



NIPPON YUSEN KABUSHIKI KAISHA

SLAVERY AND HUMAN TRAFFICKING STATEMENT 2018/19

This statement is made on behalf of Nippon Yusen Kabushiki Kaisha (NYKK) and its subsidiary undertakings NYK Group Europe Limited (NGE) and NYK Energy Transport (Atlantic) Limited (NETA) (all reporting companies together NYK) which are subject to the obligation to prepare a modern slavery statement pursuant to section 54 of the Modern Slavery Act 2015 (MSA) and constitutes NYK's slavery and human trafficking statement for the financial year ending 31 March 2019. When addressing the business and operations of the whole NYK group of companies, the term NYK Group is used.

This statement provides an overview of the steps taken during the financial year ending 31 March 2019 to further embed human rights into our business.

NYK Group's structure, business and supply chains

NYK Group is a global logistics business, established in Japan over 130 years ago. Using ocean, land, and air transportation networks that extend across the globe, the NYK Group supports people's daily lives by carefully transporting each individual cargo, thereby contributing to the creation of a prosperous society.

NYK's policies in relation to slavery and human trafficking

NYK is committed to ensuring there is no modern slavery or human trafficking in its supply chains or in any part of its business. NYK's basic stance on respecting and honouring human rights is clearly indicated in the NYK Business Credo.

NYK Business Credo

In their daily business, NYK Group companies follow the "NYK Business Credo", which includes "compliance with laws and ordinances, respect for human rights" as follows: "We recognize our role in society and act in a manner that is fair and just by complying with national laws and ordinances and international norms. We believe that corporate activities should adhere to social mores, respect human rights, honour local customs and practices, and address the concerns and interests of stakeholders."

NYKK Code of Conduct

NYKK established its Code of Conduct to give guidance on proper behaviour expected of all its directors and employees. The NYKK Code of Conduct sets out high-level principles and includes a section on Respect for Human Rights and Diversity of Cultures.

Full details of the NYK Business Credo and the Code of Conduct can be found on the NYKK website:

<https://www.nyk.com/english/profile/>

United Nations Global Compact

As a global logistics enterprise, the NYK Group is committed to contribute to the betterment of societies throughout the world through safe and stable business operations.

NYKK has been a participant in the United Nations (UN) Global Compact (UNGC) since 2006 and it, together with the wider NYK Group, supports its ten principles. Every year participating organisations are expected to report on detailed activities and results in their efforts to achieve the UNGC's ten



principles. NYKK published its last advanced level Communication on Progress on the UN Global Compact website in December 2018.

Maritime Labour Convention 2006

NYK Group fully complies with 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, which includes:

- freedom of association and the effective recognition of the right to collective bargaining;
- the elimination of all forms of forced or compulsory labour;
- the effective abolition of child labour; and
- the elimination of discrimination in respect of employment and occupation.

Due Diligence processes for slavery and human trafficking.

At a Risk Management Committee held twice a year, NYK identifies and evaluates risks that can significantly affect company-wide business. Among them are human rights issues, which NYK manages by preparing a risk map indicating the likelihood of relevant risks and their impact on business management.

In addition, the Global Compact Promotion Committee has confirmed the following efforts have been made to grasp NYK Group's human rights issues:

- Through an annual survey of NYK Group companies worldwide by the Human Resources Group at the headquarters, NYK regularly confirms its status of compliance with the UNGC and the absence of forced labour or child labour in NYK Group's supply chain.
- Through an annual Corporate and Social Responsibility (CSR) e-learning programme for employees of the Group around the world, with staff answering questions on a range of issues including their awareness of human rights risks in their dealings with business partners and suppliers.

NYK has participated in the Stakeholder Engagement Program (Human Rights Due Diligence Workshop) organized by Caux Round Table Japan (CRT), a non-profit organization, since 2014 to deepen the company's understanding of human rights issues throughout business activities. The knowledge gained by this program has been utilized for NYK's human rights activities and human rights due diligence.

Employee consultation hotline

NYKK has a confidential ethics & compliance hotline available to all NYK Group employees to report on human rights, discrimination, harassment, fraud, unethical or unlawful conduct, and improper employee conduct in business activities. This hotline allows the company to prevent or correct problems, and to quickly take appropriate remedial action.

Due Diligence checks on major third-party suppliers

During 2018, NGE compliance department has taken the following steps to strengthen the company's mitigation against potential risks to human rights in its procurement and supply chain management practices:



- **Business Conduct Questionnaire**

In March 2019, a questionnaire was introduced to capture business ethics information from major third-party agents in NGE's Roll-on/Roll-off ("RORO") department. The questionnaire includes a section on human rights and modern slavery.

- **Review of third-party agents contracts**

In 2018, a review of existing third-party agency contracts for NGE's RORO department was carried out to ensure such contracts include references to NYK Group's CSR guidelines for partners and suppliers as well as clauses addressing modern slavery and human rights issues.

Supplier Adherence to NYK's values

CSR Guidelines for Partners and Suppliers

As a global logistics business, NYK Group has substantial supply chains of its own as well as being a part of its customers' supply chains. It works with the support of a large number of stakeholders to provide safe and dependable business operation. It uses its "CSR guidelines for partners and suppliers" as a means of identifying and solving issues in the supply chain in areas such as legal compliance, fair trade, trustworthiness, safety and security, environment, human rights, labour, and anti-corruption.

Full details of NYK Group's CSR guidelines for partners and suppliers can be found on the NYKK website:

<https://www.nyk.com/english/csr/vision/guide/>

Effectiveness in combating slavery and human trafficking

NYK is continuing to take steps towards eradicating modern slavery and human trafficking during the financial year commencing 1st April 2019.

NGE compliance department is looking to continue the strengthening of its due diligence processes during the coming year and has plans to:

- roll out its business conduct questionnaire to other NYK Group businesses, and
- develop a set of model clauses addressing modern slavery and human rights issues which will be available for use in new contracts.

Training

To ensure NYK Group's directors and employees a high level of understanding of the risks of modern slavery and human trafficking in its supply chains and its business, NYK includes modules on human rights issues, discrimination, harassment, and global trends in human rights in training programmes delivered to staff.

During Human Rights Week in December 2018, NYKK provided education on the main themes of "business and human rights" and "human rights at work."

Further training on human rights related issues is taking place during the financial year commencing 1st April 2019.



This statement was approved by the Boards of Nippon Yusen Kabushiki Kaisha and its subsidiary undertakings NYK Group Europe Limited and NYK Energy Transport (Atlantic) Limited.

For and on behalf of

Nippon Yusen Kabushiki Kaisha

Yoshiyuki Yoshida

Director, Senior Managing Corporate Officer, and Chief Compliance Officer

August 2019

For and on behalf of

NYK Group Europe Limited

Syein Steimler

President and Chief Executive Officer

September 2019

For and on behalf of

NYK Energy Transport (Atlantic) Limited

Atsuya Nojiri

Managing Director

August 2019