

# NIPPON YUSEN KABUSHIKI KAISHA

## SLAVERY AND HUMAN TRAFFICKING STATEMENT 2015/16

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 2016. When addressing the business and operations of the whole NYK group of companies, the term NYK Group is used.

### 1 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.

### 2 NYK's policies in relation to slavery and human trafficking

NYKK's Board of Directors, in co-operation with NYKK's Legal & Fair Trade Promotion Group, as part of its annual risk management process, decided to maintain human rights and labour practices as one of the business risks for the NYK Group last year.

#### NYKK Code of Conduct

NYKK has set high-level principles in its Code of Conduct, which currently sets out the company's position in relation to inhumane employment practices and forced labour.

NYKK started working on an update of the Code of Conduct which will be published in October 2016 and which includes provision on human rights.

#### 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."

#### United Nations Global Compact

NYK Group's basic corporate philosophy is to contribute to the betterment of societies throughout the world through safe and dependable *monohakobi* (transport).

NYKK was a participant in the United Nations (UN) Global Compact (UNGC) in 2006 and it, together with the wider NYK Group, supports its principles. NYKK published its last advanced Communication on Progress in December 2015.

In 2010, NYKK established the Global Compact Promotion Committee comprising representatives from the Human Resources Group and the Corporate Communication and CSR Group under the control of the head of the Human Resources Group, to promote the UNGC and to advance initiatives focused on UNGC Principles 1–6, which deal with human rights and labour standards at NYK Group.

### **3 NYK's due diligence processes in relation to slavery and human trafficking in its business and supply chains**

Over the years NYKK has participated in a number of human rights events and initiatives including "Business and Human Rights Conference in Tokyo", organised by four initiative organisations: Caux Round Table Japan (CRT), Institute for Human Rights and Business, Business Human Rights Resource Centre and United Nations Working Group on the Issue of Human Rights and Transnational Corporations and Other Business Enterprises. Additionally, NYKK is one of the core members establishing and joining Human Rights Due Diligence Workshops at Nippon CSR Consortium since 2012.

#### **2015 Human Rights Due Diligence Workshop**

In 2015, NYKK participated in the Human Rights Due Diligence Workshop organized by CRT. CRT hosts this workshop as an activity that aims to assist companies in various industry sectors in identifying and assessing any actual or potentially adverse human rights impacts as defined by the United Nations Guiding Principles on Business and Human Rights.

During this workshop, NYKK had discussions with other logistics sector participants involved, amongst other areas, in intermodal freight transport and maritime transport and identified and summarized critical human rights issues raised by NGOs/NPOs and human rights experts.

Human rights issues were considered by sector. The logistics sector included intermodal freight transport and maritime transport. Various potential human rights issues in the specified products and services and relevant value chains were identified including workplace conditions-related issues, discrimination, community-related issues connected with resources, security and investment into communities and human trafficking.

#### **2015 Business and Human Rights Conference in Tokyo**

NYKK participated in the 2015 Business and Human Rights Conference in Tokyo convened on 16 and 17 September 2015.

### **4 The parts of NYK's business and supply chains where there is a risk of slavery and human trafficking taking place, and the steps it has taken to assess and manage that risk**

#### **CSR Guidelines for Partners and Suppliers**

As a global logistics business, NYK Group has substantial supply chain 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 monohakobi. 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.

These CSR guidelines include principles in relation to human rights and labour as follows:

- (a) Companies must respect the dignity of the individual and must not discriminate on the basis of gender, age, national origin, ethnicity, race, creed, religion, social status, etc.
- (b) Companies must endeavour to provide safe, sanitary, and healthy working environments. Companies must not engage in inhumane employment practices or forced labour.

Relevant staff in NYK Group companies are regularly being trained to understand and apply the CSR guidelines in practice. In February 2016, a liaison conference of CSR divisions of Japanese affiliates was held with the aim of deepening participants' understanding of human rights and labour issues in the supply chain.

In autumn 2015, NYKK also carried out two e-learning programmes on the subject of CSR and UNGC. Through the programme, the principles of "Responsible supply chain" were explained to certain employees of NYK Group companies to further their understanding of relevant issues including human rights

**5 Effectiveness in ensuring that slavery and human trafficking are not taking place in NYK's business or supply chains**

NYK shall take steps towards eradicating modern slavery and human trafficking in FY2016/2017.

**6 Training about slavery and human trafficking available to NYK Group's staff**

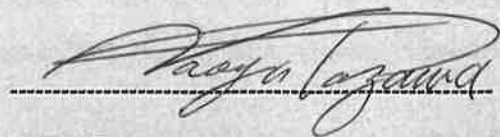
NYKK informed its staff about human rights through its intranet bulletin board during Human Rights week in December 2015. NYKK included human rights elements into training sessions for newly hired employees at NYKK and certain other NYK Group companies, as well as all NYKK employees who have been assigned to work outside Japan.

Further training will take place in FY 2016/2017.

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***



Naoya Tazawa

Representative Director, Executive Vice-President Corporate Officer

September 2016

***For and on behalf of***

***NYK Group Europe Limited***



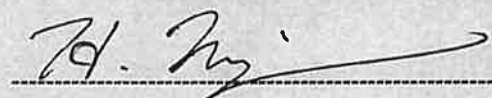
Takuji Nakai

Director

September 2016

***For and on behalf of***

***NYK Energy Transport (Atlantic) Limited***



Hiroaki Nishiyama

Managing Director

September 2016