

# Human Rights and Labor Initiatives

## NSK's Approach

NSK creates value that contributes to solving social issues, such as outstanding products and services that help create a smoother, safer society and protect the global environment. For the Company to grow sustainably, we believe that it is important to respect the individuality and potential of each employee and to create engaging workplaces.

To that end, NSK supports and respects international norms, such as the Universal Declaration of Human Rights and the Guiding Principles on Business and Human Rights. Also, the NSK Code of Corporate Ethics stipulates items related to human rights and labor, with which officers and employees are requested to comply. We also promote initiatives, such as diversity and inclusion (D&I), to create an organization and culture in which diverse employees can demonstrate their abilities.

Furthermore, we aim to reflect the content stipulated in the NSK Code of Corporate Ethics in the NSK Supplier CSR Guidelines and work with our suppliers to address human rights and labor issues.

## NSK Group Initiatives

In addition to stipulating “prohibition of discrimination, cultivation of a sound workplace” and “respect of fundamental rights at work” in its Code of Corporate Ethics, NSK publishes the NSK Compliance Guidebook, which explains the matters to be observed in the languages of each country. The Guidebook is distributed to officers and employees. We also regularly hold in-house training to promote understanding.

NSK Code of Corporate Ethics	Matters to Be Complied With (NSK Compliance Guidebook 2018)
14. Prohibition of discrimination, Cultivation of a sound workplace	<ol style="list-style-type: none"> <li>1. Prohibition of discrimination</li> <li>2. Prohibition of harassment</li> </ol>
15. Respect of fundamental rights at work	<ol style="list-style-type: none"> <li>1. Prohibition of forced labor</li> <li>2. Prohibition of child labor</li> <li>3. Management of working hours</li> <li>4. Appropriate wages</li> <li>5. Safe workplaces</li> <li>6. Labor-management dialogue</li> </ol>

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

## Compliance Hotline (Whistleblowing System), Corrective Mechanisms

NSK aims to identify and correct illegal and fraudulent activities at an early stage. If an employee or officer discovers illegal or potentially fraudulent activity, the Company requests that he or she makes a report to the internal or external whistleblowing points of contact. The whistleblower can make a report anonymously so that he/she will not face any repercussions. Any act that violates relevant laws and regulations or the NSK Code of Corporate Ethics will be subject to disciplinary action based on company regulations.

In addition, the risk assessments conducted annually for all business establishments include items such as risks related to acts that violate laws and regulations and the NSK Code of Corporate Ethics, occupational safety, and risks related to the supply chain. As a result of these assessments, we take measures to mitigate the risk for items that are judged to be of high importance.

▶ P. 55 Compliance, PP. 56–57 Risk Management

▶ NSK website <https://www.nsk.com/company/compliance/index.html>

## Labor-Management Relations Based on Dialogue

For NSK to grow sustainably as a corporate group committed to high-quality manufacturing, we believe it important to look at employment from a long-term perspective and to continuously hire and develop outstanding human resources in the countries and regions where, for example, our production, sales, and development sites are located.

Hiring employees in an appropriate manner in accordance with international norms and local laws, the NSK Group regards a healthy relationship between labor and management as indispensable. We guarantee the right of employees to communicate directly with management (labor-management dialogue) without fear of retaliation, intimidation, or harassment. Also considering it important to create a work environment where each employee feels motivated and can develop, we carry out employee awareness surveys, which are aimed at measuring employee engagement and compliance awareness and take measures to address identified issues.

▶ P. 45 Non-Financial Highlights, P. 55 Compliance

## Creating Workplaces Where Diverse Human Resources Can Demonstrate Their Abilities

NSK clarifies its prohibition of all forms of discrimination, including that on the basis of sexual orientation and gender identification (SOGI<sup>\*1</sup>), in the NSK Compliance Guidebook, which explains the items stipulated in the NSK Code of Corporate Ethics. The NSK Guidelines on Creating Accommodating Workplaces for Transgender Employees encourage understanding of LGBTQ+ (SOGI) issues and explain considerations to prevent outing<sup>\*2</sup> and SOGI-related harassment. In fiscal 2020, we also promoted awareness through in-house newsletters and held online events on LGBTQ+ issues to help create a culture that is accepting of hidden diversity.

▶ P. 78 Glossary

\*1 The English abbreviation for Sexual Orientation, Gender Identity. LGBT is an abbreviation that indicates personal attributes, but SOGI refers to sexuality-related concepts.  
 \*2 Without consent, communicating someone else's sexual orientation or gender identity to a third party.

▶ NSK website <https://www.nsk.com/sustainability/hr/index.html>

## Supply Chain Initiatives

NSK distributes copies of its NSK Supplier CSR Guidelines, which contain the matters to be observed regarding human rights and labor, to all its suppliers and requests implementation by them. In addition to asking all suppliers who have a direct business relationship with the NSK Group to take their own actions and promote procurement activities that take human rights into consideration, by means of these guidelines we are aiming to further advance our efforts to upstream suppliers.

In addition, we regularly conduct CSR self-assessments and provide feedback to everyone about any issues that have come to light so that they can help improve the level of their activities.

▶ P. 38 Supply Chain Management

▶ NSK website <https://www.nsk.com/sustainability/supplier/index.html>