

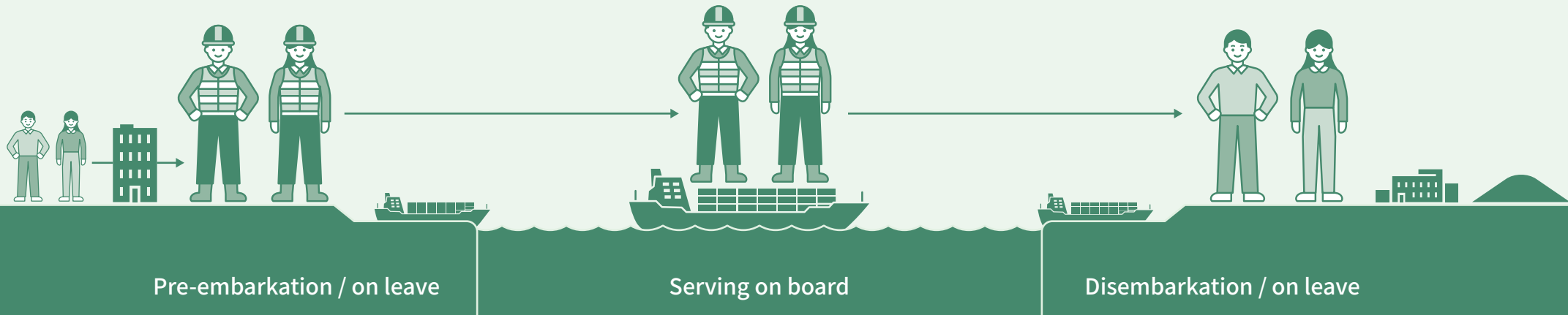
Respect for the Human Rights of Seafarers



The human rights issues of seafarers can be divided into two categories: during on board service and before/after time on board. Before embarkation, seafarers should be able to express their willingness to work on board through an ethical recruitment and hiring process. They should also receive appropriate training in the skills they will need on board. Long-term onboard service should be completed within a defined period of time, while ensuring occupational health and safety, including mental health, freedom of association

and collective bargaining, and access to remedy for grievances raised. Privacy is also important for seafarers, who spend 24 hours a day on vessels. Furthermore, during family time after disembarkation, seafarers need to plan for their own and their family's future and improve their living standards, while gaining their families' understanding of their work on board, which requires them to be away from home for long periods of time. Our initiatives to respect the human rights of seafarers in these aspects are provided below.

■ Seafarer's journey from recruitment to disembarkation



● Number of seafarers in NYKSM, etc. manning pool as of December 2022

4,437

(includes numbers of disembarkation and on leave)

6,185

● Salient human rights issues

Ethical recruitment practices

Occupational health and safety

Decent working time

Right to privacy

Access to remedy

Freedom of association and collective bargaining

Discrimination in the workplace (women)

Engagement

Accessibility of financial services

···· Human rights issues

···· Actions to enhance the exercise of human rights

Management for Respecting Human Rights

The basic rights of seafarers and the principles of occupational health and safety while seafarers are on board are set out in the ILO's Maritime Labour Convention, 2006 (MLC, 2006), an international agreement that came into effect on August 20, 2013. Compliance with this convention is compulsory for vessels having a gross tonnage of 500 tons or more. The MLC specifies 16 provisions that require mandatory compliance, and flag states and shipowners are required to take measures to ensure implementation of these provisions. Specific measures to be taken by flag states and shipowners are provided in Declaration of Maritime Labour Compliance (DMLC)* Part I and DMLC Part II. DMLC Part II is subject to approval by flag states.

At NYK, we have incorporated MLC requirements into our safety management system (SMS), which was established in accordance with the International Safety Management Code (ISM Code) that came into effect on July 1, 2002, and we engage in management that can ensure compliance through systemization and the preparation of manuals. In addition, through such management, we are achieving respect for the human rights of seafarers on vessels managed by the NYK Group, and through NAV9000, our proprietary assessment system, we confirm the status of MLC compliance of ship-management companies (every year) and the ships they manage (every three years).

* The Declaration of Maritime Labour Compliance (DMLC) is a document that outlines how a flag state and shipowner are to comply with MLC requirements.

■ Provisions required of flag states and shipowners by MLC

(1) Minimum age
(2) Medical certification
(3) Qualifications of seafarers
(4) Seafarers' employment agreements
(5) Use of any licensed or certified or regulated private recruitment and placement service
(6) Hours of work or rest
(7) Manning levels for the ship
(8) Accommodation
(9) On-board recreational facilities
(10) Food and catering
(11) Health and safety and accident prevention
(12) On-board medical care
(13) On-board complaint procedures
(14) Payment of wages
(15) Financial security for repatriation
(16) Financial security relating to shipowner's liability

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Safety Standard NAV9000

<https://www.nyk.com/english/esg/social/nav9000/>



Initiatives for Respecting Human Rights — Pre-embarkation / on leave

Ethical recruitment practices

NYK confirms the ethical recruitment practices of its manning agents.

There is growing interest worldwide in ethical recruitment practices to ensure that workers are not exploited. MLC Regulation 1.4 prescribes the “Use of any licensed or certified or regulated private recruitment and placement service,” and MLC Standard A1.4.5(b) stipulates matters described below regarding the work practices of these agents for each member country and prohibits the exploitation of seafarers.*

This private recruitment and placement service for seafarers — or personnel placement service for the recruitment of seafarers — is called a “manning agent.” A manning agent recruits and hires seafarers at the request of a ship-management company or manning company, and signs employment agreements with seafarers on behalf of a shipowner or ship-management company. Therefore, although seafarers are directly employed by a shipowner or ship-management company, a manning agent is involved in all employment agreements. Manning agents are issued licenses after being audited by the competent authority in each country. Companies that do not pass an audit by a government agency are not issued licenses.

The seafarers on NYK Group–managed ships account for 57% of the seafarers used on all ships operated by NYK, and as of December 2022 exceeded 10,000. The seafarers hail from 15 countries including Japan, the Philippines,

India, Croatia, Romania, Indonesia, China, Viet Nam, Russia, Myanmar, Nigeria, Angola, Panama, Singapore, and Ethiopia.

* https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:91:0:::P91_SECTION:MLCA_AMEND_A1

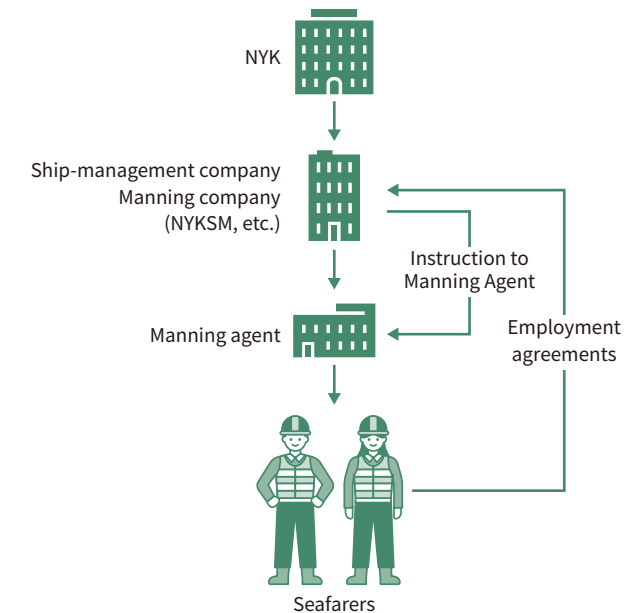
■ Number of seafarers on ships managed by NYK Group ship-management companies (As of December 2022)

Ship management company	On board	On leave	Total
NYKSM, LNGSMJP, LNGSMUK, NiMiC, Hachiuma Steamship, Asahi Shipping, GAZOCEAN, etc.	6,185	4,437	10,622

Manning agents in each country (basically one agent per country) recruit seafarers for ships managed by the NYK Group. NYK establishes manning policies and gives instructions to all manning agents through ship-management companies and manning companies and requests its agents to undertake the ethical recruitment of personnel in line with these instructions. Furthermore, through communication with ship-management companies, NYK endeavors to obtain timely information concerning the manning agents that the ship-management companies engage, and also conducts regular audits of the ship-management companies that engage those manning agents. NYK Ship Management Pte. Ltd. (NYKSM), which is a manning company, also conducts audits of manning agents each year based on the MLC. The content to be checked includes confirmation of the audit

results of the manning agents by the competent authority in each country, and confirmation of records to determine whether NYKSM's requirements under the MLC are being met. In addition to audits of manning agents, NYKSM also conducts audits at clinics where pre-embarkation medical examinations are conducted to ensure that the medical examinations are conducted according to procedures. In its audits of ship-management companies, NYK also confirms the results of audits conducted by manning companies of manning agents.

■ Seafarer recruitment and hiring process



Initiatives for Respecting Human Rights — Serving on board

Occupational health and safety

Right to privacy

Freedom of association and collective bargaining

We are working to create a workplace and living environment that is both physically and mentally healthy.

Prior to boarding, seafarers on vessels managed by the NYK Group undergo pre-embarkation briefing by the manning agent. At the pre-embarkation briefing, seafarers are given an overview of their boarding contract, labor agreement, and the ship they will be boarding. They are also briefed on the latest instructions on work health and safety and safe operations by the ship-management company. In addition, the seafarers are briefed on the Drug and Alcohol Policy (D&A Policy),*¹ compliance, harassment, and procedures for reporting complaints. Using the ship-management platform NiBiKi, seafarers are able to check details of these briefings and instructions at any time while they are on board. In occupational health and safety, seafarers not only receive pre-embarkation briefings but also undergo various types of training including danger simulation training. In addition, under our POPEYES Project (Promotion of Physical and Mental Enrichment of Yusen Group Employees and Seafarers) aimed at enhancing the mental and physical health of seafarers, we are also working to support seafarers in physical efforts such as maintaining an ideal body through exercise promotion and dietary management. The project also helps seafarers stay in tune with their own emotional and physical condition and enhance mental self-control

in areas such as attention span, concentration, and stress management through 3-minute exercises that adopt Eastern medicine effective in addressing mental health and work disabilities. Although seafarers are on board for 24-hours a day, they are given single rooms (generally with a toilet and shower), and they can access the internet free of charge and enjoy communicating with family and friends during their time off duty in an environment that caters to privacy. Because the point of contact for labor-management negotiations differs for each ship (each ship flag) seafarers are not free to choose their own labor union. While they are on board, however, all seafarers belong to unions such as the All Japan Seamen's Union (JSU)*² and the Associated Marine Officers' and Seamen's Union of the Philippines (AMOSUP).*³

- *1 The Drug and Alcohol Policy (D&A Policy) sets down provisions regarding drugs and alcohol. There are bans on drugs and guidelines on the use of medicines and alcohol.
- *2 The All Japan Seamen's Union (JSU) is an industrial trade union comprising seafarers who work in the international (oceangoing) and domestic shipping and passenger ship business, fisheries, and port maritime industries, as well as workers other than seafarers working in these areas. As of July 2022, there were approximately 80,000 union members.
- *3 The Associated Marine Officers' and Seamen's Union of the Philippines (AMOSUP) is the largest seafarers' union in the Philippines and is affiliated with the International Transport Workers' Federation (ITF). The number of union members as of 2022 was more than 100,000.

Main content included in the pre-embarkation briefing and training

Pre-embarkation briefing	Boarding procedures, contract details (particularly the handling of matters such as the contract period, contract salary, war risk areas), compliance, harassment, D&A policy, complaint procedures, feedback on recent scandals and accidents on board, etc.
Training	SMS training, risk assessment training, danger simulation training, maintenance work training, etc.

Learn more about our other seafarer education programs here.

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Developing Training Programs for Seafarers

<https://www.nyk.com/english/esg/social/traning/#anc-09>



Initiatives for Respecting Human Rights — Serving on board

Decent working time

We worked with governments to realize appropriate boarding periods for seafarers.

Countries around the world have imposed restrictions on the movement of people due to the global spread of COVID-19, and this situation resulted in problems with crew changes. To address this issue, we set up an inter-company task force. In addition to lobbying the governments of various countries and the International Maritime Organization (IMO) through the Japan Shipowners' Association and industry groups to solve problems, we encouraged the governments of countries where seafarers are from to charter flights and operate special flights. See below for details.

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Information

Our mission: Keep the logistics lifeline open! (2)
https://www.nyk.com/english/news/2021/covidinfo_20210625_01.html

Access to remedy

We provide multiple points of contact for consultation and strive to respond appropriately to inquiries.

Seafarers who raise a complaint continue to work on board even after filing their complaint. Therefore, it is extremely important for them to receive remedy as soon as possible after voicing their concern before the problem becomes intractable or serious. This is why ship-management companies are required to create an environment, climate, and culture conducive to speaking up, as well as to build a legitimate system. Furthermore, MLC Regulation 5.1.5 requires that a shipowner shall have onboard complaint procedures for seafarers and resolve complaints of seafarers. The regulation also prohibits any kind of victimization of a seafarer for filing a complaint. In pre-embarkation briefings, we provide seafarers who board vessels managed by the NYK Group with details of their rights as seafarers and explain that there are various internal and external options for filing a complaint if they feel their rights have been violated, and that these have been established in onboard complaint procedures. The onboard complaint procedures also state that no seafarer will be victimized for filing a complaint. When speaking up on board, a seafarer may consult with the boatswain, chief officer, chief engineer or, if he or she so desires, anyone the seafarer feels comfortable talking to, including the captain. Furthermore, if a seafarer so desires, he/she may designate a third party

as an intermediary and request that the party be present during onboard discussions. A seafarer who finds it difficult to speak up on board may also speak to the ship-management company's help desk (Assist Me). For example, if a seafarer addresses his/her complaint to the ship-management company, land-based staff may visit the ship when it calls into port depending on the situation. A seafarer who finds it difficult to speak out not only on board but also with the ship-management company may report the matter to the International Transport Workers' Federation (ITF) or the flag state. In this way, various channels for lodging complaints are made available to seafarers. They are informed of these and make use of them accordingly.



Initiatives for Respecting Human Rights — Serving on board

Discrimination in the workplace (women)

We are taking active steps to recruit and train female maritime officers and engineers.

The shipping industry has long been perceived as a male-dominated industry. Among the reasons for this is the assumption that seafarers' duties require long voyages that will interfere with raising children or providing nursing care to family members, duties that are perceived from a biased viewpoint as the domain of women. There is also the view that a seafarer's work is physically demanding or harsh, as a result, there is not enough social recognition of "women seafarers".

In 2004, NYK took the lead in recruiting female officers ahead of other Japanese companies that offer overseas shipping services, and as of April 1, 2022, 22 female officers were active at both sea and onshore. In fiscal 2021, the ratio of female seafarers was 3.2%. In April 2017, the first female captain in NYK's 132-year history was appointed. NYK is committed to developing psychologically and physically safe workplaces and living environments for female seafarers by improving facilities and amenities that will be comfortable for female seafarers and providing personal protective equipment and work clothes appropriate for the physique of female seafarers. NYK will also promote human resource development through the provision of mentoring, workshops, and seminars for female seafarers.

Percentage of female navigation officers and engineers (seafarers) at NYK Headquarters

		FY2019	FY2020	FY2021
No. of long-term employees	Male	574	575	577
	Female	19 (3.2%)	19 (3.2%)	19 (3.2%)
No. of new-graduate hires	Male	24	20	22
	Female	1 (4.0%)	2 (9.1%)	3 (12.0%)

More Information

Working at Sea: Female Seafarers, NYK Promotes Woman to Captain for First Time in Company History
<https://www.nyk.com/english/esg/social/diversity/>
NYK Report 2022 Data Edition
https://www.nyk.com/english/esg/pdf/2022_humanresourcesdata.pdf#page=2



Initiatives for Respecting Human Rights — Disembarkation / on leave

Engagement

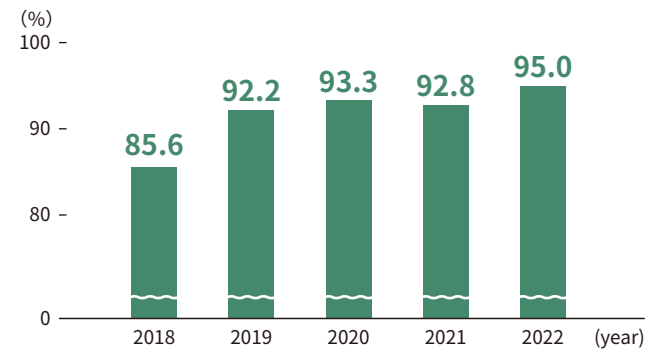
We strive to maintain our seafarer retention rate through employee engagement initiatives.

At NYK, we hold meetings in various regions for seafarers while they are off duty (period from when they return home until they next board a ship for work). In 2022, we held meetings in five locations in the Philippines, four locations in India, and two locations in Eastern Europe during the year. Such meetings serve as venues for holding discussions on recent topics such as COVID-19 response measures and workshops based on case studies of recent accidents. During these meetings, we also share procedures related to ship-management systems and manning procedures that are new or are not being followed as well as matters where seafarers have a lot of questions requiring explanations. These regional meetings also provide opportunities for direct dialogue between seafarers and NYK's top management, much like a town hall meeting. In the Philippines, we also hold seminars and events for families and children at the same time.



We believe that our seafarer retention rate is higher than the industry average as a result of our employee engagement initiatives.

■ Retention rate of seafarers of all nationalities at NYKSM over the past five years



Accessibility of financial services

We are improving the accessibility of financial services for seafarers.

Many foreign seafarers face various financial challenges including restricted access to financial services due to employment arrangements based on contracts for each boarding and boarding periods of six months or longer. MarCoPay Inc., a member of the NYK Group, is deploying MarCoPay, a financial services platform for seafarers, which currently caters mainly to seafarers from the Philippines, one of the world's leading suppliers of seafarers. Using e-money, MarCoPay provides payroll,

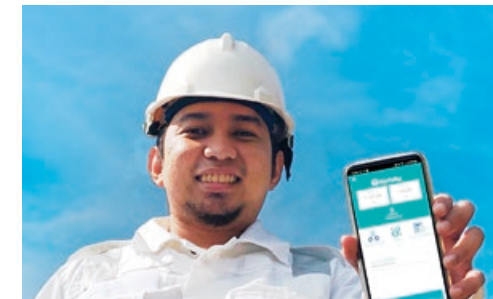
remittance, and currency exchange services, as well as loan and insurance services with preferential conditions, via a mobile app. MarCoPay not only provides its own competitive financing but also offers housing and automobile financing and insurance with preferential conditions from partner banks. Thus, seafarers can receive financial services to suit their economic means under favorable conditions. We believe that access to MarCoPay will lead to improvement of not only the lives of our NYK seafarers but also the lives of approximately 500,000 Filipino seafarers, and approximately 1.5 million seafarers worldwide. By supporting the career and life planning of seafarers, including their formation of assets, we will create an environment in which every seafarer can engage in seafaring activities with a sense of economic security. Through these efforts, we will make the seafaring profession more attractive to the next generation.

More
Information

MarCoPay Inc.
<https://www.marcoPAYinc.com/>

NYK Report 2021. P50-55

https://www.nyk.com/english/esg/nyk/_icsFiles/afieldfile/2021/01/02/2021_nykreport_all.pdf#page=27



Human Rights Impact Assessment

In November 2023, we conducted interviews with Filipino seafarers working on NYK Group-managed ships through assignment by NYK-Fil Ship Management, Inc. (NYK-Fil), an agent engaged in manning operations of Filipino seafarers under NYK Ship Management Pte. Ltd. (NYKSM), an NYK Group ship management company. As all seafarers manned by NYK-Fil are male, all interviewees were also male. Thirty-one seafarers, who were divided into six groups of five or six seafarers, as well as five seafarers' families, were interviewed in Tagalog, which is understood by all seafarers, by the Manila office of Mission to Seafarers¹, with the cooperation of CRT Japan, a third party. There are two ranks of seafarers: officers and ratings. Even though all interviewees were officers, they also alluded to the experiences of their colleagues of ratings during the 40-minute interviews. Based on the results of an online questionnaire survey conducted beforehand (response rate: 92%), the interviews focused mainly on the six topics of forced labor (whether fees

■ Overview of interviews

Date	Targeted business (its Rights holders)	Company to which the rights holders belong	Interview format
November 2023	Oceangoing Shipping (seafarers)	NYK-Fil Ship Management, Inc.	Group interviews with thirty-one seafarers, who were divided into six groups of five or six seafarers, as well as five seafarers' families

■ Process of conducting interviews



Online questionnaire

A questionnaire consisting of up to 50 questions was administered online (response rate of 92%). Based on the results of the responses, the questions were narrowed down to the right content at the time of the interview.



Interview

Based on the results of the online questionnaire, interview was held by focusing on six key areas: Forced labour (No fees are charged to migrant workers), Decent wages, Decent working time, Occupational health and safety, Discrimination in the workplace and Access to remedy.

Group interview - Seafarers	Key human rights issues to focus	Interview item
 <p>thirty-one seafarers, who were divided into six groups of five or six seafarers</p>	Forced labour (No fees are charged to migrant workers)	Have you ever paid for a recruitment or early manning facility on board a NYK Group-managed ships, and if yes, to whom?
	Decent wages	What experience do you have of changes in salary over the past few years? Do you feel it is less than you expected? What do you think brought about the change? Do you work while disembarking? If yes, what kind of work do you do while disembarking?
	Decent working time	How do you record your working time, and if any overtime occurs, can you think of any reasons why overtime occurs?
	Occupational health and safety	Please tell us about any seafarer accidents or work-related injuries you or your colleagues have experienced, and the type and duration of their treatment.
	Discrimination in the workplace	Can you tell us about any experiences of discrimination or harassment you or your colleagues have had? How do you think it could have been / can be prevented?
	Access to remedy	Please tell us your experience of using grievance mechanisms. What complaints contact points have you used? And what kind of response did you feel satisfied or dissatisfied with at that contact point?
	Motivation to work on NYK Group-managed ships	What are your reasons and motivations for wanting to work on NYK Group-managed ships?
Others	If you have any specific suggestions for improvement to NYK based on your working experience on NYK Group-managed ships, such as regarding 'food', 'wage', 'crew rotation schedule', 'employee welfare', 'management behaviors', 'on-board rest time' etc., please let us know.	
Group interview - Seafarers and his family	Key human rights issues to focus	Interview item
 <p>five seafarers' families</p>	Decent wages	Please tell us about the amount of money you were paid for your most recent work on NYK Group-managed ships.
	Access to remedy	Is there a contact point for family members to consult if they have any problems while their husband or father is on board or disembarking the ship? If yes, have you actually used such a contact point? If yes, please tell us about your experience of using the contact point.
	Discrimination in the workplace	Have you had any negative experiences because your husband or father was a seafarer? If so, can you tell us about this experience to the extent you feel comfortable doing so?
	Motivation to work on NYK Group-managed ships	What are your reasons and motivations for wanting to work on NYK Group-managed ships?
Others	As a family, how do you perceive your husband/father being a seafarer? Do you have any concerns or problems because your husband or father is a seafarer, or as a seafarer with a family? If so, how would you like to see them improved, and from whom and what kind of support would you like to receive in order to improve them? Conversely, is there anything you find 'good' about having a husband or father who is a seafarer? What are they?	

Initiatives for Respecting Human Rights — Human Rights Impact Assessment

are charged), decent wages, decent working time, occupational health and safety, discrimination in the workplace, and access to remedy, as well as motivation to work on NYK Group-managed ships.

The seafarers noted in the interviews that NYK Group-managed ships are safe, the rotation plan (ship allocation plan) at NYK-Fil is flexible, extensive training opportunities are available for career advancement, and warm, generous support is provided by NYK-Fil. They mentioned a sufficient system of support and were generally satisfied with the current pay level on NYK Group-managed ships. They were also satisfied with the NYK-Fil’s flexibility in responding to them, including giving them opportunities to work onshore when necessitated by their personal circumstances. All received compensation well above the 25,850 pesos^{*2} (\$462.62, at the exchange rate of January 12, 2024) that third-party CRT Japan referenced as the local living wage in Manila, and it was confirmed that the average compensation of the 30 interviewees was 10 times higher than the living wage^{*3}. Most of them were graduates of the NYK-TDG Maritime Academy and assigned as officers on NYK Group-managed ships through NYK-Fil. No companies besides NYK-Fil are involved in the officers’ recruitment and hiring process. Charging of fees from seafarers is prohibited by national law, and NYK-Fil’s Code of Conduct explicitly prohibits receiving money or goods from seafarers. All interviewees said that they were never charged fees of any kind.

In operating NYK Group-managed ships, NYK enters

into a collective bargaining agreement for each ship with a seafarers’ trade union. As a result, all seafarers effectively belong to a trade union when boarding a ship. If they have a problem aboard a ship, they have access to several grievance mechanisms, including those of NYK-Fil, NYKSM (called Assist Me), unions and port authorities. In actuality, most seafarers use Assist Me, and many are satisfied with using this mechanism. On the other hand, it was discovered that one seafarer had concerns about the handling of personal information when using Assist Me. It was also found that even though seafarers can receive treatment from a doctor through telemedicine when injured or ill aboard, some may be reluctant to report their injuries or illnesses to the company for fear of missing out on boarding opportunities. In response, NYK-Fil will ensure proper handling of the information in grievance mechanisms and encourage the reporting of injuries and illnesses through the “Healthcare Program.” Some seafarers feel “nationality-based discrimination,” which may be due to a misunderstanding of the company’s actual intent. NYK-Fil plans to explain the company’s intent and discuss this topic with seafarers.

NYK-Fil believes that two-way communication between the company and seafarers and their families is the foundation for respecting the human rights of seafarers. While striking a balance between communicating the company’s intent and listening to the voices of seafarers, we will continue to maintain the kind of communication that will help to identify and fill gaps in the awareness between the company and seafarers.



An interview with seafarers



An interview with a seafarer and his family

*1 Mission to Seafarers, a foundation based in London, England, provides support to seafarers in 200 ports through Seafarers Centres spread across 50 countries. Founded in 1836, it was renamed to its current name in 2000. <https://www.missiontoseafarers.org/>

*2 According to a report published by the Philippines-based IBON Foundation in October 2023, the living wage for a family of five in Manila is 25,850 pesos. <https://www.ibon.org/wp-content/uploads/2023/11/flw-ncr-2310-landscape.png>

*3 It should be noted, however, that in accordance with the international standard Maritime Labour Convention, 2006 (MLC), the maximum period of service on board is less than 11 months.