



Nippon Yusen Kabushiki Kaisha

Slavery and Human Trafficking Statement 2020/21

This statement is made and published pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes the Nippon Yusen Kabushiki Kaisha (“NYKK”) Slavery and Human Trafficking statement for the financial year ending 31 March 2021.

Introduction

This Statement applies to NYKK as well as its subsidiary undertaking companies, NYK Group Europe Limited (“NGE”) and NYK Energy Transport (Atlantic) Limited (“NETA”) (together “NYK Group Companies”), conducting business in the United Kingdom and, at the time of publication of this Statement, covered by or voluntarily subscribing to the principles of the UK Modern Slavery Act 2015.

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, a 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 Statement sets out the actions taken by the NYK Group Companies to prevent modern slavery and human trafficking and how we aim to strengthen our approach to human rights in the following financial year.

This is our sixth Slavery and Human Trafficking Statement. It builds on our prior statements 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 eradicate any form of forced and compulsory labor within our business.

As we detail below, the NYK Group Companies continued their efforts to prevent forced labor in their business and supply chains through employee training and supplier validation. NYKK strongly believes that multi-stakeholder collaboration is critical to meet our ethical standards and in Financial Year 2020 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

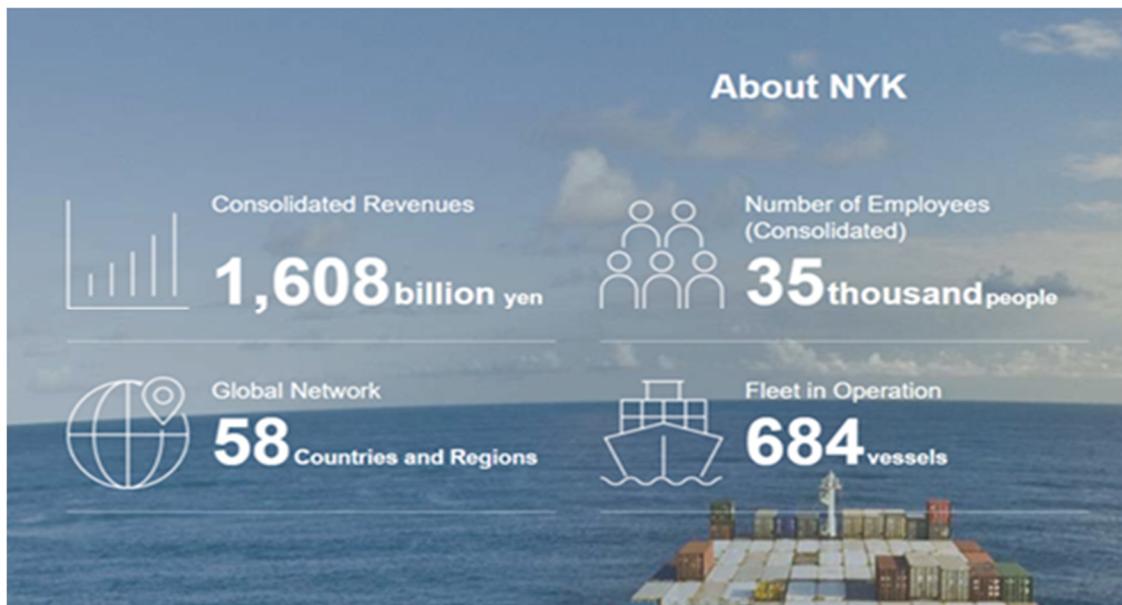
NYKK, headquartered in Tokyo, Japan, is a leading global provider of transport and logistics services established in Japan over 130 years ago. Through its affiliates and subsidiary companies (together with



NYKK, “NYK Group”), NYKK is active in more than 61 countries and regions and employs more than 35,000 employees 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 the creation of a 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.



Maritime Labour Convention 2006 and the United Nations Global Compact

As a global logistics business, the NYK Group is committed to contribute 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 been a participant in the United Nations Global Compact (UNGC) since 2006 and, together with the wider NYK Group, supports the 10 principles of the UNGC in the areas of human rights, labor, environment and anti-corruption¹. Every year participating organizations are expected to report on detailed activities and results in their efforts to achieve these principles. In December 2020, NYKK published its latest advanced level Communication on Progress for the period December 2019-December 2020 on the UN Global Compact website².

¹ <https://www.unglobalcompact.org/what-is-gc/mission/principles>

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 basic stance on respecting and honoring human rights is clearly indicated in the NYK Group's Business Credo. NYKK 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. In all 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.

"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, honor local customs and practices, and address the concerns and interests of stakeholders."

NYKK top management recognises its role in achieving the spirit of this credo and is committed to ensuring that the ideals set forth in the credo are practised by NYK Group companies all over the globe. In addition, NYK Group's business partners are encouraged to act accordingly, and effective internal systems have been established towards accomplishing this.

Our 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. They work closely together with a cross-functional Environmental, Social and Governance ("ESG") Management Committee - NYKK's ESG Management Promotion Group, which comprises senior personnel from across the company - to establish ESG priorities and coordinate NYK Group's global ESG initiatives⁴.

NYKK's Board of Directors and its committees oversee the execution of NYK Group's ESG strategies and initiatives as an integrated part of their oversight of NYK Group's overall strategy and risk management. In addition, the Human Resources, Legal, Compliance, Fair Trade Promotion and ESG Management Promotion Groups assist the Board of Directors in its oversight of corporate social responsibilities, significant policy issues, protection of human rights, environmental, and health and safety matters. The NYK Group Companies covered by this statement are responsible for implementing NYKK's governance strategy in their operations.

³ [NYK Business Credo | NYK Line](#)

⁴ More info on NYK Group's ESG initiatives can be found on <https://www.nyk.com/english/esg/>



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

NYK Group's Codes of Conduct, applicable across the organisation, remain the solid basis of our global compliance program, emphasising (amongst other things) the importance of 'Respect for Fundamental Human Rights' and include references to the Modern Slavery Act and associated policies. The NYK Group's Codes of Conduct provide guidance on proper behaviour expected of all directors, officers and employees of the NYK Group and encourage our employees 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 program where both employees and external third parties can securely report concerns, suspicion or knowledge of misconduct or unethical behaviour. All reports made in good faith within the whistle-blower program are objectively investigated and, where appropriate, followed-up by adequate remedial and preventive actions. Violation of the principles of the Group's Codes of Conduct may result in disciplinary action, up to and including termination of employment.

CSR Guidelines for Partners and Suppliers⁶

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 compliance 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 human trafficking. The NYK Group Companies covered by this statement are responsible for distributing and enforcing the Supplier CSR guidelines to 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 reinforce these third-party guidelines across the NYK Group's supply chain.

NYK Group's Human Resource (HR) Standards

NYK Group's HR Standards are a compilation of 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. The NYK Group's HR Standards 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.

⁵ [NYKK Code of Conduct](#)

⁶ <https://www.nyk.com/english/esg/concept/guide/>



NYK Group's Risk Assessment and Due Diligence Programmes

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.

NYKK strives to ensure compliance with these policies and procedures and has put in place a robust due diligence program reaching throughout our businesses and supply chains to measure and ensure compliance with the NYK Group's ESG standards. Under this program, NYK Group Companies conduct Business Conduct Questionnaires and/or on-site assessments of suppliers and subcontractors, both before onboarding and during the term of contract, to ensure compliance. Among other things, these assessments inquire specifically into how workers are recruited and treated by their employers to detect any conditions of modern slavery.

The below table shows the actions taken during the year ending 31st March 2021:

NYKK	Due Diligence checks: During the year, NYKK distributed its CSR guidelines for Partners and Suppliers to major suppliers. In addition, a new process was incorporated into the 'Basic Policy regarding Purchasing Activities' to check new suppliers' compliance with the NYKK CSR guidelines for Partners and Suppliers.
NGE	Business Conduct Questionnaire: Throughout 2020, NGE continued to extend the application of its Business Conduct Questionnaire across the procurement and supply chain management activities of its businesses. This questionnaire includes a section on human rights and modern slavery.

In Financial Year 2021/22, the NYK Group will further strengthen and integrate its due diligence program and supplier management processes in an improved global third-party risk management program. In addition to the existing requirements, suppliers and subcontractors will be assessed, vetted, and monitored on a risk-based approach (likelihood and impact). The program will further strengthen our commitment to only work with reputable partners who share our values and live up to our standards, whether operational, legal, or ethical.



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 high level of understanding of the risks of modern slavery and human trafficking in our business and supply chains, the NYK Group includes modules on human rights issues, 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 Codes of Conduct) and, most importantly, how they can play their part in identifying and reporting possible signs of modern slavery. We ensure that these awareness raising activities are continuously ongoing.

The below table shows the human rights training and awareness initiatives that were provided in the year ending 31st March 2021:

Apr / Oct 2020	NYKK provided training of prevention of forced labour and slavery to new employees.	NYKK
May 2020	NYKK provided training of prevention of forced labour and slavery to new managers.	NYKK
Aug – Nov 2020	NYKK participated in the annual Stakeholder Engagement Program (Human Rights Due Diligence Workshops) organised by Caux Round Table Japan (CRT).	NYKK
Sep 2020	NYKK staff were requested to sign their reaffirmation of the NYKK Code of Conduct.	NYKK
Oct 2020	NYKK participated in the International Conference on Business and Human Rights, held in Tokyo.	NYKK
Oct 2020	All staff within NGE’s compliance region were requested to reaffirm their adherence to the NGE Code of Conduct. The NGE Code of Conduct is published in English, Dutch, Italian and German, and is available on the NGE intranet.	NGE
Oct 2020	Ahead of “UK Anti-Slavery Day” (Sunday October 18 th 2020), 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
Oct - Nov 2020	NGE’s Company Secretary attended the following webinars: ‘Modern Slavery – how ethical is your supply chain?’ provided by ICSA The Chartered Governance Institute. ‘Everyone can play a role: effectively raising awareness of modern slavery across your business’ provided by Stronger Together.	NGE
Nov 2020 – Jan 2021	NYK’s annual E-Learning programme was rolled out to NYK Group Standard companies. Completion rate achieved: 96.5%	NYKK



Dec 2020	During Human Rights Week, NYKK raised awareness on the themes of "business and human rights" and "human rights at work" through the use of bulletin updates posted on the NYKK intranet.	NYKK
Feb 2021	NYKK released the NYK Group ESG Story which outlines NYK Group's approach to ESG management and sets out initiatives that the NYK Group is pursuing to integrate ESG principles into its management strategies. The booklet contains reference to Human Rights Compliance.	NYKK
Throughout the year	NGE's Compliance Department runs training sessions on a rolling eighteen-month calendar for key personnel of all group companies within its compliance region. These training sessions contains a section on Modern Slavery and employees attending the training are expected to complete a short test after their training. Records of attendees are maintained as well as results of the test. In the year ending 31 st March 2021, NGE's compliance department conducted eight training sessions attended by 172 employees.	NGE

NYK Group's Agenda and Key Performance Indicators for FY2021

NYK Group will continue to take steps towards eradicating modern slavery and human trafficking in its businesses and supply chains. For Financial Year 2021, the focus will be primarily aimed at:

- Further roll-out of 'Business Conduct Questionnaires' to suppliers and sub-contractors;
- Continuing to try and achieve an improved workstyle for NYK Group staff to prevent health and wellbeing issues;
- Implementation of a dedicated modern slavery policy;
- Further extending due diligence processes and implementation of the NYK Group's CSR Guidelines across NYK Group companies and their business activities;
- Developing a set of model clauses addressing modern slavery and human rights issues which will be available for use in new vendor contracts; and
- Further promoting transparency of the ship-recycling process through NYKK's participation in the Ship Recycling Transparency Initiative⁷.

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 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.

⁷ [NYKK Becomes First Japanese Shipping Company to Participate in Ship Recycling Transparency Initiative | NYK Line](#)

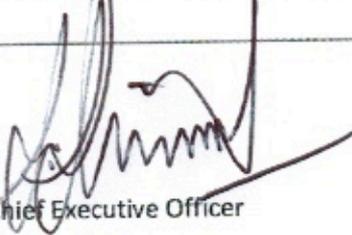


Executive Board Approval

This Statement constitutes our Modern Slavery Statement for the financial year ending 31 March 2021. 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 and, pursuant to Section 54(1) of the UK Modern Slavery Act, subsequently by the Management Boards of its subsidiary undertakings NYK Group Europe Limited and NYK Energy Transport (Atlantic) Limited and will be published on our website.

September 2021:

Nippon Yusen Kabushiki Kaisha	 Yutaka Higurashi Director, Managing Executive Officer, and Chief Compliance Officer
NYK Group Europe Limited	 Svein Steimler President and Chief Executive Officer
NYK Energy Transport (Atlantic) Limited	 Tsutomu Hidaka Managing Director