulates items that must be observed in relation to human rights and labor in the NSK Code of Corporate Ethics, with which officers and employees are required to comply. We also created and distributed the NSK Compliance Guidebook, which explains the content of corporate ethics rules in multiple languages, and require that our employees pledge to comply with laws and internal regulations. Furthermore, we have clarified the departments responsible for each item of the NSK Code of Corporate Ethics and are promoting the necessary initiatives. Having reflected the content of the NSK Code of Corporate Ethics

in the NSK Supplier CSR Guidelines, we also demand that our suppliers address human rights and labor issues.

NSK Code of Corporate Ethics	Matters to Be Complied With (NSK Compliance Guidebook 2022)
14. Prohibition of discrimination, Cultivation of a sound workplace	1. Prohibition of discrimination
	2. Prohibition of harassment
15. Respect of fundamental rights at work	1. Prohibition of forced labor
	2. Prohibition of child labor
	3. Management of working hours
	4. Appropriate wages
	5. Safe workplaces
	6. Labor-management dialogue

Scope: NSK Ltd. and its consolidated and non-consolidated subsidiaries as well as affiliates

▶ P.42 Supply Chain Management

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.

▶ P.52 Risk Management

Regularly conducting employee engagement surveys that, in addition to corporate ethics and compliance, contain evaluation items on respect for diversity, such as age, race, and gender, NSK is working on improving any identified issues.

▶ P.40 Employee Engagement Surveys

Having also put in place an internal whistleblowing point of contact for reporting illegal acts or potentially fraudulent acts (including those associated with human rights and labor) and a consultation contact point for cases of harassment, we inform our employees and request they use them. NSK promptly conducts necessary investigations into reported incidents, and if problems become apparent, corrective measures and measures to prevent recurrence are taken. Officers and employees who violate laws and internal regulations will be subject to disciplinary action based on internal regulations. In addition, we will take appropriate relief and recovery measures for damages caused by illegal acts.

the speaker might be deemed as a form of harassment, we held briefing sessions to raise employee awareness.

▶ P.40 Evolve Personnel Development

In the NSK Compliance Guidebook, which was revised in April 2022, we used specific examples to explain to supervisors and coworkers what they should consider regarding gender identity and sexual orientation, such as LGBTQ+. We also urged caution so that employees do not unintentionally engage in acts that lead to discrimination or harassment.

FY2021 Initiatives

Education and Awareness-Raising Activities

In March 2022, NSK published its “Guidebook for Supporting a Balance between Work and Medical Treatment—Infertility Treatment Edition,” which is based on social trends and other factors. Aiming to remain a company where people will be able to continue working, in this guidebook we describe the content of which persons receiving infertility treatment and their coworkers should be aware. In addition to explaining that there is a possibility that casual words uttered without heed of those around

▶ Please see our website for more information. https://www.nsk.com/sustainability/compliance/pdf/NSK_ComplianceGuidebook.pdf

▶ For human rights and labor initiatives in the supply chain, please see our Sustainability Information website. <https://www.nsk.com/sustainability/supplier/>

Compliance

NSK's Approach

NSK has positioned compliance as one of its core values. The NSK Group 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 to date are as follows.

Item	NSK Group Initiatives
Strengthening Systems	Established the Core Values Committee (held four times a year)
	Established the Compliance Enhancement Office (a dedicated organization)
	Holds Global Legal and Compliance meetings (once or twice a year) with legal and compliance representatives outside Japan
Establishing Relevant Regulations and Systems	Holds a Compliance Conference (twice a year) with compliance representatives in Japan
	Operates a system for examining whether to participate in meetings attended by competitors
	Distributed the NSK Compliance Guidebook to officers and employees (revised in FY2022)
	Established the Rules for Compliance with the Competition Law
	Revised NSK's Operational Rules for Whistleblowing based on the Revised Whistleblower Protection Act
	Revised the Internal Regulation for Preventing Insider Trading, introduced a prior approval system for selling NSK stock, and prohibited the buying of NSK stock on the open market
Strengthening Education and Awareness Raising Activities	Established the Anti-Bribery Standards
	Formulated the Personal Information Management Regulations
	Regularly distributed the president's message calling for thorough compliance
	Implemented compliance e-learning for officers and employees
Strengthening Monitoring	Conducted compliance training at sales divisions, plants, engineering sections, and Group companies
	Started a regular Compliance Newsletter
	Designated July 26 as “NSK Corporate Philosophy Day”
Strengthening Monitoring	Internally shared compliance violation information
	Conducted internal audits of sales divisions relating to Antimonopoly Act compliance
	Inspected specific categorical risks in compliance for the NSK Group
	Conducted an employee engagement survey for the NSK Group (compliance awareness survey)
	Has in place and operates a compliance hotline (whistleblowing system) in each region

NSK Corporate Philosophy Day

To revisit the lessons learned from past incidents, reconfirm the resolve of all NSK Group employees that no anti-competitive incident will ever occur again, and ensure that all employees review the Corporate Philosophy and make it their own code of conduct, July 26, the date of the on-site inspection by the Japan Fair Trade Commission in 2011, has been designated as “NSK Corporate Philosophy Day” since FY2016. Moreover, awareness raising activities are undertaken each year.

In FY2021, employees at our domestic and overseas bases watched videos titled “Message from the President,” “Understanding Our Corporate Philosophy,” and “A Look Back at the Cartel Incident.”

Thereafter, in Japan, practical examples in animation form for “Look Across Activities” that are consistent with the Corporate Philosophy were introduced. Taking advantage of NSK Corporate Philosophy Day, group discussions were also held at each workplace on matters that are taken for granted to help employees reflect on their own behavior.



Animation for NSK Corporate Philosophy Day

Overseas, after a message from the management of local bases, each site held its own events that included lectures by outside experts and discussions on compliance.

Initiatives to Reduce Compliance Risks in Each Division

With the aim of reducing compliance risks in each division, the NSK Group conducts compliance training by department.

In sales departments, we have been conducting training on the themes of competition laws and keeping the cartel incident fresh in our memories since FY2012. In addition to looking back on the response to the cartel incident in Japan and overseas, in FY2021 we continued to implement the storytelling activities that had been started in FY2020 to pass on the facts and lessons learned from the incident, and employees from all sales divisions in Japan attended the course.

In production departments, training is conducted on the theme of preventing quality fraud such as data falsification. In FY2021, we conducted operator-level employee training at six production sites in Japan, and all employees attended the course.

In engineering departments, we conduct training on the themes of fostering engineering ethics and preventing quality fraud such as data falsification. In FY2021, employees from all technical departments in Japan attended the course.

▶ Please see our website for more information. <https://www.nsk.com/sustainability/compliance/>