



Nippon Yusen Kabushiki Kaisha

Slavery and Human Trafficking Statement 2022/23

This statement is made by the Nippon Yusen Kabushiki Kaisha (“NYKK”) and published pursuant to section 54(1) of the Modern Slavery Act 2015 with the approval of the Board of Directors of NYKK. It sets out the actions taken by NYKK for the financial year ending March 31, 2023 (“FY2022”) to prevent modern slavery and human trafficking within NYKK, its subsidiaries and affiliates (together the “NYK Group”) and their supply chains.

Introduction

As part of its dedication to conducting its business lawfully and ethically, NYKK is fully committed to ensuring that no form of modern slavery or human trafficking occurs in its business and supply chains. We work with the highest integrity, compliance culture and respect for human rights to earn the trust of our customers and society. At NYKK, we have a zero-tolerance approach to modern slavery and are committed to implementing and enforcing effective systems and controls to ensure modern slavery is not taking place in our organization as well as within our wider supply chains.

This is our eighth Slavery and Human Trafficking Statement. It builds on our past initiatives to demonstrate our continued commitment to address modern slavery and other human rights issues throughout our global operations and supply chains. We are proud of our efforts to date but are mindful that our program must continually improve to fulfill our commitments to ensure that no form of forced or compulsory labor takes place within our business.

As detailed below, NYKK continued its efforts to prevent forced labor in its global business and supply chains through employee training and supplier validation. NYKK strongly believes that multistakeholder collaboration is critical to meet our ethical standards and in FY2022, we continued to engage with our business partners in joint efforts to create awareness and drive change in our businesses and supply chains.

NYK Group Company Profile

NYK Group, headquartered in Tokyo, Japan, is a leading global provider of transport and logistics services. Established over 135 years ago, the NYK Group is active in more than 58 countries and employs more than 35,000 staff worldwide.

Using ocean, air and land freight networks that extend across the globe, the NYK Group supports people’s daily lives by carefully transporting cargo, thereby contributing to a more prosperous society.

The NYK Group’s activities include a liner and logistics business (which consists of liner shipping, air cargo transportation and logistics), bulk shipping, real estate, and other business services.

In the U.K., NYK Group Europe Limited (“NGE”) acts as the regional management office (“RMO”) in Europe and leads NYK Group’s regional human rights activities.



NYK Group Human Rights Policy¹

We understand that we must respect the human rights of all individuals affected by our business activities. As a guideline for fulfilling this responsibility, NYKK’s Board of Directors approved the NYK Group Human Rights Policy (the “Policy”) in November 2022. The Policy applies to all executives and employees of the NYK Group, and we encourage our suppliers, contractors, agents, and other parties involved in our business and supply chains to comply with the Policy.

To strengthen efforts to promote human rights, NYKK regularly receives expert advice from a third party, Caux Round Table Japan (“CRT Japan”). Third-party expertise is applied at each phase of the implementation process to ensure objectivity and legitimacy. NYKK holds regular bi-weekly meetings with CRT Japan to advance efforts to promote human rights.

Maritime Labour Convention 2006 and the United Nations Global Compact

As a global logistics business, the NYK Group is committed to contributing to the betterment of societies throughout the world through safe and stable business operations. NYKK fully commits to the Maritime Labour Convention 2006 (“MLC”), which sets out the fundamental rights and principles that seafarers have with respect to their working and living conditions.

NYKK has participated in the United Nations Global Compact (“UNGC”) since 2006, and the initiatives reported by NYKK in December 2022, focusing on the content of the NYK Report (Integrated Report) are published on the UNGC website as Communication on Progress².

¹ [NYK Group Human Rights Policy](#)

² [Nippon Yusen Kabushiki Kaisha \(NYK Line\) – Communication on Progress | UN Global Compact](#)



NYK Group's Business Credo³

NYKK has embedded respect for human rights throughout its global organization. Our ethics and compliance programs are designed to ensure that we comply with all legal and regulatory requirements as well as with our internal regulations and other rules of professional and ethical conduct.

NYK Group's stance on respecting and honoring human rights is clearly indicated in its Business Credo. NYK Group recognizes its role in providing safe and reliable services for a broad range of trade and commercial activities that are the basis for developing the world's economies and cultures. NYK Group is committed to ensuring that in all its global business activities, human rights are respected, and all applicable laws and ordinances are adhered to. NYK Group companies aim to meet the highest ethical standards to ensure that business activities contribute to the sustainable development of society.

1. Integrity

We will conduct our business activities with a strong sense of ethics, while thoroughly respecting human rights and complying with laws and regulations, taking into consideration the positions of all stakeholders.

2. Innovation

We will continue to take on challenges to improve the Group and society.

3. Intensity

We will continue to demonstrate a passionate desire to accomplish our mission until it is achieved, even in difficult situations.

NYKK senior management recognizes its role in achieving the spirit of this credo and is committed to ensuring that the ideals set forth in the credo are practiced by NYK Group companies all over the globe. In addition, NYK Group's service providers, suppliers, and agents are encouraged to act accordingly, and effective internal systems have been established towards accomplishing this.

Framework for Promoting ESG Management

NYKK's ESG Management Committee (the "committee") was established in April 2021, to determine the Group's ESG management policy. The committee meets quarterly and is made up of Executive Officers, including the President as its chair as well as external advisors who reflect the opinions of external stakeholders. The committee provides advice and recommendations on ESG matters (including proposals received from its subcommittee, the UN Global Compact Promotion Subcommittee) to the Management Meeting and the Board of Directors. NYKK reformed the framework in April 2023 and established the ESG Strategy Committee, which succeeded the ESG Management Committee and its functions.

NYKK's Human Resources, Legal, Compliance and Fair-Trade Promotion Groups are responsible for setting the human rights strategy for NYK Group's businesses, including our modern slavery program.

³ [NYK Business Credo](#)



They worked closely with NYKK's ESG Management Promotion Group throughout FY2022 to establish ESG priorities and coordinate NYK Group's global ESG initiatives⁴.

NYK Group's Codes of Conduct⁵ and Whistle-blower System

In order to give shape to the NYK Group Mission Statement and NYK Business Credo, the NYK Group's Codes of Conduct serve as guidance on proper behavior expected of all directors and employees. The NYK Group's Codes of Conduct, applicable across the organization, remain the solid basis of our global compliance program, emphasizing the importance of 'Respect for Human Rights' and includes references to the Modern Slavery Act and associated policies. Staff are encouraged to report concerns, suspicion, or knowledge of any instance of forced and compulsory labor within our business and supply chains.

In line with this, the NYK Group has in place a whistle-blower system where both employees and external third parties can securely report concerns, suspicion, or knowledge of misconduct or unethical behavior. All such reports are objectively investigated and, where appropriate, followed up by remedial and preventive actions. Violation of the principles of the NYK Group's Code of Conduct may result in disciplinary action, up to and including termination of employment.

CSR Guidelines for Partners and Suppliers⁶ (Initiatives in Procurement)

To ensure that all those involved in our supply chains comply with our ethical standards, NYK Group has put in place CSR Guidelines for Partners and Suppliers. These Supplier CSR guidelines extend the reach of NYK Group's Codes of Conduct and require our suppliers and subcontractors to confirm they act consistently with our principles of fair and ethical business. Beyond compliance with all applicable laws and regulations, the Supplier CSR Guidelines mandate third-parties' adherence to NYK Group's standards in areas including fair employment practices, environment, health and safety, and human rights. In the area of forced labor, the Supplier CSR Guidelines expressly prohibit any form of compulsion or participation in human trafficking. NYK Group companies individually are responsible for distributing and enforcing the Supplier CSR guidelines to the suppliers and subcontractors engaged by them in their business activities. We take compliance with our Supplier CSR guidelines seriously and are actively looking at ways to extend and reinforce compliance with these third-party guidelines across the NYK Group's supply chains.

NYK Group's Human Resource (HR) Standards

NYK Group's HR Standards are guidelines used for personnel management at NYK Group companies, which aim at strengthening the personnel strategy of each group company, ensuring compliance with labor-related laws and regulations. They include guidelines on the operation of a fair personnel treatment system as well as respect for human rights. The NYK Group's HR Standards are available to staff on NYK Group intranet sites.

⁴ [NYK Group's ESG Management](#)

⁵ [Nippon Yusen Kabushiki Kaisha Code of Conduct](#)

⁶ [CSR Guidelines for Partners and Suppliers](#)



NYK Group's Risk Management

At a Risk Management Committee held twice a year, NYKK identifies and evaluates risks that can significantly affect company-wide business. Among them are human rights issues, which NYKK manages by preparing a risk map indicating the likelihood of relevant events occurring and their impact on business management. In addition, through an annual survey of NYK Group companies worldwide, NYKK regularly confirms the status of compliance with the NYK Group's HR Standards and the UNGC including the absence of forced labor or child labor in NYK Group's businesses and supply chains.

Human Rights Due Diligence⁷

The NYK Group understands that our corporate activities, including the supply chains, could have a direct or indirect adverse impact on human rights. As such, procedures outlined in the UN Guiding Principles on Business and Human Rights are followed and human rights due diligence is undertaken. Specifically, activities that have or may have an adverse impact on human rights are identified and assessed. Remedial measures are then considered to prevent and/or mitigate the risk of adverse impact of these identified actions. A follow-up assessment will then be conducted to confirm the effectiveness of the remedial action taken.

Human Rights Assessment

In FY2022, NYKK, with the support of Verisk Maplecroft (global risk intelligence company), conducted an assessment (the "human rights assessment") to advance human rights due diligence as a result of identifying potential risk factors that can cause or contribute to human rights violations in our corporate activities. Initially three operations, namely, automotive logistics, oceangoing shipping (seafarers), and ship recycling (scrap workers), were considered and the risks of human rights violations in the countries or regions in which these business activities are operated, were assessed.

Further to the human rights assessment, a human rights due diligence workshop, supported by CRT Japan, was carried out in June 2022 for 26 managers representing 5 business divisions. Feedback from managers on the results of the human rights assessment was received and participants also discussed other business operations forming part of our supply chains including shipbuilding and port logistics.

As a result of this assessment process, a number of potential human rights issues were identified as shown in the below table:

⁷ [Human Rights Initiatives | NYK Line](#)



Identify HR Issues	Operations	Shipbuilding	Port logistics	Automotive logistics	Oceangoing shipping	Ship recycling
	Stakeholders	Workers	Dock workers	Workers	Seafarers	Workers
	Salient 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

Following on from the human rights assessment, a number of relevant business divisions were interviewed (including, in some cases, direct dialogue with workers) to check that potential human rights issues identified through the human rights assessment process were being addressed.

- Oceangoing Shipping (Seafarers)

The NYK Group uses our safety management system (“SMS”) and an assessment system to confirm MLC compliance status of our ship management companies and the ships they manage. We recognize that seafarers’ human rights concerns begin with recruitment, continue while they serve on board and even after they disembark, and are aware that there are issues to be addressed at each phase. In FY2022, NYKK confirmed that the relevant departments were taking appropriate actions in line with MLC guidelines and disclosed it on the NYKK website⁸.

- Ship Recycling (Scrap Workers)

Ships owned by NYKK and its Group companies are dismantled in ship-recycling yards that meet NYK’s ship-recycling policies⁹. In April 2022, NYKK commissioned a third-party body, CRT Japan, to conduct a review of how one of our subsidiary companies manages and protects the working environment and human rights of ship recycling workers. Management staff, site management staff and workers in the ship-recycling yard were interviewed, with scrap workers being asked questions surrounding issues such as discrimination in the workplace, modern slavery, and occupational health and safety. Where areas of improvement were identified, these were fed back to the group company for remedial action to be taken as required.

Engagement with External Parties

Since 2012, NYKK has been participating in the Stakeholder Engagement Program (Human Rights Due Diligence Workshop) organized by CRT Japan. Through discussion on a wide range of human rights issues with participating companies, human rights experts, and representatives of NGOs, NPOs, and

⁸ [humanrights_of_seafarers.pdf \(nyk.com\)](#)

⁹ [Preventing Marine Pollution | NYK Line](#)



other organizations, we acquired knowledge on the human rights required to implement the human rights due diligence demanded by the UN Guiding Principles on Business and Human Rights. In addition, together with other transport and logistics companies, we considered more specifically, human rights issues in the transport industry.

Training and Awareness

NYK Group’s human rights and compliance programs depend on the practical understanding of our people and business partners. To ensure NYK Group’s directors, officers, and employees have a good understanding of the risks of modern slavery and human trafficking in our business and supply chains, the NYK Group includes modules on discrimination, harassment, and global trends in human rights in a number of training and E-learning programs, which give our staff an easy, efficient way to understand the core principles of human rights, the NYK Group’s related policies and programs including our Code of Conduct and, most importantly, how they can play their part in identifying and reporting possible signs of modern slavery.

The below table shows the human rights training and awareness initiatives that were provided by NYKK and NGE (as RMO in Europe) in FY2022:

April/ Oct 2022	NYKK provided training on the prevention of forced labor and slavery to a total of 94 new employees.	NYKK
Apr 2022	Annual HR Survey was rolled out to NYK Group companies, which included a questionnaire on child labor and forced labor in business activities.	NYKK
May 2022	NYKK provided training on the prevention of forced labor and slavery to a total of 36 new managers.	NYKK
May – July 2022	NYKK participated in the annual Stakeholder Engagement Program (Human Rights Due Diligence Workshops) organized by CRT Japan.	NYKK
Aug 2022	NYKK conducted an online training program titled “Understanding Business and Human Rights” for 35 internal and external directors, auditors, and executive officers, including the president.	NYKK
Sep 2022	NYKK staff were requested to reaffirm their adherence to the NYKK Code of Conduct.	NYKK
Oct 2022	NYKK participated in the International Conference on Business and Human Rights in Tokyo organized by CRT Japan.	NYKK
Oct 2022	All staff within NGE’s compliance region were requested to reaffirm their adherence to the NGE Code of Conduct.	NGE
Oct 2022	On “UK Anti-Slavery Day” (October 18 th , 2022), an update was provided to UK employees, which outlined some of the steps NYK is taking to a) raise awareness of modern slavery and b) eradicate slavery in its supply chains.	NGE
Nov 2022 – Jan 2023	NYK’s annual E-learning program was rolled out to NYK Group Standard companies. A total of 7,647 NYK Group employees (96.4% of the employees asked) completed the ESG E-learning programs.	NYKK



Dec 2022	During Human Rights Week, NYKK raised awareness on the themes of "harassment" and "unconscious bias" through the use of bulletin updates posted on the NYKK intranet. In a survey where staff were asked, "Do you understand the NYK Group's basic approach to human rights?", 98% responded "Yes".	NYKK
Throughout the year	NGE's Legal and Compliance department ran 9 training sessions attended by 73 employees. The training sessions are for key personnel of all group companies within its compliance region and include a section on modern slavery. Employees attending the training are expected to complete a short test afterwards and records of attendees are maintained.	NGE

NYK Group's Agenda and Key Performance Indicators for FY2023

NYK Group will continue to take steps towards ensuring that modern slavery and human trafficking have no place in its businesses and supply chains. In recognition of the importance of addressing human rights issues, in April 2022, NYKK launched its Human Rights Project. Specific initiatives for FY 2023 will target the below:

- Implementing remedial action for the human rights issues identified in the FY2022 human rights impact assessment through appropriate means, tracking effectiveness, and disclosing the progress and results;
- Further strengthen and integration of its due diligence program including human rights impact assessments based on UN Guiding Principles on Business and Human Rights and supplier management processes in an improved global third-party risk management program;
- Enhancing internal communication channels in respect of human rights issues;
- Enhancing Human Rights Due Diligence procedures;
- Establishing a grievance mechanism and remediation mechanism specifically aimed at human rights; and
- Enhancing awareness within the NYK Group in respect of human rights issues

NYK Group is committed to ensuring that our operations and supply chains do not cause or contribute to human rights violations, in accordance with the UN Guiding Principles on Business and Human Rights.

In addition to the human rights project actions outlined above, the following initiatives will continue:

- Developing a set of model clauses addressing modern slavery and human rights issues for use in new vendor contracts; and
- Further promoting transparency of the ship-recycling process through NYKK's participation in the Ship Recycling Transparency Initiative¹⁰.

Conclusion

The UK Modern Slavery Act continues to serve a significant role in driving transparency in global efforts to address the problem of forced and compulsory labor in businesses and supply chains. The NYK

¹⁰ [NYK Becomes First Japanese Shipping Company to Participate in Ship Recycling Transparency Initiative | NYK Line](#)



Group will continue to build on its longstanding human rights and compliance programs to better identify and prevent forced labor in our own operations and those of our suppliers and business partners.

Executive Board Approval

This Statement constitutes our Modern Slavery Statement for the financial year ending March 31, 2023. The NYK Group will continue to assess the effectiveness of the measures we take, and we will regularly review and refine our policies and procedures in relation to modern slavery and human rights.

This Statement has been adopted by the Executive Board of Nippon Yusen Kabushiki Kaisha on 27, July 2023.

July 2023:

A handwritten signature in black ink, appearing to be "Takaya Soga", written over a horizontal line.

Takaya Soga
President,
Representative Director,
President and Chief Executive Officer,
Nippon Yusen Kabushiki Kaisha