

# Compliance

Please see our website for more information. ▶



## NSK's Approach

The NSK Group has positioned compliance as one of its core values. For NSK, compliance goes beyond adherence to laws and regulations. It also entails acting in accordance with internal rules, social norms, and the Corporate Philosophy in a sincere and fair manner. Moreover, compliance means earning the trust of society and contributing to the development of the economy and society in Japan and around the world.

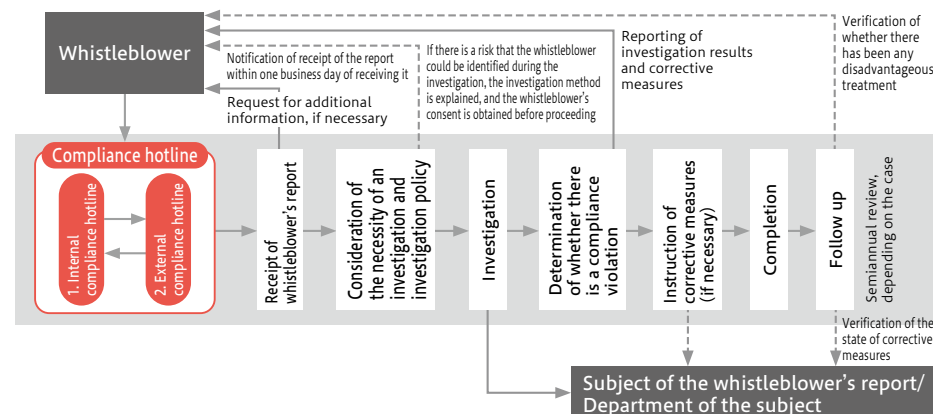
## Compliance Hotline (Whistleblowing System)

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.

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.

In FY2023, 131 reports were received globally.

### Compliance Hotline (Whistleblowing System) Diagram



## Improvement of Compliance Awareness

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

In sales departments, since FY2012, we have been holding training sessions on the competition law and preventing the fading of awareness toward the cartel incident. In FY2023, this training focused on the Antimonopoly Act and the importance of accurate recordkeeping in corporate activities. We continued our storytelling initiatives, which were launched in FY2020, to reflect on and convey the facts and lessons learned from the cartel incident. All employees in domestic sales departments participated in this training.

In production departments, training focuses on the prevention of data falsification and other quality-related fraud, as well as harassment. In FY2023, this training was held at nine production sites in Japan.

In engineering departments, we conducted training on the themes of fostering engineering ethics and preventing quality fraud such as data falsification. In FY2023, employees from all technical departments in Japan attended the course.

In addition to department-specific training, we provide annual compliance e-learning to all employees with a corporate e-mail address.

As a result of these training and awareness-raising activities, the percentage of favorable responses to compliance-related questions in engagement surveys improved from 59% in FY2019 to 72% in FY2023. ▶ P.75 Non-Financial Highlights

## 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 FY2023, a message from the president was delivered to locations in Japan and other countries, and employees watched a video about the cartel incident and an explanation of NSK's Corporate Philosophy. In Japan, initiatives were introduced to foster a workplace culture that embodies “Beyond Limits, Beyond Today,” our action guidelines for realizing the Corporate Philosophy.

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.