



Nippon Yusen Kabushiki Kaisha

Slavery and Human Trafficking Statement 2023/24

This statement is made by 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 ended March 31, 2024, (“FY2023”) 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, as the head company of the NYK Group, is fully committed to ensuring that no form of modern slavery or human trafficking occurs in its business and supply chains. We have a zero-tolerance approach to modern slavery and are committed to implementing and enforcing effective systems and controls to ensure that modern slavery does not occur in our organization or within our wider supply chains.

This is our ninth Slavery and Human Trafficking Statement. It builds on our past initiatives to demonstrate our continued commitment to addressing 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 has continued to work to eradicate forced labor and human trafficking in its global business and supply chains by advancing its human rights initiatives. In FY2023, we conducted a human rights impact assessment in some business projects where the risk of modern slavery could potentially have been high and took appropriate remediation measures as deemed necessary.

About NYK Group

Overview

The 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 59 countries and has over 35,000 staff working worldwide.

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

In the UK, NYK Group Europe Limited (“NGE”) acts as the Regional Management Office (“RMO”) in Europe.

Supply Chain

Our business relies on diverse partners and suppliers, including fuel companies, shipowners, ship-management companies, ship-recycling companies, and agents.



Our Commitment to Human Rights

Policies

We recognize our responsibility to respect human rights and have embedded it in [NYK Group's Business Credo](#)¹ and our [Code of Conduct](#)². We are committed to ensuring that the rights of all people affected by our business are respected.

[NYK Group Human Rights Policy](#)³, in line with the UN Guiding Principles on Business and Human Rights, sets out our principles for respecting human rights. It applies to all NYK Group executives and employees, and we encourage our suppliers, contractors, agents, and other parties involved in our business and supply chain to comply with this policy.

As a global shipping company, NYKK fully commits to the Maritime Labour Convention 2006 ("MLC") in which the elimination of all forms of forced or compulsory labor is set out as one of the seafarers' fundamental rights. We also actively work with the UN Global Compact in its initiatives to promote more sustainable and people-centred maritime shipping.

To ensure that all those involved in our supply chains comply with our ethical standards, NYKK has established the [CSR Guidelines for Partners and Suppliers](#)⁴. Beyond compliance with all applicable laws and regulations, the CSR Guidelines detail our expectations of business partners and suppliers to meet NYKK's standards in areas including fair employment practices, health and safety, and human rights. Any form of forced labor and human trafficking is expressly prohibited. The NYK Group asks all business partners and suppliers not only to comply with the Guidelines themselves but also to require an equivalent standard from their suppliers.

Governance

NYKK continuously works to strengthen its governance framework for human rights across the NYK Group. Groupwide policies on ESG management, including human rights, are discussed at the ESG Strategy Committee (the "Committee"), whose members include executive officers representing each regional headquarters and external advisors. The Committee meets every two months and provides advice and recommendations on ESG matters to the Management Meeting and the Board of Directors.

As human rights cover a wide range of issue areas, the responsibility of managing each area is assigned to respective functions, including human resources and procurement. The ESG Management Group supervises group-wide initiatives and works with relevant functions to effectively advance our efforts.

We regularly receive expert advice from Caux Round Table Japan ("CRT Japan") to strengthen our efforts to promote human rights in line with the UN Guiding Principles.

¹ [NYK Group's Business Credo](#)

² [Code of Conduct](#)

³ [NYK Group Human Rights Policy | NYK Line](#)

⁴ [CSR Guidelines for Partners and Suppliers](#)

Human Rights Due Diligence

The NYK Group understands that corporate activities, including the supply chain, could have a direct or indirect adverse impact on human rights. NYKK continually exercises human rights due diligence across the NYK Group in the following procedures: identify and assess the Group's activities that have or may have an adverse impact on human rights, seek to grasp the Group's human rights issues to prevent and mitigate the risk of adverse impact and implement appropriate remedial measures, verify the effectiveness by follow-up monitoring, and disclose the process and the results for review. Rights-holder-oriented collaboration, continuous learning, and improvement through human rights due diligence are the heart of our approach. More information on our human rights initiatives can be found [here](#).⁵

Assessing Human Rights Risks and Impacts

In FY2022, we first identified and assessed adverse human rights impacts using external knowledge and data, including Verisk Maplecroft's data, and analyzed "who could potentially be subject to different types of human rights violations in our business projects" through management-level internal workshops facilitated by CRT Japan. In the analysis, we examined our business projects and supply chains and identified high-risk projects and issue areas. Respective group companies or suppliers who manage the rights holders in question gave us on-the-ground understanding and cooperation.

In FY2023, we conducted human rights impact assessments on three of the five business projects with human rights themes that we had identified, specifically, oceangoing shipping, automotive logistics, and ship recycling, in countries where the Group was assumed to have a major impact. A third party, CRT Japan, carried out interviews and questionnaires. Considering both our understanding of actual or potential human rights violations and an assessment of the severity of the adverse human rights impacts (scale, scope, and irremediability), we identified salient human rights issues, including modern slavery.

Taking Action

Based on the results of the impact assessments, NYKK asked the group companies and suppliers that directly manage the rights holders to address the identified salient human rights issues and appropriately follow up on their progress.

The table below shows identified salient issues and remediation measures:

Business	Rights Holders		Future Initiatives Under Consideration/ Initiatives Implemented or in Progress
	(Company implementing measures)	Salient Human Rights Issues	

⁵ [Human Rights Initiatives](#)

Oceangoing shipping	Seafarers (NYK-Fil Ship Management, Inc.)	Discrimination in the workplace	[Scheduled] NYK-Fil will explain to seafarers that the difference in treatment in terms of pay for different nationalities is not due to “nationality-based discrimination,” but rather due to the living standard in the seafarers’ native countries for supporting their families (i.e., living wages). In terms of meals, NYK-Fil will also clarify that the budget per person is the same for all, regardless of nationality.
		Occupational health and safety	[Scheduled] NYK-Fil will continue the “Healthcare Program” to create a working environment and culture where seafarers can report their injury or illness to the company without fear of missing out on boarding opportunities.
		Access to remedy	[Scheduled] Confidentiality of information should be maintained in “Assist Me,” NYKSM’s grievance mechanism for seafarers, so that informers’ personal information and grievances are kept confidential. As the operator of “Assist Me,” NYKSM will reconfirm with NYK-Fil how information is being managed and discuss improvements.
		Others	[Scheduled] NYK-Fil will consider how to continually respond to seafarers’ requests regarding benefits and also continue to raise awareness about lesser-known schemes.
Automotive logistics	Workers (NYK India Private Limited)	Decent wages	NYK India has provided explanations of salary rules, including the pay raise system, to all workers employed through the supplier partners.
		Modern slavery	NYK India demanded supplier partners execute appointment letters with each worker employed through the supplier partners, as required by Indian law, and pay slips in a language each worker can understand.
		Access to remedy	To enhance the effectiveness and transparency of “Samvaad,” a place to engage with workers and also used as a grievance mechanism for workers, NYK India delineated the flow of the grievance mechanism.
Ship recycling	Workers (PHP Ship Breaking & Recycling Industries Limited)	Modern slavery	PHP has enriched the content of existing statutory appointment letters so that workers engaging in ship recycling can properly understand workers’ risks and rights before starting the duties. With all workers, PHP has decided to sign employment contracts that indicate workers’ risks and rights.
		Occupational health and safety, employability, access to remedy	PHP established the workers’ education center “Sromik Shikkha Kendro,” outsourcing its operation and management to a local NGO, and began providing literacy education for workers.



Occupational health and safety	PHP began offering workers more comfortable uniforms and protective equipment. PHP also installed a water cooler in the yard facility and provides rest areas with benches and parasols, in addition to resting rooms with bedding, in the workshop.
Others	PHP applied heat-resistant paint on the dormitory roof to make the dormitory cooler for better comfort. The company is also installing a turbine ventilation fan on the roof for better indoor ventilation. In addition, PHP planted about 40 trees in front of the employee dormitory as a cover from direct sunlight. PHP has started constructing a new dormitory with bathrooms and air conditioning for supervisors, site supervisors, and other mid-level workers. PHP is discussing the possibility of providing housing for workers with families.

Training and Raising Awareness

To ensure the NYK Group's directors, officers, and employees have a good understanding of human rights issues, including the risks of modern slavery and human trafficking, in our business and supply chains, we integrate human rights in a number of training and e-learning programs. These programs enable our staff to understand the core principles of human rights, the NYK Group's related policies and programs, and, most importantly, how they can play their part in identifying and reporting possible signs of modern slavery. In FY2023, a total of 8,131 NYK Group employees participated in our e-learning program. This represents a participation rate of 95%.

Moreover, we share the lessons learned from our human rights due diligence process within our group and with our business partners and suppliers. We strongly believe that sharing these experiences will contribute to better understanding and provide a solid foundation to promote respect for human rights in our business and supply chain.

Stakeholder Engagement

Since 2012, we have been participating in the Stakeholder Engagement Program (Human Rights Due Diligence Workshop) organized by CRT Japan. Discussion on a wide range of human rights issues with participating companies, experts, and representatives of NGOs/NPOs, as well as other organizations, helps to deepen our understanding. This workshop also gives us an opportunity to work with other logistics companies to identify sector-specific human rights issues.

Monitoring

The table below shows our 2022 agenda published in the previous statement and the progress made on those action points during the year.

2022 Agenda	Progress
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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	We conducted human rights impact assessments on three of the five business projects with human rights themes that we had identified, specifically, oceangoing shipping, automotive logistics, and ship recycling. We asked the Group companies and suppliers that directly manage the rights holders to address the identified salient human rights issues, including modern slavery, and follow up on their progress. The process and progress were disclosed on our website.
Further strengthening 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	We continued discussion on the integration.
Enhancing internal communication channels in respect of human rights issues	Internal communication between relevant departments and group companies has been enhanced through the human rights due diligence process.
Enhancing human rights due diligence procedures	We conducted human rights due diligence, including human rights impact assessments, and learned a lot of practical lessons.
Establishing a grievance mechanism and remediation mechanism specifically aimed at human rights	We worked with the group companies, where human rights impact assessments were carried out, to enhance the effectiveness of their grievance mechanism in line with the UN Guiding Principles.
Enhancing awareness within the NYK Group in respect of human rights issues	We shared the lessons learned from our human rights initiatives in the Group.
Developing a set of model clauses addressing modern slavery and human rights issues for use in new vendor contracts	We continue to work to develop the model clauses.
Further promoting transparency of the ship-recycling process through NYKK's participation in the Ship Recycling Transparency Initiative	We continue to work on it.

Looking Ahead

NYKK will actively take steps towards ensuring that modern slavery and human trafficking have no place in the company's businesses and supply chains by advancing our human rights initiatives.

In 2024, we will continue to integrate human rights into our business practices while exploring a possibility to establish a reliable communication channel for rights holders. Specifically, we will do the following:

- Continue to conduct human rights due diligence in the five business projects identified in 2022;
- Work on implementing an effective grievance mechanism;
- Promote collaboration; and
- Work on revising CSR Guidelines for Partners and Suppliers.

Executive Board Approval

This Statement constitutes our Modern Slavery Statement for the financial year ended March 31, 2024. NYKK 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 was adopted by the executive board of Nippon Yusen Kabushiki Kaisha on July 25, 2024.

July 2024:



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