

## NYK Group - Respect for Human Rights in Automotive Logistics

In a human rights risk assessment of the NYK Group, the working environment of workers in the automotive logistics business was identified as a salient human rights issue. In 2022, interviews of workers (including supplier partners' workers) of NYK India Private Limited (NYK India), which is expanding its car logistics business across India, were conducted to verify the status of respect for human rights.

Interviews of the workers were conducted in Hindi, which is understood by all workers, by a local third-party partner of CRT Japan.

Workers in the automotive logistics business are involved in a wide range of operations, and work is mainly classified into four types: plant compound management, terminal services, value-added services, and inland transportation. The interviews on this occasion targeted 25 workers (all male) engaged in plant compound management (drivers) and value-added services (vehicle cleaners) in Mumbai and Delhi. The workers, who were divided into teams of five, were asked to answer questions concerning 13 human rights issues.

All of the over 2,000 workers employed by NYK India through supplier partners are male. The majority of the workers are from within the state, and very few qualify as migrant workers. The recruitment and hiring, the signing of contracts, and the payment of wages of workers are all left to the supplier partners. NYK India, together with supplier partners, is responsible for determining working conditions and the wage structure of workers, managing workers' working hours, implementing occupational health and safety procedures, and conducting worker training.

The interviews confirmed that there were cases where no employment contract existed between supplier partners and their workers and that some workers did not know the details of their employment contract and pay slips. In light of these findings, as of September 2023, dual language (English with local language) appointment letters had been concluded for all workers in accordance with Indian law, and briefing sessions on the appointment terms and conditions had already been held at supplier partners together with NYK India for 100% of the workers at all locations.

NYK India has its own mechanism known as Samvaad (which means "dialogue" in Hindi) that allows workers to voice their opinions and concerns (a form of grievance desk). Management at each NYK India location regularly holds Samvaad (dialogue) sessions where they listen to what employees, including supplier partners' workers, have to say. This mechanism aims to identify issues perceived by workers and their expectations of the company and to create a comfortable work environment, bearing in mind their opinions and concerns. Interviews with workers revealed that while all interviewees were familiar with Samvaad, i) the company's and supplier partners procedures for responding to requests made by workers and the status of their handling were unclear, and ii) there were expectations for improvement in issues

such as the lack of communication between workers and management. In efforts to ensure the effectiveness of Samvaad considering these findings, NYK India decided to centrally manage the content of requests and other matters raised at all business locations across pan India and clarify the status of responses between complainants and the company's management. In addition, important matters are also to be reported to NYK headquarters. These arrangements have been effective since April 2023. As of August 2023, 90% of complaints that had been filed are resolved to the satisfaction of the workers. The remaining complaints are in the process of being addressed. Promoting the visibility of conditions and improving the effectiveness of the company's responses are future issues to be addressed.

NYK India intends to continue to address issues identified in interviews and conduct third-party follow-up surveys to determine whether improvements in measures and procedures have resulted in workers' perceptions of these. Furthermore, NYK India plans to examine and implement remedial measures with customers, depending on the content. In the first half of FY2023, NYK India was recognized by one of our customers for its strong commitment to ESG and was awarded a compliance-related award at the annual conference held by the customer for its suppliers and partners. We believe that the activities for respecting human rights NYK India promotes together with customers can also contribute to other areas including maintaining product quality for customers.

In November 2022, the NYK Group established its the NYK Group Human Rights Policy. The NYK Group requires NYK India and its supplier partners, who are its business partners, as well as customers to take measures in line with the NYK Group Human Rights Policy and work to ensure that this policy is applied to all workers (including supplier partners' workers) who engage in work at NYK Group.