

Governance

Compliance

Governance

- NYK Code of Conduct
- Compliance Committee

Initiatives

- Comprehensive Compliance Checkups
- Compliance Training
- Whistleblower Desk
- Publicizing the whistleblower consultation desk
- Compliance with Antitrust Laws, etc.
- Absolute Prohibition of Bribery
- Political Contributions
- Taxation Compliance

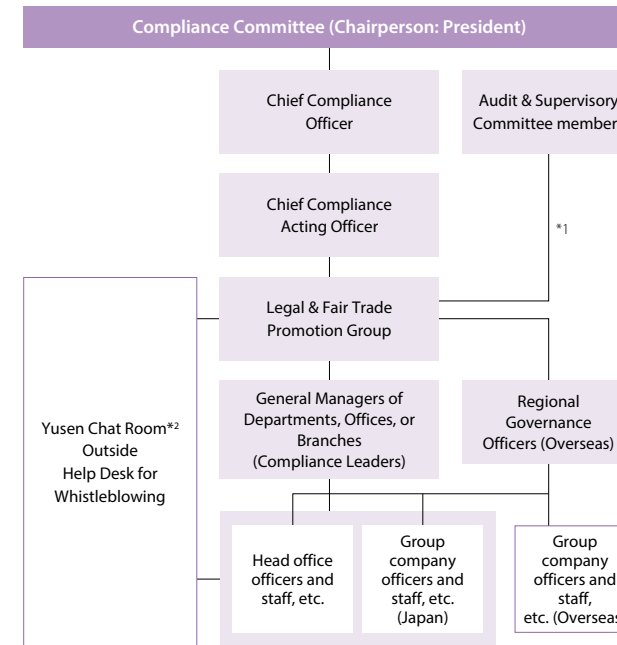
Governance

“Integrity,” one of the Group’s values (values that employees should share in order to realize our corporate philosophy), means to be respectful and considerate to customers and colleagues, and stay warm, cordial, courteous, and caring. In the context of compliance, this means “conducting business activities with a high sense of ethics, considering the position of all stakeholders while ensuring respect for human rights and compliance with laws and regulations,” which is stipulated in the NYK Group Business Credo.

As of June 2024, the Group has the following main compliance-related systems in place.

- Establish the Group’s Corporate Philosophy and Business Credo, establish standards of conduct and company rules applicable to officers and employees, and maintain a whistleblower system
- Establish a Chief Compliance Officer (CCO) to oversee the development of compliance-related systems and activities, and have the Compliance Committee evaluate the status of compliance.
- Promote the development of similar systems in subsidiaries, etc.

The NYK Group’s Compliance System



*1 Reports to a full-time Audit & Supervisory Committee member periodically and as required

*2 This is a consultation contact point for NYK Group employees to discuss concerns about compliance. Such reports are received by five employees (three men and two women) and one outside lawyer.

Main Measures Aimed at Strengthening Compliance

Year	Initiatives
1997	Established NYK Business Credo
1999	Established NYK Code of Conduct
2002	Established position of Chief Compliance Officer
2005	Established NYK Group Mission Statement
2006	Established Internal Control Committee
2008	Established Antitrust Law Task Force
2013	Established Executive Committee Overseeing Thorough Antitrust Law Compliance
2016	<ul style="list-style-type: none"> • Introduced measures to prevent bribery of overseas public officials when establishing new business • Revised the NYK Code of Conduct
2017	Implemented a written pledge of adherence to the NYK Code of Conduct
2020	Revised the company’s internal rules related to compliance
2023	<ul style="list-style-type: none"> • Revised the NYK Group Mission Statement • Revised the NYK Business Credo • Revised the NYK Code of Conduct

NYK Code of Conduct

The NYK Group has established the “NYK Code of Conduct,” which embodies the NYK Group Mission Statement and the NYK Business Credo, to ensure that all officers and staff conduct their day-to-day business activities with a mindset of compliance (compliance with laws, Company regulations, corporate ethics, and social norms) in their individual actions. The NYK Code of Conduct is disseminated as a guideline for proper conduct to be observed by officers and staff.

The NYK Code of Conduct is reviewed periodically to reflect changes in the business environment and social conditions. At the time of revision, we distribute a guidebook to deepen

Governance

Compliance

Governance

- NYK Code of Conduct
- Compliance Committee

Initiatives

- Comprehensive Compliance Checkups
- Compliance Training
- Whistleblower Desk
- Publicizing the whistleblower consultation desk
- Compliance with Antitrust Laws, etc.
- Absolute Prohibition of Bribery
- Political Contributions
- Taxation Compliance

Compliance

understanding of the contents and hold in-house briefing sessions. Once a year, we require our officers and staff to submit a written pledge regarding compliance with the NYK Code of Conduct as an opportunity to confirm that they fully understand and act in accordance with the NYK Code of Conduct.

Compliance Committee

The Compliance Committee deliberates and makes resolutions regarding the Group's annual compliance plan, policies for compliance-related activities, and other important compliance-related matters. The Group's Compliance Committee convenes twice yearly and reports its agenda items to outside directors and Audit & Supervisory Committee members by way of the Board of Directors.

Initiatives

Comprehensive Compliance Checkups

In this Group, September of each year has been designated a compliance strengthening month in which comprehensive compliance checkups are promoted with the goal of getting the officers and staff, etc. to take the initiative in reviewing their conduct and work processes. As one of the activities, we have established "Compliance Day," a town hall meeting where the Chief Compliance Officer delivers his/her opinions on compliance and lawyers provide compliance training, which is broadcast live to the company and Group companies.

In addition, we are reaffirming the commitment of each staff/employee to the NYK Code of Conduct and conducting a compliance awareness survey. The results of the awareness survey are submitted back to the company to further raise compliance

awareness.

We have confirmed that 2,108 of our officers and staff (including individuals dispatched or sent from other companies) have pledged to follow the 2023 NYK Code of Conduct, and have received pledge responses from 100% of them. The 2023 Compliance Awareness Survey was administered to 2,107 respondents for a response rate of 92.26%.

Compliance Training

We continuously provide various types of compliance education and training to ensure that all employees, including those at Group companies, are further aware of compliance and are familiarized with the knowledge and information necessary to practice compliance.

In 2023, we continued to provide compliance training based on our Code of Conduct as part of ESG training for newly hired employees of our company and our Group companies. We also provide detailed education and training by employee level, such as training in competition law/antitrust law, anti-bribery law, economic sanctions, and compliance when employees are posted overseas, and management training in directors' duties and responsibilities and compliance when employees are transferred to Group companies.

In September of each year, which is Compliance Strengthening Month, the company conducts compliance training for all employees of the company and its domestic Group companies in a hybrid face-to-face and online format to promote compliance awareness throughout the Group. We are also expanding our education and training opportunities by introducing new workshop-style training programs that incorporate an interactive format.

For our executives and managements, we provide training

aimed at preventing the recurrence of corporate misconduct, using past cases as teaching materials. This training is a future-oriented Institutional Memory training program that compiles past cases as organizational knowledge and utilizes it as organizational learning for future management, with the aim of learning for the future.

We are also strengthening our training programs for specific high-risk business departments, including individualized competition law/antitrust law training and anti-bribery training for ship operators.

For overseas Group companies, we provide ongoing education and training programs, led by local attorneys, on competition law/antitrust law, anti-bribery law, economic sanctions, compliance training, and other topics based on regional characteristics. In 2023, 2,027 employees underwent training in 23 countries.

In addition, we offer e-learning programs for domestic and overseas Group companies. The program is offered in Japanese, English, and Chinese languages on the themes of competition law/antitrust law, anti-bribery law, economic sanctions, and compliance, with 8,415 participants in 2023 for a target audience participation rate of 95.8%.

Governance

Compliance

Governance

NYK Code of Conduct
Compliance Committee

Initiatives

- Comprehensive Compliance Checkups
- Compliance Training
- Whistleblower Desk
- Publicizing the whistleblower consultation desk
- Compliance with Antitrust Laws, etc.
- Absolute Prohibition of Bribery
- Political Contributions
- Taxation Compliance

Compliance

Whistleblower Consultation Desk

● Japan Help-line

The Group companies (Japan) provide several consultation services for employees to discuss concerns about or report workplace misconduct, harassment, and non-compliance. Such services include the Yusen Chat Room which allows employees to contact external lawyers, and internal hotline, harassment-related consultation desk, and a consultation desk which is operated by outside contractors. The Yusen Chat Room is available to employees of roughly 66 Group companies in Japan and provides access to six personnel, including an external lawyer, who are available to listen to a wide range of compliance matters and provide consultation and facilitate whistleblowing on said matters.

The Japan Helpline is available to employees, etc.* of the NYK Group, as well as staff and retired employees (within one year of retirement).

Every effort is made by the department conducting the investigation of the company to ensure personnel contacting the Whistleblower Consultation Desk suffer no adverse treatment and, if desired, the identity of the person contacting the service is kept completely confidential, based on the objective that the information provided will help improve the work environment.

*Employees, etc.: Employees (including fixed-term employees, seconded employees, employees converted to permanent employment, and temporary dispatched employees) and persons directly or indirectly engaged in the execution of their duties at each business location (including persons indirectly engaged in the execution of their duties based on outsourcing or contracting agreements)

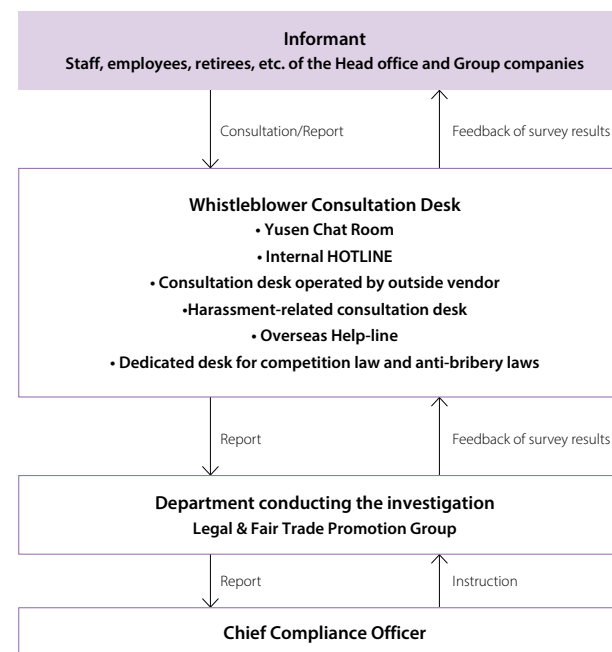
● Overseas Help-line

At overseas Group companies, regional management offices in each region have established whistleblower desks operated by outside vendors, which are available to employees, etc. of overseas Group companies.

● Dedicated Desk for Competition Law and Anti-bribery Laws

The dedicated desk for competition law and anti-bribery laws accepts reports and provides consultation on antitrust and other competition law and bribery matters. It is available to employees, staff, and retirees (within one year of retirement) of the Company and its domestic and overseas Group companies.

■ Flow of events after a report is submitted to whistleblower desk



Publicizing the whistleblower consultation desk

To make the whistleblowing system and contact point well known to all employees, the Company provides explanations at compliance training sessions, posts information on internal bulletin boards, the Group's intranet, and in the Group's newsletter, displays posters, and sends e-mail announcements to all employees. In our annual compliance awareness survey of all employees, we conduct a survey on the level of recognition of each whistleblower consultation desk and the process after receiving a whistleblower report to confirm the degree of penetration of the whistleblower system.

■ Internal recognition of whistleblower consultation desk (2023)

(Unit: %)

Whistleblower Consultation Desk	Internal recognition
Yusen Chat Room	95.2
Internal Hotline	49.8
Consultation desk operated by outside vendor	34.3
Harassment-related consultation desk	70.8
Dedicated desk for competition law and anti-bribery laws	67.3
Not aware of any consultation desk	1.4

Governance

Compliance

Governance

NYK Code of Conduct
Compliance Committee

Initiatives

- Comprehensive Compliance Checkups
- Compliance Training
- Whistleblower Desk
- Publicizing the whistleblower consultation desk
- Compliance with Antitrust Laws, etc.
- Absolute Prohibition of Bribery
- Political Contributions
- Taxation Compliance

Reporting Results

(1) Number of reports (Unit: Events)

Fiscal year	
2020	37
2021	55
2022	50
2023	50

(Note 1) The above does not include reports made to the whistleblower consultation desks set up independently by Group companies. Although not compiled by the Company, all serious compliance incidents that occur at Group companies are reported to the Chief Compliance Officer.

(Note 2) The above number of events includes those reported to a consultation desk operated by outside vendor, but the Company does not investigate and respond to those cases in which the informant did not wish to share the information with the Company.

(2) Breakdown of reports (2023) (Unit: Events)

Details of report	
Suspected harassment	12
Workplace environment (including interpersonal relationships)	1
Labor/Management-related	7
Suspected violation of other laws and internal regulations	6
Other	24

(3) Standard processing time (excluding Saturdays, Sundays and national holidays)

Average number of days from the date of receipt of the report by the Whistleblower Consultation Desk until the completion of the investigation and feedback of the results to the informant: 80 days.

Since the processing time varies depending on the nature of the report and the busyness of the department handling the investigation, actual cases may be completed in a few days or may take more than a year.

Compliance with Antitrust Laws, etc.

In the global shipping industry, which is subject to the principle of the freedom of shipping (free navigation in international waters and innocent passage in territorial waters), anyone is free to enter or leave the market, which means that it is easy for competition to intensify. To reduce the potential negative impacts therefrom, such as interruptions to the stable shipping network and reduced shipping and industry competitiveness in emerging countries, the industry has historically been exempted from the scope of antitrust laws under certain conditions.

With these legal protections diminishing in today's times, it has become common for shipping companies to cooperate through vessel-sharing agreements and slot exchanges in order to fulfill infrastructure responsibilities, maintain and improve diverse navigation networks, and manage the frequencies of port calls. As such, companies in the industry encounter many opportunities to make contact with competitors.

In light of these industry characteristics, the Group has long established the "Antitrust Law, etc. Compliance Committee" to ensure strict compliance with laws and regulations within the Group, including related anti-bribery laws and economic sanctions laws, with a focus on complying with the Antitrust Laws, etc. In March 2019, the committee was renamed the "Executive Committee Overseeing Thorough Legal Compliance" to ensure thorough legal compliance not only with specific laws and regulations, but also with laws and regulations in general, as well as with various permits and approvals.

Response to violations

Since September 2012, the NYK Group had been under investigation by several competition authorities for alleged violations of antitrust laws (including overseas ones) in connection

with the shipping of automobiles and other cargo.

Furthermore, the Company and certain overseas Group companies are also subject to class action damage compensation suits in multiple regions. Taking this situation seriously, we are building a system and promoting activities to reemphasize compliance with the antitrust laws to raise the awareness of each and every executive officer and employee* in the Group.

*Includes Company employees, personnel seconded from other companies, and temporary staff

Measures to Prevent Recurrence of Misconduct, Implemented Continuously Since 2013

- Annual holding of the Executive Committee Overseeing Thorough Law Compliance
 - Chaired by the CEO and attended by directors, executive officers, Audit & Supervisory Committee members, the regional governance officers*¹ of overseas regional management companies, NYK head office general managers, and certain Group compliance managers.
 - Conducted in September 2023. As of September 2023, the committee convened 18 times, if meetings of the former Executive Committee Overseeing Thorough Antitrust and Anti-Bribery Law Compliance are included.
- Formulation of guidelines and implementation of risk assessments of all operating divisions, including domestic and overseas Group companies
- Acquisition of written oaths regarding compliance with antitrust and competition laws
- Adoption of an application system*² for officers and employees at the NYK head office and of domestic and overseas subsidiaries who want to participate in industry gatherings

*¹ As part of governance-strengthening measures, the committee's membership was extended to include the regional governance officers (RGOs) of the four overseas regional management companies beginning from FY2020.

*² The system limits the opportunities for employees to interact with competitors' employees. If any participation in a meeting with such employees is required, NYK employees must obtain approval in advance and report the agenda of the meeting.

Governance

Compliance

Governance

NYK Code of Conduct
Compliance Committee

Initiatives

- Comprehensive Compliance Checkups
- Compliance Training
- Whistleblower Desk
- Publicizing the whistleblower consultation desk
- Compliance with Antitrust Laws, etc.
- Absolute Prohibition of Bribery
- Political Contributions
- Taxation Compliance

Compliance

Absolute Prohibition of Bribery

In January 2014, the NYK Group updated its basic policy and guidelines related to prohibiting bribery to reflect the Japan Unfair Competition Prevention Act (prohibiting the bribing of overseas public officials), the U.S. Foreign Corrupt Practices Act, and the U.K. Bribery Act 2010. Since fiscal 2015, the Company has conducted anti-bribery training for employees in Japan and overseas, and training on facilitation payments specific to the targeted departments has been offered since 2021. In addition, the department has sent letters of warning to the operating vessels and third-party agents, and is continuing its efforts to prohibit bribery in the field and through third parties.

In addition, the Company has been a member of the Maritime Anti-Corruption Network (MACN) since fiscal 2015. The MACN is a global network engaged in activities to prevent and eliminate corruption in order to realize fair trade across the entire maritime shipping industry. Since joining, we have strengthened our cooperation with MACN, and since 2020, we have been working to utilize MACN's help desk to increase the effectiveness of our anti-bribery efforts.

• Exercising Due Diligence Regarding Bribery

In April 2016, the NYK Group established an anti-bribery system for foreign public officials. In this system, When the launch of a new business in a high-risk country is being considered, in addition to screening partner and agency candidates for bribery-related problems, the legal departments confirm relevant matters and provide suggestions regarding incorporation of clauses related to the prohibition of bribery when concluding contracts.

Legal risk management system

When considering new investment and the launch of new businesses, our legal department implements risk management via screening and due diligence in order to conduct checks regarding antitrust laws, bribery, and economic sanctions.

• Certification from anti-bribery business organization

The Group has received the below certification from Ethixbase360, a globally recognized anti-bribery business organization and leading provider of third-party risk management solutions. We will continue to strive for fair and transparent suitability in international commercial transactions.



CERTIFIED

Tcertification
ID: TC3182-6961
(Valid through: January 15, 2024 to January 14, 2025)

Political Contributions

Although the NYK Group does not engage in political activities with the objective of supporting or endorsing specific political groups or politicians, we do compare our systems with those of other countries and engage in lobbying and other activities aimed at balancing international competitive conditions, including taxation systems. In this activity, we are committed to the following two points to maintain a transparent and correct relationship with politics and government.

- Ensure that all employees are familiar with the Political Funds Control Act and other relevant laws and regulations, as well as Company regulations
- Donations are reported to and confirmed by the executive officer in charge of external relations and related executive officers as necessary, and the recipient and amount of donation are determined through procedures in accordance with internal standards

Tax Compliance

The NYK Group recognizes its social responsibility to comply with the laws of all countries and to fulfill its obligation to pay taxes, and constantly strives to improve tax compliance.

In recent years, various problems have arisen with companies seeking to evade paying taxes by taking advantage of differences between corporate activities, national tax regulations and international tax. We believe international tax frameworks, such as the OECD's Base Erosion and Profit Shifting (BEPS) project, are essential for securing tax transparency, and we seek to comply with such international standards.