

Human Resources

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- Human Rights Enlightenment and Education

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Policy

As a group conducting business globally, the Group recognizes that our corporate activities could have a direct or indirect adverse impact on human rights.

The Group fulfills its responsibility to respect human rights by not infringing on the human rights of people affected by our corporate activities, and by taking appropriate measures to correct any adverse impacts on human rights that may have been caused or contributed to in our corporate activities.

The NYK Group Human Rights Policy based on the United Nations Guiding Principles (UNGPs) on Business and Human Rights applies to all executives and employees, and we encourage our suppliers, contractors, agents, and other parties involved in our business and supply chain to comply with the policy.

In addition to "NYK Code of Conduct", we also include respect for human rights and diverse cultures in our CSR Guidelines for Partners and Suppliers (as of July 2024), with the aim of realizing respect for human rights throughout our entire value chain.



For more information, click on the link below.

- ▶ **NYK Group Human Rights Policy**
<https://www.nyk.com/english/sustainability/pdf/concept/policy002en.pdf>
- ▶ **NYK Code of Conduct**
<https://www.nyk.com/english/profile/mission/>
- ▶ **CSR Guidelines for Partners and Suppliers**
<https://www.nyk.com/english/sustainability/pdf/concept/policy011en.pdf>

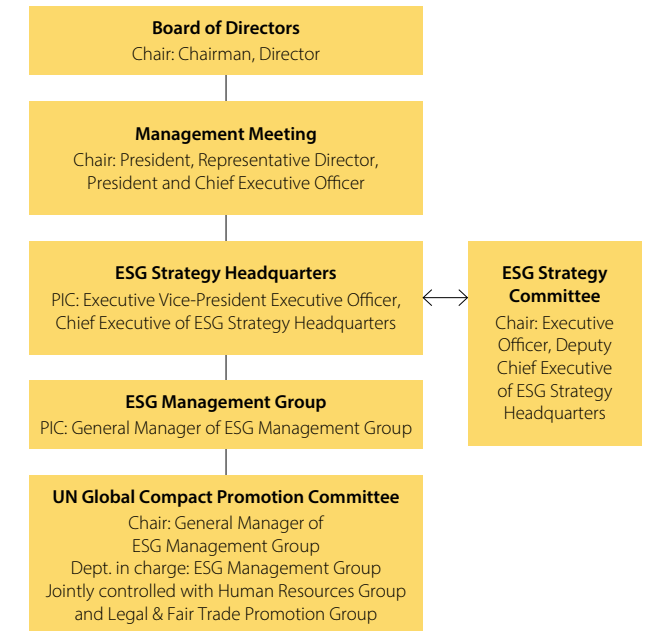
Organization

The Group promotes efforts to respect human rights through discussions in the ESG Strategy Committee and the UN Global Compact Promotion Committee in collaboration with other relevant departments within this framework under top management leadership and commitment. Moreover, we regularly receive expert advice from a third party, Caux Round Table Japan (CRT Japan),* to ensure objectivity and legitimacy at each phase of the implementation process. We also hold periodic discussions with experts and stakeholders to strengthen our engagement.

We conduct human rights due diligence in the value chain in which the Group is involved to enable correction if it is found that the Group's business activities have caused or contributed to adverse human rights impacts. Additionally, we are currently developing a grievance mechanism for workers and others in the value chain in which our Group is involved, with the goal of starting operations in fiscal 2024 as a means of relief for potential victims.

* Caux Round Table Japan (CRT Japan): A global network of business leaders working to realize a fair, free and transparent society. CRT Japan supports efforts in responsible business practices and human rights.

■ Framework for Promoting Human Rights Initiatives (As of April 1, 2024)



ESG Strategy Committee

In April 2023, we established the ESG Strategy Committee, which succeeded the ESG Management Promotion Committee, to discuss Groupwide policies on ESG management, including the promotion of human rights. The committee is chaired by the deputy chief executive of the ESG Strategy Headquarters and includes executive officers representing each headquarters and an external advisor. The committee met a total of nine times in fiscal 2023.

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UN Global Compact Promotion Committee

The purpose of the subcommittee is to promote the United Nations Global Compact (UNGC)* and to establish systems based on it in the Company and its Group companies. We hold subcommittee meetings quarterly. Through human resource surveys conducted in Japan and overseas, as well as processes for human rights due diligence, the committee investigates and identifies business execution and matters that may violate the UNGC, confirms facts, and then discusses and determines any corrective measures.

*Comprising representatives from ESG Management Group, Human Resources Group, and Legal & Fair Trade Promotion Group, the committee advances initiatives focused on GC principles 1-6, which deal with human rights and labor standards, and principle 10, which addresses anti-corruption. The Decarbonization Group is heading initiatives related to the environmental principles of the UNGC.

Recent Initiatives

In fiscal 2022, the ESG Management Committee discussed reports on the Group's human rights initiatives and considered formulating a human rights policy. The committee shared the initiatives implemented and reconfirmed that the Group would pursue consistent efforts to promote human rights. The committee also proposed the Management Meeting and the Board of Directors to formulate a human rights policy. The Board of Directors discussed and approved the person responsible for the implementation of the human rights policy.

In fiscal 2023, while maintaining our basic policy and continuing our efforts on human rights, we held two discussions at the ESG Strategy Committee to revise the CSR Guidelines for Partners and Suppliers (last revised in fiscal 2019). Regular meetings with Caux Round Table Japan are held every other week, with a total of 24 meetings held in fiscal 2023.

Whistleblower Desk and Grievance Mechanism

NYK provides five consultation services including Yusen Chat Room, Harassment Policy and Consultation Service, Internal Reporting Consultation Service, Childcare Leave, Nursing Care Leave and Work-Life Balance Consultation Service, and LGBT Consultation Service, which can be accessed by all employees of the Group to promptly deal with possible infringements of human rights. Moreover, at overseas Group companies, regional management offices in each region have established multilingual whistleblower desks operated by outside vendors, which are available to employees, etc. of overseas Group companies. Employees can also directly consult with the department in charge of receiving consultations and directly consult with an external lawyer anonymously.

Through these services, we receive various reports and queries from employees not only concerning whistleblowing reports but also all kinds of issues related to human rights, discrimination, and harassment, which employees face in the workplace, either in the name of the employees or anonymously, according to their wishes. We attempt to early identify, resolve, and remedy the problems. In addition to the LGBT Consultation Service established in fiscal 2019, we will also set up a LGBT Consultation Service via an external organization from fiscal 2024, where LGBT persons and related parties can seek consultation about their concerns and problems in the workplace, while ensuring greater psychological safety.

Details of consultations and grievances are communicated to relevant departments, impartial investigations are undertaken, and remedial measures based on internal procedures are taken.

We are working to familiarize employees with these grievance mechanisms through our internal portal site and through training. During Human Rights Week, information on these services is posted on the company bulletin board.

In addition, when providing consultation, NYK strictly maintains the confidentiality of the person seeking consultation as well

as relevant parties, and also guarantees that no person will be treated disadvantageously as a result of making a report or seeking consultation, except in cases where such action has been for unfair reasons or through inappropriate methods. We are also currently preparing a new consultation desk, aiming to start operation in fiscal 2024, to accept reports from stakeholders, such as workers in the value chain and local communities involved with the Group, on the premise that the privacy of those making the report will be protected and appropriate confidentiality will be ensured.

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Strategies and Risk Management

Risk Assessment

The Group understands that, in the event an issue concerning human rights violations occurs in the corporate activities of the Group, those activities may be adversely affected due to a decline in social credibility and brand image. Therefore, the Group positions the risk of human rights violations as one of its material issues, and conducts human rights due diligence using a risk-based approach. Based on this approach, the Group identifies and responds to significant human rights issues.

Human Rights Due Diligence

We follow the procedures outlined in the UN Guiding Principles on Business and Human Rights and exercise human rights due diligence. Specifically, we identify and assess the Group's activities that have or may have an adverse impact on human rights. Next, we seek to grasp the Group's human rights issues to prevent and mitigate the risk of adverse impact and to consider remedial measures. A follow-up assessment is conducted to verify its effectiveness, the process and the results are disclosed, and the details are reviewed by experts. We implement the above process continuously.

Implementation Process

- When identifying and assessing adverse impact on human rights, we first deepen our understanding by conducting desktop research by external experts as well as using materials issued by international organizations and various initiatives.
- We use internal resources (such as holding workshops for internal managers) to consider potential risks of whose and what type of human rights may be violated through what kind of corporate activities.
- Among specific businesses that involve potential risk of human rights violations of the rights holders*, we conduct interviews and surveys through a third party with no vested interest in the rights holders in countries in which we expect to have a significant influence, to confirm whether there are any actual or possible human rights violations. When conducting interviews or surveys, we explain our Group's Human Rights Policy to the group companies or suppliers that directly manage the relevant rights holders and obtain their cooperation in implementing the policy.
- Based on the existence or possibility of confirmed human rights violations, and taking into account the legal system and social situation of the relevant country as necessary, we evaluate the severity of the adverse impact on human rights (the scale, scope, and difficulty of remediation) and identify "salient human rights issues" within the Group. Furthermore, when verifying whether or not there is a human rights violation or the possibility of such a violation, we may refer to the details of cases handled by the grievance mechanisms established by our company, group companies or suppliers.
- We require the group companies or suppliers that directly manage the rights holders to address the identified "salient human rights issues," that is, to "prevent or mitigate any adverse impact on human rights," and consider the possibility of using the influence to achieve this. (This may include amending relevant policies and contractual clauses)
- After a certain period of time has passed since the implementation of the countermeasures by the group company or suppliers, the Group will again conduct a third party interview or survey of the relevant rights holder to check whether the improvement measures have led to actual improvements.
- We will continue to strive to improve the effectiveness of human rights due diligence by clarifying how each of the multiple stakeholders is involved in the process and continuing this cycle of "identification and assessment," "prevention and mitigation," "tracking and evaluation," and "information disclosure."

* Rights holders: Refers to holders of rights (human rights); those groups and stakeholders who may be affected by corporate activities

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Identifying Human Rights Themes

Assessment by External Experts					
Objective	Assess the risks of human rights violations on the basis of objective data and in the light of operational countries/regions				
Target Operations	Country/region		Human rights risk index		
	Oceangoing shipping	(Ship Registry) America	2 countries	<ul style="list-style-type: none"> Child labor Decent wages Decent working time Discrimination in the workplace Freedom of association and collective bargaining Migrant workers Modern slavery 	<ul style="list-style-type: none"> Occupational health and safety Land, property and housing rights (impact on the community) Right to privacy Access to remedy Indigenous peoples' rights Security forces and human rights
		South Asia/Oceania	1 country		
		Europe/Africa	1 country		
Automotive logistics	Europe/Africa	24 countries			
	South Asia/Oceania	15 countries			
	America	6 countries			
Ship recycling	East Asia	5 countries			
	South Asia/Oceania	1 country			

HR Due Diligence Workshop	
Objective	Assess the risks of human rights violations under actual business conditions on a practical level. Identify, clarify, and summarize potential risk factors for human rights violations at each stage of the value chain.
Date	Thursday, June 30, 2022
Participating headquarters	<ul style="list-style-type: none"> Technical Headquarters (Marine Group, Technical Group, Technical HQ Management Group, Environment Group) Automotive Transportation Headquarters (Auto Logistics Group) Liner & Logistics Control Headquarters (Harbor Group) Management Planning Headquarters (Corporate Planning Group) General Affairs Headquarters (Human Resources Group, Legal & Fair Trade Promotion Group) ESG Management Group <p>Total 26 participants</p>
Reference	<ul style="list-style-type: none"> Assessment results by External Experts Fiscal 2021's Stakeholder Engagement Program - Human Rights Issues in Logistics and Transportation Sector IHRB 'The Ship Lifecycle: Embedding Human Rights from Shipyard to Scrapyard'

Identify and Respond to HR Issues					
Operations*	Shipbuilding	Port logistics	Automotive logistics	Oceangoing shipping	Ship recycling
Rights holders	Workers	Dock workers	Workers	Seafarers	Workers
Concerned HR issues	<ul style="list-style-type: none"> Decent wages Discrimination in the workplace Freedom of association and collective bargaining Migrant workers Modern slavery Occupational health and safety 	<ul style="list-style-type: none"> Decent working time Discrimination in the workplace Migrant workers Occupational health and safety 	<ul style="list-style-type: none"> Decent wages Decent working time Modern slavery Occupational health and safety 	<ul style="list-style-type: none"> Decent wages Decent working time Discrimination in the workplace Migrant workers Modern slavery Occupational health and safety Land, property and housing rights Right to privacy Access to remedy 	<ul style="list-style-type: none"> Decent wages Decent working time Discrimination in the workplace Freedom of association and collective bargaining Occupational health and safety Land, property and housing rights Access to remedy

Country/implementation period/method	Scheduled for FY2024	Scheduled for FY2024	India/FY2022/Interviews	Philippines/FY2023-2024/Questionnaires and interviews	Bangladesh/FY2023/Interviews
Salient HR issues			<ul style="list-style-type: none"> Decent wages Modern slavery Access to remedy 	<ul style="list-style-type: none"> Discrimination in the workplace Occupational health and safety Access to remedy 	<ul style="list-style-type: none"> Modern slavery Occupational health and safety Access to remedy

*The businesses are shown from left to right along the Group businesses' value chain.

See "Initiatives" on the next page for details of the salient human rights themes identified and assessed by the Group as above, as well as the measures currently being considered or implemented.

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Oceangoing Shipping (Seafarers)

The NYK Group is committed to protecting seafarers' rights by ensuring compliance with the requirements of Maritime Labour Convention 2006 (MLC, 2006), which sets out the basic rights of seafarers and occupational health and safety on board. We use our safety management system (SMS), which incorporates the requirements, and our NAV9000 original safety standard assessment system to confirm the MLC compliance status of ship management companies and the ships they manage.

We recognize that seafarers' human rights concerns begin with recruitment and continue while they serve on board and even after they disembark, and that there are issues to be addressed at each phase. We are committed to conducting ethical recruitment practices prior to boarding; preventing violations of rights to occupational health and safety; ensuring the right to privacy, freedom of association, and collective bargaining; assuring decent working time; providing access to remedy; and preventing discrimination in the workplace while on board. Our initiatives after disembarkation include maintaining seafarer retention through employee engagement and improving the accessibility of financial services for seafarers.

[Link](https://www.nyk.com/english/sustainability/pdf/social007en.pdf) For more information, click on the link below.
NYK Group Respect for the Human Rights of Seafarers
<https://www.nyk.com/english/sustainability/pdf/social007en.pdf>

Automotive Logistics Business

In the automotive logistics business, workers are involved in a wide range of duties. Many workers are employed through supplier partners and may provide services at the customers' locations. The Group encourages appropriate employment management among its supplier partners and has put in place a system that allows workers employed through supplier partners to speak up directly to the Group, and is working to improve the effectiveness of the system. Moreover, while seeking to improve the situation with the understanding and cooperation of our customers as necessary, we will continue to promote initiatives that contribute to our customers' business and human rights activities.

Salient Human Rights Issues and Initiatives in the Automotive Logistics Business (As of March 2024)

Rights holders (Corresponding company name)	Salient HR Issues	Measures currently being considered or implemented
Seafarers (NYK India)	Decent wages	We explained the payroll policy with the salary increase to all workers employed through supplier partners.
	Modern slavery	We requested supplier partners to provide employment contracts and pay slips, as required by Indian laws and regulations, to all workers employed through them in both English and a language that the workers understand.
	Access to remedy	To increase the effectiveness and transparency of Samvaad (NYK India's own grievance mechanism provided to workers; means "dialogue" in Hindi), the flow of the mechanism has been clarified and made known to workers.

[Link](https://www.nyk.com/english/sustainability/pdf/social008en.pdf) For more information, click on the link below.
NYK Group (Respect for Human Rights in Automotive Logistics)
<https://www.nyk.com/english/sustainability/pdf/social008en.pdf>

Ship Recycling (Workers)

Ship recycling involves dangerous work, including cutting the ship's hull in high places, handling harmful chemicals such as mercury, lead, and asbestos left on abandoned ships, as well as residual heavy oil, and transporting cut scrap. To prevent the risk of death, injury, or damage to the health of ship recycling workers of (indirect) business partners that recycle ships owned by NYK and its group companies, as well as the spillage of hazardous materials into the ocean and the resulting damage to the health of nearby residents, NYK has established a ship-recycling policy and is working to promote responsible ship recycling in accordance with the International Maritime Organization (IMO) Hong Kong Convention for the Safe and Environmentally Sound Recycling of Ships, the European Union (EU) Ship Recycling Regulation, and relevant provisions of the International Labor Organization (ILO).

For more information, please see below.

P.060 Circular Economy

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Salient Human Rights Issues and Initiatives in Ship Recycling Business (As of March 2024)

Rights holders (Corresponding company name)	Salient HR Issues	Measures currently being considered or implemented
Workers (PHP)	Modern slavery	To ensure that recycling workers are fully aware of the risks associated with their work and the rights they have before starting work, we have decided to enhance the content of the existing statutory appointment letter, and conclude with all workers employment contracts that include the details of risks and rights.
	Occupational health and safety, Employability, and Access to remedy	We opened an education center "Sromik Shikkha Kendro" for workers and entrusted its operation and management to a local NGO, which began providing literacy education to the workers.
	Occupational Health and Safety	We have begun providing workers with more comfortable uniforms and safety protective equipment. We have also installed a water cooler in the yard facilities, and a rest area (benches and parasols) and rest rooms with bedding in the workshop.
	Other	Measures were taken to combat the heat in the dormitory buildings, such as painting the roofs with heat-resistant paint, making the buildings more comfortable. We are in the process of installing a turbine fan on the to ventilate the interior. Furthermore, approximately 40 trees were planted in front of the employee accommodation to reduce direct sunlight. We have started construction of new dormitories with bathrooms and air conditioning for mid-level workers such as supervisors or site supervisors. We are also discussing the possibility of providing housing for workers with families.



For more information, click on the link below.

▶ [NYK Group \(Respect for Human Rights in Ship Recycling\)](https://www.nyk.com/english/sustainability/pdf/social009en.pdf)
<https://www.nyk.com/english/sustainability/pdf/social009en.pdf>

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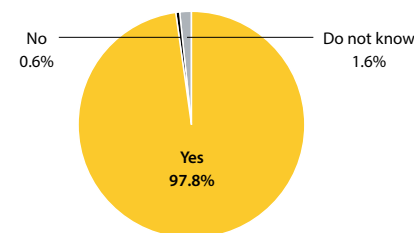
Enlightenment and Education for Executives and Employees

The NYK Group conducts human rights training for all executives and employees, including those of Group companies, through various programs such as e-learning, new employee training, and group trainings for expatriates, newly appointed managers, and newly appointed overseas senior management to instill in them an awareness of respect for human rights. We also aim to brief them on human rights risks in the Group's business and supply chain and the NYK Group's principles and rules regarding human rights.

Every year, the NYK Group conducts human rights training through e-learning in three languages: Japanese, English and Chinese. We are working to deepen employees' understanding of the impact our Group's business can have on human rights, and we are making them aware of the NYK Group's commitment to respecting human rights. In fiscal 2023, a total of 8,131 NYK Group employees participated in our e-learning program. This represents a participation rate of 95%.

Survey Results on Human Rights Awareness in FY2023 (8,131 responses)

Do you understand the NYK Group's basic approach to human rights?



The results of a follow-up awareness survey are as follows. In addition, at the training for new employees held in April and October every year, we brief employees on the importance of respecting human rights and remaining aware of human rights risks in their daily work. In fiscal 2023, the NYK Group conducted training for 94 new employees (new graduates and mid-career hires).

At group training sessions for expatriates, newly appointed managers, and newly appointed overseas senior management, we use actual examples of our initiatives for respecting human rights to brief employees on the latest trends in business and human rights as well as human rights issues in Japan and overseas.

Furthermore, to raise awareness of respect for human rights within NYK, we make staff aware of human rights issues through the company bulletin board every December during Human Rights Week. In fiscal 2023, we conducted awareness-raising activities mainly on the themes of "developmental disorders," "LGBT/SOGL," and "assimilation issues."

Requesting Business Partners for Initiates

To put into practice initiatives for respecting human rights throughout the supply chain in line with the United Nations Guiding Principles on Business and Human Rights, we share with our suppliers various policies, such as our CSR Guidelines for Partners and Suppliers (as of July 2024), and we request that they understand the intent of these policies and promote their efforts.

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Stakeholder Engagement on Human Rights

Participation in Stakeholder Engagement Program

From 2012 onwards, NYK has been participating in the Stakeholder Engagement Program (Human Rights Due Diligence Workshops) organized by CRT Japan.

In this program, NGO/NPO representatives and human rights experts raise a wide range of issues centered on human rights issues that are attracting attention both in Japan and overseas. Based on the issues raised, the participating companies discuss prominent human rights issues and the importance of business activities for raising awareness of human rights and also identify and organize key human rights issues for each industry.

In fiscal 2023, we participated a total of eight times between June 1 and July 27. In this program, participants engaged in discussions on the latest issues for human rights due diligence set out in the United Nations Guiding Principles on Business and Human Rights. As was done in the previous fiscal year, NYK reviewed with participants from transport and logistics companies the “Human Rights Issues by Sector” formulated with the UNEP FI (United Nations Environment Program / Finance Initiative) Human Rights Guidance Tool. NYK was subsequently able to identify and deepen its understanding of human rights issues in the transportation industry.


 For more information, click on the link below.
[▶ CRT Stakeholder Engagement Program](https://crt-japan.jp/portfolio/she-program/)
<https://crt-japan.jp/portfolio/she-program/>

Participation in 2023 International Conference on Business and Human Rights

An NYK representative also made a presentation at the 2023 Business and Human Rights Conference held in Tokyo by CRT Japan on October 20, 2023. Our executive officer (Deputy Director of ESG Strategy Headquarters) introduced our human rights project launched in April 2022. Emphasizing that the entire NYK Group has established the foundation for a management system based on the United Nations Guiding Principles on business and human rights by incorporating external perspectives, the representative explained NYK's initiatives regarding business and human rights, in particular the issues that emerged through the human rights due diligence process targeting the ship recycling industry, and measures being taken by suppliers to improve the conditions of workers. Furthermore, international human rights experts, representatives of human rights NGOs and NPOs, and other participating companies shared information on the latest global trends and views on business and human rights and examples of human rights due diligence initiatives of other companies, and we were able to deepen our understanding of global trends and business and human rights issues requiring urgent attention.

Through dialogue with stakeholders, NYK is committed to accurately understanding human rights issues that must be addressed.

CAUX ROUND TABLE

 For more information, click on the link below.
[▶ CRT Japan Global Conference](https://crt-japan.jp/human-rights/conference/)
<https://crt-japan.jp/human-rights/conference/>

Dialogue with External Expert

We are discussing with external experts to evaluate the group's human rights initiatives and obtain suggestions for future initiatives. Our executive officer (Deputy Director of ESG Strategy Headquarters) and the head of the ESG Management Group participate in the meetings and use the opinions they receive as a reference to advance our Group's initiatives.

On October 19, 2023, we invited human rights experts from three overseas organizations to report on our business and human rights initiatives and receive their comments. The opinions we received are as follows.

Experts

- Sean Christopher Lees: United Nations Development Programme (UNDP) Asia Pacific, Business and Human Rights Specialist, Asia Pacific Region
- Jill van de Walle: World Benchmarking Alliance, Research Analyst
- Ram Ganesh Kamatham: Sustainable Shipping Initiative, Project Manager

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Expert Comments

- Information disclosure should be expanded. It would be good to disclose how much has been achieved against a baseline prescribed for each initiative. Incorporating actual levels of achievement into performance evaluation mechanisms would be effective.
- Your efforts to actually visit the site and understand the situation of the workers are an excellent way to contribute to building a relationship of trust between your company and the workers. For impact assessment, it will be good also to engage with local NGOs and civil society so that you can probe business impact on a wide range of rights holders, in addition to the workers.
- Just transition will require providing those having difficulty keeping pace with new developments with opportunities to work in new fields. Seafarers will be required to update their skills in supporting operation of ships using next-generation fuels.
- In dealing with human rights issues at the sites, it would be good to provide not only generalized training on “business and human rights,” but also more practical human rights training tailored to each business and the human rights situation in each country where the business is located. By placing your company’s human rights response within a “continuous kaizen process” of NYK Group companies and suppliers, it will contribute to enhancing corporate competitiveness of such companies and suppliers as well.

Engagement with Institutional Investors

In December 2023, NYK held an in-person and online dialogue in London with four institutional investors based in the UK, France, and Switzerland to promote ESG investment. Our executive officer (Deputy Director of ESG Strategy Headquarters) participated from NYK, and CRT Japan acted as an intermediary in arranging the dialogue. NYK first gave an overview of the Group’s ESG initiatives and then responded to questions related to assessments offered by each institutional investor. The engagement helped us deepen our understanding of our institutional investors’ expectations of our company’s attitude and initiatives.

Concerning the human rights aspect of “social” initiatives in ESG, institutional investors praised the Group for directly engaging with frontline workers, seafarers, and other rights holders based on the UN Guiding Principles. Particular interest was also shown in our efforts to increase the ratio of female seafarers and train female captains, reminding us once again of the importance of efforts to promote women’s participation. While our environmental initiatives were known to them, they appeared to be unfamiliar with our efforts to promote respect for human rights. They offered words of encouragement for us to become a leading company in the shipping industry, both in terms of the environment and respect for human rights.



Engagement with Institutional Investors in London