

# 04 Sustainability Compliance

The NSK Group positions compliance as one of its core values. We aim to continue developing as a company that is trusted by international society and local communities by adhering to the laws and regulations of each country in our corporate activities around the world, and by taking actions based on high ethical standards as a corporate citizen.

## Initiatives to Reduce Compliance Risks in Each Division

With the aim of reducing compliance risks in each division, the NSK Group conducts compliance training by department.

In sales departments, we have been conducting training on the themes of competition laws and keeping the cartel incident fresh in our memories since FY2012. In FY2022, training was held on the themes of the Antimonopoly Act and mismanagement of expenses. Looking back on the response to the cartel incident, we continued to implement the storytelling activities that began in FY2020 to pass on the facts and lessons learned. Employees from all sales divisions in Japan attended the course.

In production departments, training is conducted on the theme of preventing quality fraud such as data falsification. In FY2022, we conducted operator-level employee training at three production sites in Japan, and all employees attended the course.

In engineering departments, we conducted training on the themes of fostering engineering ethics and preventing quality fraud such as data falsification. In FY2022, employees from all technical departments in Japan attended the course.

## Compliance Hotline (Whistleblowing System)

The NSK Group has made explicit in its internal rules that employees who learn of acts that violate or might violate the NSK Code of Corporate Ethics or compliance are to contact the compliance hotline made available in their regions and countries. The Group makes sure that employees are well informed about these hotlines. In some countries and regions, the hotline is available to suppliers, as well.

In Japan, we established hotline operational rules to ensure that the functioning of our system is in full compliance with Japan's Whistleblower Protection Act. We have also set up internal and external hotlines, which accept reports 24 hours a day. The system allows hotline users to remain anonymous, and rules are established to ensure they are protected from disadvantageous repercussions. Reported incidents are investigated by the Legal and Compliance Division Headquarters in Japan and by the local legal department outside Japan with the help of relevant departments as needed. If a compliance violation becomes apparent, corrective actions and recurrence prevention measures are quickly taken where needed.

We are working to ensure that employees are well informed about the compliance hotline. This is done by putting up posters about the compliance hotline and distributing

business card-sized cards containing the hotline contact information. By disclosing the number of reports and the status of measures taken in response to reported incidents through internal corporate communication tools, we are working to create a corporate culture that allows employees to use the system with peace of mind.

In FY2022, 143 reports were received globally.

## Preventing Bribery

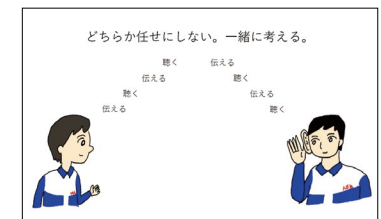
The NSK Group's Anti-Bribery Standards prohibit officers and employees not only from engaging in bribery but also from giving or receiving entertainment or gifts that deviate from publicly accepted norms. In principle, the provision of entertainment or gifts to any officer or employee of a public institution is prohibited. Based on the Anti-Bribery Standards, localized internal regulations have been established for Group companies worldwide, based on relevant anti-bribery laws. These are communicated through periodic training to prevent bribery.

## NSK Corporate Philosophy Day

To revisit the lessons learned from past incidents, reconfirm the resolve of all NSK Group employees that no anticompetitive incident will ever occur again, and ensure that all employees review the Corporate Philosophy and make it their own code of conduct, July 26, the date of our on-site inspection by the Japan Fair Trade Commission, has been designated as "NSK Corporate Philosophy Day."

In FY2022, employees at our domestic and overseas bases watched videos titled "Message from the President," "Understanding Our Corporate Philosophy," and "A Look Back at the Cartel Incident." Thereafter, in Japan, a presentation in animated form was given on the importance of each individual communicating and listening to their thoughts and feelings in order to act in accordance with the Corporate Philosophy. Taking advantage of NSK Corporate Philosophy Day, group discussions were held at each workplace on the themes of "things that bother me" and "things I want to change," as an initiative to share their own thoughts.

Overseas, after a message from the management of local bases, each site held its own events that included lectures by outside experts and discussions on compliance.



Animation for NSK Corporate Philosophy Day

Please see our website for more information. ▶

