

# NSK ESG DATABOOK



# **Environmental Management**

### NSK Report 2022 P. 41 Environmental Management

Websites

Sustainability Information ► NSK ESG Initiatives ► Environment ► Executive Summary on the Environment Sustainability Information 
NSK ESG Initiatives 
Environment 
Environmental Management Sustainability Information 
Information Disclosure Based on TCFD Recommendations

	Category		Scope of coverage		FY2017	FY2018	FY2019	FY2020	FY2021
Environmental	Number of ISO14001 certified sit	es	NSK	Sites	67	66	68	68	68
management system	Coverage*1		Group	%	95% or more	95% or more	95% or more	95% or more	95% or more
Compliance with environmental laws	Number of serious violations of environm	nental regulations	NSK Group	Incidents	0	0	0	0	0
Environmental accidents	Number of serious incidents of environm	ental pollution	NSK Group	Incidents	0	0	0	0	0
	Number of environmental education	Number of sessions		Sessions	583	463	393	3         68           95% or more           95% or more           90         0           0         0           0         0           3         388           57,173*2           3         97           3         1,270           5         230           7         1,3172           3         32           7         1,179           2         2,961           3         1,794           4         1,877           0         1,020           4         588           7         0           2         2,961           3         1,794           4         553           1,020         4           5         1,2214           3,309         594           2         1,301           1,414         2,48           553         8,037           49         17           9         899         21	366
	and training sessions and number of participants (total)	Number of participants		Persons	10,236	17,776	17,444		27,313
	Compliance with environmental	Number of sessions		Sessions	175	125	108		
	laws and regulations, reduction of environmental risks	Number of participants				2,398	1,653		1,507
Environmental education and			Group		· · · · · · · · · · · · · · · · · · ·	2,000	226	· · · · · · · · · · · · · · · · · · ·	241
training	awareness	Number of participants	in Japan			14,326	14,807		23,805
U U	Acquisition of environmental	Number of sessions				34	36		20,000
	qualifications	Number of participants				131	147		142
Environmentally procurement Environmental con Business area c Pollution pre Global enviro	Environmentally friendly design, green					30	23		22
		Number of participants		Persons	1,333	921	837		1,859
	Environmental conservation cost: investr	nent		Millions of yen	3,730	3,899	3,522	2,961	2,443
	Business area costs			Millions of yen	2,185	2,191	2,328	1,794	1,315
	Pollution prevention costs			Millions of yen	476	292	164	187	341
	Global environment conservation of	osts		Millions of yen	1,283	1,320	1,450	1,020	793
	Resource circulation costs			Millions of yen	426	578	714	588	181
	Upstream and downstream costs			Millions of yen	0	0	7	0	0
	Administration costs			Millions of yen	17	6	2	4	14
	Research and development costs			Millions of yen	1,528	1,696	1,180	1,157	1,098
	Social activity costs			Millions of yen	0	0	0	0	0
	Environmental remediation costs			Millions of yen	0	5	5	5	16
	Environmental conservation cost: cost			Millions of yen	15,092	15,087	13,515	12,214	12,459
Environmental	Business area costs		Group	Millions of yen	2,767	2,820	2,924	3,309	3,288
accounting*3	Pollution prevention costs		in Japan	Millions of yen	574	573	533	594	654
	Global environment conservation of	osts		Millions of yen	1,180	1,330	1,432	1,301	1,242
	Resource circulation costs		Sessions         583           ipants         Persons         10,236           ons         Sessions         175           ipants         Persons         2,402           ons         in Japan         Sessions         315           ipants         Persons         6,242           ons         Sessions         315           ipants         Persons         6,242           ons         Sessions         421           ipants         Persons         2,59           ons         3,730         Millions of yen         3,730           Millions of yen         2,185         Millions of yen         426           Millions of yen         1,283         Millions of yen         1,528           Millions of yen         1,528         Millions of yen         0           Millions of yen         0         Millions of yen         0           Millions of yen         1,180         Millions of yen         1,180           Millions of yen         1,012         Millions of yen         1,012           Millions of yen         1,012         Millions of yen         1,179           Millions of yen         1,179         Millions of yen         1,180 </td <td>917</td> <td>960</td> <td>1,414</td> <td>1,392</td>	917	960	1,414	1,392		
	Upstream and downstream costs			Millions of yen	524	398	255	248	285
	Administration costs			Millions of yen		564	603		561
	Research and development costs			Millions of yen	· · · · · · · · · · · · · · · · · · ·	11,167	9,669		8,252
	Social activity costs			· · · · · · · · · · · · · · · · · · ·		120	45		47
	Environmental remediation costs					18	17		27
	Economic benefits associated with environm			íí		2,288	1,579		3,643
	Reductions in energy costs through energ					549	607		1,156
	Reductions in waste disposal costs throug	h waste reduction activities				25	25		19
	Sales of recyclable waste material			Millions of yen	1,421	1,714	948	927	2,468

\*1 Percentage of environmental impact for ISO 14001 certified sites compared to the total environmental impact of the entire NSK Group, including greenhouse gas and waste emissions.

\*2 The number of participants increased thanks to the provision of e-learning modules for raising employee awareness. \*3 Environmental costs and expenses are determined in accord with the Environmental Accounting Guidelines 2005 issued by the Ministry of the Environment in Japan.

Depreciation is entered as a cost using the 5-year straight-line depreciation method. Compound costs are divided in proportion to the relevant environmental objective. Costs incurred through green procurement are entered as full amounts and not as differential amounts.

## **Material and Energy Balance**

	NPUT	Suppliers		OUTPUT				
E	inergy	Components/ raw materials	Deduction of	Atmosphe	ric gases			
Energy	7,524 TJ (6,845 TJ)	raw materials	Reduction of environmental	Greenhouse gases (CO <sub>2</sub> equivalent) <sup>3</sup>				
пегду	7,324 IJ(0,643 IJ)	Minimization of	impact	Fuel/gas combustion (Scope 1)*2				
Fuel and gas	2,229 TJ (2,079 TJ)	the environmental impact from business NSK		Electric power/heat use (Scope 2)*2				
Electricity and he	at <sup>*1</sup> 5,295 TJ (4,767 TJ)	business activities		(Reference) Indirect emissions (Scope 3)*2	, .			
,				NOx	113tons	(106 tons)		
Materia	als and parts	Developmer	it	SOx	33 tons	(39 tons)		
Steel	655 × 103 tons (562× 103 tons)			Was	te			
		Design		Total waste	203 × 103 tons	(182× 103 tons)		
Dils and greases	5 21×10 <sup>3</sup> tons (19×10 <sup>3</sup> tons)			Recycled*3	$185 \times 10^3$ tons	(167× 10 <sup>3</sup> tons)		
Wat	er supply	Procuremen	it i	Landfill waste	$2.4 \times 10^3$ tons	(2.1 × 10 <sup>3</sup> tons)		
Water	4,169 × 10 <sup>3</sup> m <sup>3</sup> (3,977 × 10 <sup>3</sup> m <sup>3</sup> )	Manufacturi	ng	Incinerated waste*4 and water treatment	$15 \times 10^3$ tons	(13× 10 <sup>3</sup> tons)		
				Water qı	lantity			
Groundwater	$1,826 \times 10^3 \text{ m}^3$ (1,659×10 <sup>3</sup> m <sup>3</sup> )	Distribution	1	Discharged water	2,757 × 103 m3	(2,519 × 103 m3)		
General water	$1,978 \times 10^3 \text{ m}^3$ (1,922 × 10 <sup>3</sup> m <sup>3</sup> )			Rivers	$646 \times 10^3 \text{ m}^3$	(575×10 <sup>3</sup> m <sup>3</sup> )		
		Products/	Reduction of	Sewage system	$2,110 \times 10^3 \text{ m}^3$	(1,944 × 10 <sup>3</sup> m <sup>3</sup> )		
Industrial water	$357 \times 10^3 \text{ m}^3$ (396×10 <sup>3</sup> m <sup>3</sup> )	Maximization of Services	environmental	BOD	1.5 tons	(1.2 tons)		
Materia	als and parts	the environmental contribution through	impact	Environmentally ha	rmful substa	nces		
(Environmenta	lly harmful substances)			Discharge/transfer of PRTR-designated sub	stances (Japan) 86 t	ons (73tons)		
	tances (Japan) 326 tons (316 tons)	customer	,	VOC	165 t	ONS (141tons)		

\*1 Energy usage accounted for by purchased electricity is the total amount of the NSK Group's electricity usage.

\*2 Total greenhouse gas emissions (CO<sub>2</sub> equivalent) are obtained by multiplying each type of gas by its global warming coefficient. Emission factors for electricity are variable market standards. These emission factors, which change every year, are published by power companies with which we have contracts, or are given in the International Energy Agency's CO<sub>2</sub> Emissions from Fuel Combustion. The amount of greenhouse gas emissions for Scope 1 to 3 are calculated based on GHG Protocol calculation standards. \*3 Including incinerated with heat recovery.

\*4 Excluding incinerated with heat recovery

## Creating Environmentally Friendly Products

#### NSK Report 2022 Pp.34-35 MTP2026 ESG Management-Promote Carbon Neutrality-

#### Websites Sustainability Information > Environmentally Friendly Products

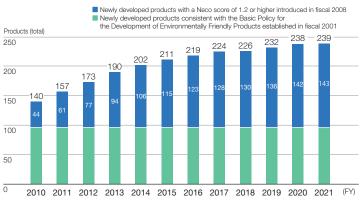
Category		Scope of coverage	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Environmentally friendly products*1	Number of products developed (cumulative)	NSK Group	Products	224	226	232	238	239
Due du ete thest heste	CO2 emissions avoided (total)	NSK Group	× 10 <sup>3</sup> t-CO <sub>2</sub>	1,249	1,361	1,448	2,320	2,335
Products that help reduce CO <sub>2</sub> emissions	Direct contributions*2		× 10 <sup>3</sup> t-CO <sub>2</sub>	614	831	746	1,281	1,605
	Indirect contributions*3		× 10 <sup>3</sup> t-CO <sub>2</sub>	634	530	702	1,039	730

\*1 Total of environmentally friendly products with a Neco score of 1.2 or higher. Includes 96 products developed in or before fiscal 2007 that were consistent with the Basic Policy for the Development of Environmentally Friendly Products.

\*2 Direct contributions to CO2 emission reduction through individual NSK product performance

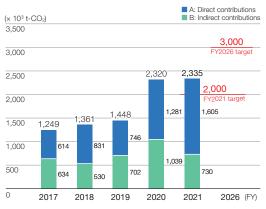
\*3 Indirect contributions through CO2 emissions avoided by installing NSK products into customer equipment and facilities

### Number of Environmentally Friendly Products Developed



In fiscal 2021, we developed one environmentally friendly products with a Neco score of 1.2 higher, bringing the total up to 239 products.

#### CO<sub>2</sub> Emissions Avoided through Products



As a result of increased sales of products that contribute to reducing energy loss in multi-step ATs, we were able to avoid 2.33 million tons of CO2 emissions in fiscal 2021, surpassing our target.

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# **Fighting Global Warming and Climate Change**

NSK Report 2022 Pp. 48-49 Climate Change-related Risks and Opportunities: Addressing the TCFD Recommendations

Websites

Sustainability Information 
Sustainability Highlights 
Environment Sustainability Information NK ESG Initiatives Environment Fighting Global Warming and Climate Change

Sustainability Information 
Information Disclosure Based on TCFD Recommendations

	Category	Scope of coverage	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
	Total energy usage		ТJ	7,864	7,965	7,330	6,845	7,524* <sup>1</sup>
	Fuel and gas		TJ	2,425	2,456	2,295	2,079	2,229*1
	Electricity and heat*2	•	TJ	5,439	5,509	5,035	4,767	5,295*1
Energy	(Reference) Electricity and heat primary energy conversion	NSK Group	TJ	14,747	14,815	13,577	12,860	14,334
	Renewable energy use	4 1 1 1	TJ	19	65	163	456	626
	Rate of renewable energy use*3		%	0.2	0.8	2.2	6.7	8.3
	Rate of change in energy usage per unit of sales* <sup>4</sup>		%	0 (base year)	+4.2	+14.4	+18.8	+12.8
	GHG emissions (Total for Scope 1 and Scope 2)	1 1 1 1 1 1 1 1	× 103 t-CO2e	1,019	998	839	701	764* <sup>1</sup>
	Scope 1	1	× 10 <sup>3</sup> t-CO <sub>2</sub> e	143	142	132	120	127* <sup>1</sup>
	Scope 2	NSK Group	$\times$ 10 <sup>3</sup> t-CO <sub>2</sub> e	876	856	708	581	636*1
	Rate of change in emissions	-	%	0 (base year)	-2.0	-17.6	-31.2	-25.0
	Rate of change in emissions per unit of sales*5		%	0 (base year)	+0.8 <sup>*6</sup>	+1.2*6	-6.1	-11.6
	CO <sub>2</sub> emissions from distribution		$\times$ 10 <sup>3</sup> t-CO <sub>2</sub>	23.4	22.5	19.9	18.5	19.8
	Rate of change in $CO_2$ emissions from distribution by transport volume* <sup>7</sup>	*8	%	0 (base year)	+1.4	+0.6	+6.1	+5.1
	(Reference) Scope 3		× 103 t-CO2e	2,039	2,705	2,194	1,928	2,199* <sup>1</sup>
	1. Purchased goods and services		× 10 <sup>3</sup> t-CO <sub>2</sub> e	1,397	1,985	1,629	1,452	1,643*1
	2. Capital goods		× 103 t-CO2e	220	259	177	119	167* <sup>1</sup>
Greenheuree	3. Fuel- and energy-related activities (Not included in Scope1 and 2)		× 10 <sup>3</sup> t-CO <sub>2</sub> e	216	215	198	179	190* <sup>1</sup>
Greenhouse gas	4. Upstream transportation and distribution		× 103 t-CO2e	101	143	118	113	133* <sup>1</sup>
	5. Waste generated in operations		× 103 t-CO2e	54	44	19	15	19* <sup>1</sup>
	6. Business travel		× 10 <sup>3</sup> t-CO <sub>2</sub> e	5	5	4	4	4* <sup>1</sup>
	7. Employee commuting		× 10 <sup>3</sup> t-CO <sub>2</sub> e	17	17	16	15	16* <sup>1</sup>
	8. Upstream leased assets	NSK Group	$\times$ 10 <sup>3</sup> t-CO <sub>2</sub> e	0	0	0	0	0* <sup>1</sup>
	9. Downstream transportation and distribution		× 10 <sup>3</sup> t-CO <sub>2</sub> e	-	-	-	-	_
	10. Processing of sold products		× 10 <sup>3</sup> t-CO <sub>2</sub> e	_	_	_	_	-
	11. Use of sold products		× 10 <sup>3</sup> t-CO <sub>2</sub> e	_	-	-	-	_
	12. End-of-life treatment of sold products		× 10 <sup>3</sup> t-CO <sub>2</sub> e	14	12	9	9	9* <sup>1</sup>
	13. Downstream leased assets		× 10 <sup>3</sup> t-CO <sub>2</sub> e	0	1	1	1	1* <sup>1</sup>
	14. Franchises		× 10 <sup>3</sup> t-CO <sub>2</sub> e	0	0	0	0	0* <sup>1</sup>
	15. Investments		× 10 <sup>3</sup> t-CO <sub>2</sub> e	15	24	23	21	17* <sup>1</sup>
	16. Upstream other		× 10 <sup>3</sup> t-CO <sub>2</sub> e	_		_	_	-
	17. Downstream other		× 10 <sup>3</sup> t-CO <sub>2</sub> e	-	_	-	-	_

\*1 Verified by a third-party. See the Independent Verification Report on pp.15-16 for details.

\*2 The previously used "amount of primary energy from electric power companies" has been changed to the "amount of energy used by NSK Group sites."

\*3 Rate of renewable energy use = Energy use from renewable sources / energy use \*4 Energy usage per unit of sales = Energy usage / net sales \*5 Emissions per unit of sales = Greenhouse gas emissions / net sales

\*6 The data has been updated retrospectively.

\*7 CO<sub>2</sub> emissions from distribution by transport volume = CO<sub>2</sub> emissions from distribution / transport volume (tons)

\*8 NSK Logistics Co., Ltd., and main distribution contractors (within Scope 3, Category 4, only for transport in Japan)



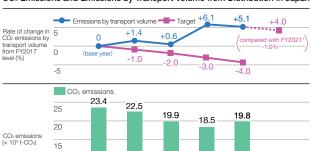
#### Energy Usage



We are promoting the development of technologies such as high-frequency induction heat treatment of bearing components, working to switch to electricity from fuel and gas, and striving to expand our use of green electricity.



Efforts such as increasing our use of renewable energy sources led to a 25.0% decrease in greenhouse gas emissions in fiscal 2021 compared to fiscal 2017. Although GHG emissions increased compared to fiscal 2020 due to the recovery of production volume, emissions per unit of sales improved.



CO2 Emissions and Emissions by Transport Volume from Distribution in Japan

Note: We updated our target for emissions by transport volume to a 1% decrease compared to the previous fiscal year.

2019

2020

2021

2022 (FY)

2018

10 5 0

2017

Although  $CO_2$  emissions increased compared to fiscal 2020 due to the recovery of production volume,  $CO_2$  emissions by transport volume improved due to increased logistic efficiency.

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# **Resource Conservation and Recycling Measures**

NSK Report 2022 P.41 Foundation Supporting Sustainability Environmental Management

Websites

Sustainability Information NSK ESG Initiatives Environment Resource Conservation and Recycling Measures

	Category	Scope of coverage	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
	Steel consumption	NSK Group	× 10 <sup>3</sup> t	756	758	618	562	655
Materials and	Oils and greases	(procurement volume from main suppliers)		21	21	20	19	21
parts	Recycled plastic raw material use for distribution (plastic containers, i.e. returnable containers)	NSK Logistics Co., Ltd., and main distribution contractors	t	210	283	148	144	156
	Total water withdrawal		× 10 <sup>3</sup> m <sup>3</sup>	4,713	4,700	4,308	3,977	4,169* <sup>1</sup>
	Groundwater		× 10 <sup>3</sup> m <sup>3</sup>	1,869	2,011	1,789	1,659	1,826*1
	General water	NSK Group	$\times 10^3 \text{ m}^3$	2,325	2,194	2,028	1,922	1,978*1
Water	Industrial water Rainwater and reused water		× 10 <sup>3</sup> m <sup>3</sup> × 10 <sup>3</sup> m <sup>3</sup>	519	495	490	396	
consumption	Water withdrawal in water-stressed regions (breakdown)*2		× 10 <sup>3</sup> m <sup>3</sup>	159	83	19	13	17
	Total water withdrawal	NSK Group	× 10 <sup>3</sup> m <sup>3</sup>	4,557	4,566	4,196	3,892	4,087
	Rate of change in water withdrawal per unit of sales*3	(production sites)	%	0 (base year)	+3.1	+13.0	+16.6	+5.8
	Total waste and valuables		× 10 <sup>3</sup> t	225.5	230.1	201.8	181.9	203.1* <sup>1</sup>
	Reused/recycled (excluding heat recovery)		× 10 <sup>3</sup> t	192.2	195.0	171.8	156.3	174.7* <sup>1</sup>
	Total waste disposed (including heat recovery)		× 10 <sup>3</sup> t	33.3	35.1	30.0	25.6	28.4*1
Waste and valuables	Landfilled	NSK Group*4	× 10 <sup>3</sup> t	3.3	3.6	2.9	2.1	2.4
	Incinerated with heat recovery		× 10 <sup>3</sup> t	13.3	13.2	11.8	10.3	10.7
	Incinerated without heat recovery		× 10 <sup>3</sup> t	5.0	5.5	4.0	3.3	3.9
	Other disposal (water treatment, etc.)		× 10 <sup>3</sup> t	11.7	12.8	11.3	9.9	11.4
	Total hazardous waste		× 10 <sup>3</sup> t	18.6	18.9	17.0	16.3	18.0
	Reused/recycled (excluding heat recovery)		× 10 <sup>3</sup> t	6.2	6.8	5.5	6.4	7.2
	Total waste disposed (including heat recovery)	-	× 10 <sup>3</sup> t	12.4	12.1	11.5	9.9	10.8
Hazardous waste	Landfilled	NSK Group	× 10 <sup>3</sup> t	1.2	1.5	1.1	0.5	0.8
	Incinerated with heat recovery		× 10 <sup>3</sup> t	4.6	4.3	3.7	3.1	3.1
	Incinerated without heat recovery		× 10 <sup>3</sup> t	2.2	1.9	1.9	2.6	3.1
	Other disposal (water treatment, etc.)		× 10 <sup>3</sup> t	4.4	4.4	4.8	3.7	3.8
	Total waste and valuables		× 10 <sup>3</sup> t	223.5	227.8	200.2	180.6	202.0* <sup>1</sup>
	Valuables		× 10 <sup>3</sup> t	156.8	159.4	137.3	125.9	140.0* <sup>1</sup>
	Waste	NSK Group (production	× 10 <sup>3</sup> t	66.8	68.5	62.9	54.7	62.0*1
	Landfill disposal volume	sites)	× 10 <sup>3</sup> t	3.01	3.35	2.62	1.90	2.25
Waste and valuables	Rate of change in industrial waste per unit of sales*5		%	0 (base year)	+5.6	+15.8	+11.8	+9.5
	Recycling rate*6 for waste		%	98.6	98.4	98.6	98.9	98.8* <sup>1</sup>
	Amount of packaging waste (distribution)	NSK Logistics Co., Ltd.,	t	174	193	211	169	190
	Rate of change in packaging waste per production unit (distribution)*7	and main distribution contractors	%	0 (base year)	10.8	39.8	28.1	45.3

\*1 Verified by a third-party. See the Independent Verification Report on pp.15-16 for details.

\*2 Refers to water withdrawal at three plants in India that are determined to be located in high water-risk areas based on assessments by WWF Water Risk Filter and WRI Aqueduct. Based on local assessments, NSK has determined that current risk is low.

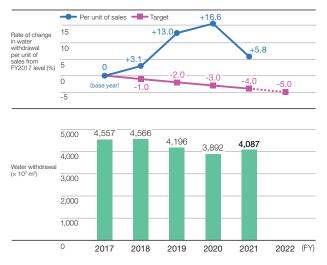
\*3 Water withdrawal per unit of sales (production sites) = Water withdrawal / net sales

\*4 Figures for fiscal 2017 are for production sales only \*5 Industrial waste per unit of sales (production sites) = Waste amount / net sales \*6 Recycling rate (production sites) = Recycled amount / (Total waste amount - reduction amount) × 100

\*7 Packaging waste per production unit (distribution) = Amount of packaging material waste / production volume

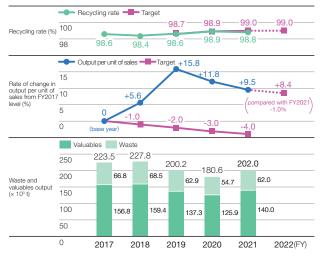


Water Withdrawal per Unit of Sales (Production Sites)



We are working to effectively use water by improving management, promoting recycling, and taking other measures. Water withdrawal in fiscal 2021 increased by 195,000 m<sup>3</sup> compared to the previous fiscal year. Water withdrawal per unit also increased by 5.8% compared to fiscal 2017 due to the sales decrease caused by the COVID-19 pandemic.

Industrial Waste and Valuables Output, Output per Unit of Sales, and Recycling Rate (Production Sites)



Note: We updated our target for output per unit of sales to a 1% decrease compared to the previous fiscal year.

The recycling rate for fiscal 2021 was 98.8%, just below the target of 99.0%. However, the output per unit of sales has been steadily improving since fiscal 2019 as a result of our 3R initiatives.

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# Reducing Use of Environmentally Harmful Substances

Ø Websites

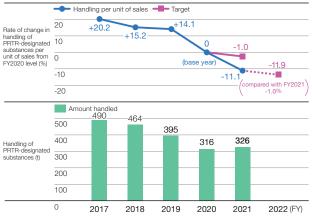
Sustainability Information ► NSK ESG Initiatives ► Environment ► Reducing Use of Environmentally Harmful Substances

	Category	Scope of coverage	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Green procurement	Rate of supplier consent to NSK Group Green Procurement Standards obtained		%	97.4	98.6	99.1	99.1	77.6
·	Number of suppliers audited by NSK Group companies	NSK Group	Companies	183	192	124	158	200
	Number of suppliers at which the NSK Survey of Environmentally Harmful Substance Inclusion was conducted		Companies	468	473	478	467	898
	Handling of PRTR-designated substances		t	490	464	395	316	326
Reducing use of	Discharge/transfer of PRTR-designated substances	Group in Japan	t	105	72	78	73	86
environmentally harmful substances	Rate of change in handling of PRTR-designated substances per unit of sales* <sup>2</sup>		%	+20.2	+15.2	+14.1	0 (base year)	-11.1
	Emissions of VOCs		t	154	151	145	141	165* <sup>1</sup>
	Rate of change in emissions of VOCs per unit of sales*3	NSK Group	%	-13.5	-12.7	0 (base year)	+8.1	+9.3
Protecting air	Emissions of NOx		t	132	128	119	106	113
quality	Emissions of SOx		t	50	42	38	39	33
	Discharged (total)	NSK Group	× 10 <sup>3</sup> m <sup>3</sup>	3,040	3,159	2,847	2,519	2,757
	Rivers	Non Group	× 10 <sup>3</sup> m <sup>3</sup>	453	729	591	575	646
Protecting water	Sewage system	4       	× 10 <sup>3</sup> m <sup>3</sup>	2,587	2,430	2,256	1,944	2,110
quality	BOD (biochemical oxygen demand)		t	1.3	1.4	1.2	1.2	1.5
	Discharged (total)	NSK Group (production sites)	× 10 <sup>3</sup> m <sup>3</sup>	2,925	2,982	2,692	2,441	2,680

\*1 Verified by a third-party. See the Independent Verification Report on pp.15-16 for details.

\*2 Handling of PRTR-designated substances per unit of sales = Handling of PRTR-designated substances / net sales

\*3 Emissions of VOCs per unit of sales = Emissions of VOCs / net sales



## Handling of PRTR-Designated Substances and Handling per Unit of Sales

Thanks to efforts to achieve our target of reducing handling of PRTR-designated substances per unit of sales by 1% compared to fiscal 2020, we greatly surpassed our fiscal 2021 target and achieved an 11.1% reduction. In fiscal 2022, we will introduce new efforts to achieve further reductions.

#### NSK Group's Main Initiatives to Reduce Environmentally Harmful Substances

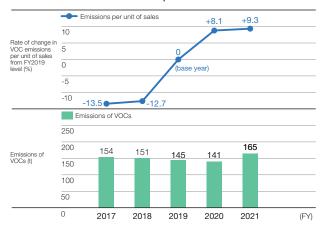
FY	Action
1004	Completely eliminated CFCs for cleaning
1994	Completely eliminated trichloroethylene
1999	Phased out in-house incinerators (a measure against dioxins)
2003	Completely eliminated chlorinated organic solvents

FY	Action
2006	Came into full compliance with the EU RoHS Directive <sup>*1</sup> and ELV Directive <sup>*2</sup> Reinforced chemical management system for compliance with the EU REACH regulation
	Phased out machining oil with chlorine-based extreme pressure additives (a measure against dioxins)
2020	Fully responded to the 10 EU RoHS2* <sup>3</sup> substances

\*1 RoHS Directive: An EU directive that restricts the use of six harmful substances in electric and electronic devices

\*2 EU ELV Directive: An EU directive that prohibits lead, mercury, cadmium, and hexavalent chromium in automotive parts and materials, in order to promote the recycling of end of life vehicles \*3 RoHS2 Directive: The revised RoHS Directive issued in 2014, now including phthalates and other substances added in 2019, restricts the use of 10 substances.

Emissions of VOCs and Emissions per Unit of Sales



Social

# **Biodiversity Conservation**

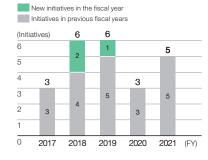
## Websites

Sustainability Information ► NSK ESG Initiatives ► Environment ► <u>Biodiversity Conservation</u> Sustainability Information ► NSK ESG Initiatives ► Environment ► Biodiversity Conservation ► <u>Expanding Social Contribution Activities Related to Biodiversity Conservation</u>

#### Number of Initiatives (Japan)

	Category			FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Biodiversity	Initiatives implemented (total)		Initiatives	3	6	6	3	5
conservation	Initiatives in previous fiscal years*	Group	Initiatives	3	4	5	3	5
initiatives	New initiatives in the fiscal year	in Japan	Initiatives	0	2	1	0	0
Target: 1 new initiative/year	Donation		Millions of yen	0.4	0.7	0.7	0.9	1.5

Number of Biodiversity Conservation Initiatives (Japan)



\* Varies depending on the fiscal year, as some could not be implemented in the applicable fiscal year due to bad weather, etc.

#### Biodiversity Conservation Initiatives: New Initiatives by Fiscal Year and Results in FY2021 (Japan)

First				FY2	021
year	Site(Pref.)	Category	Overview	Month(s) held	Participants*
2014	Shiga	Removal of specific invasive species	Removal of invasive fish species from Lake Biwa, which is a Ramsar Site	_	_
2015	Gunma	Preservation of satoyama forest areas	NSK Gunma Future Forest activities	October	27
2015		Preservation of <i>satoyama</i> forest areas and nature observation workshops	Leaf removal, grass cutting, nature observation, etc., under the guidance of an NPO in green zones in Fujisawa City, Kanagawa Prefecture	November	49
2016		Removal of specific invasive species and nature observation workshops	Activities to protect the native habitat of the waterwheel plant ( <i>Aldrovanda vesiculosa</i> ), a protected species, in Houzoji Marsh	July	50
2018	Fukushima	Preservation of satoyama forest areas	Forest preservation activities in Tanagura Town	June	21
2018	Shiga	Preservation of <i>satoyama</i> forest areas	Tree planting, grass cutting, etc., under the guidance of a local forestry cooperative based on a Shiga Prefecture Lake Biwa Forestation Partner Agreement	_	
2019	Shizuoka	Marine conservation activities	Shoreline cleanup (reducing marine plastics) and preservation activities of sea turtles	November	37

\* Including participants from outside the company (personnel of NPOs, forest cooperatives, local governments, and local residents)

#### **Biodiversity Impact Analysis and Initiatives**

Promotion of positive impacts       • Making products lighter matching with minimate is and products       • Using environmental products       • Conducting environmental products       • Postering and menaging environmental products       • Postering environmental environmental products       • Postering environmental environmental products       • Postering environmental products       • Postering environmental environmental env	Action agenda classification	Research and development	Procurement and purchasing	Manufacturing and logistics	Plant and office grounds	Social contribution activities	Communication
Control of negative impact in parts and raw materials, water, and energy efficiency dependent on buildings       emergy efficiency dependent on buildings		(manufactured with minimal materials) • Developing more fuel- efficient products • Developing longer-lasting products • Developing products that are easy to recycle after use • Revising manufacturing	friendly materials and products • Reducing environmental impact in parts and raw material production through	<ul> <li>Promoting energy- and resource-saving activities</li> <li>Saving energy by using milk runs and empty trucks on outbound and return</li> </ul>	risk assessments <ul> <li>Protecting important</li> </ul>	habitats through employee volunteer activities • Reducing marine plastic (cleanups) • Donating to various	education Promoting activities in the NSK Group Promoting activities based on local characteristics Favorable reputation in the
NSK's initiatives on impacts       procurement       Preducing waste plastic       Preducing waste plastic       Preducing waste plastic       Conducting environmental residents before construction       Preducing environmental residents       Predu		Reducing resource waste	impact in parts and raw material production by suppliers through supplier selection Reducing overexploitation and habitat loss by reducing	materials, water, and energy Reducing GHG emissions from production and transport Reducing the creation of landfills by reducing landfill disposal of waste Reducing modification of plant premises	energy efficiency dependent on buildings e Reducing habitat modification	employee education	recognition of local
Employee education		friendly products <ul> <li>Revising manufacturing processes</li> </ul>	procurement	Energy- and resource- saving activities     Energy conversion     Reducing overproduction     Proper inventory control     Milk runs and modal shift	Conducting environmental impact assessments before construction of new plants, before plant site modification, and before construction     Improving insulation performance of buildings     Protecting important species     Conducting environmental risk assessments (IBAT	forest areas • Tree planting • Reducing marine plastic (cleanups) • Removing specified invasive species • Donating to various	local governments, and local residents and organizations <ul> <li>Internal and external public</li> </ul>
				Employee			

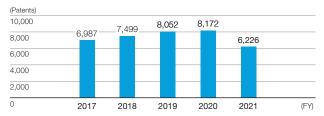
# Social

# **Research and Development**

# Sk Report 2022 Pp.44-45 Foundation Supporting Sustainability Technological Foundation Websites Research & Development

	Category	Scope of coverage	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
R&D expenses	R&D expenses (on a statutory basis)	-	Billions of yen	17.1	19.0	18.3	16.8	19.2
	R&D expenses (on a managerial basis)		Billions of yen	28.2	32.4	31.4	28.6	30.8
Sales share of new/ improved products	Total sales share of new/improved products	NSK Group	%	21	18	18	16	14
Number of patents held Number of patents held			Patents	6,987	7,499	8,052	8,172	6,226

#### Number of Patents Held



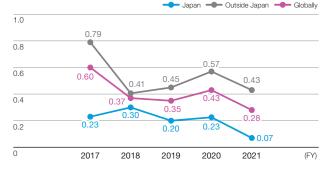
NSK strongly emphasizes research and development, maintaining technologyrelated expenses at 3-4% of sales in order to achieve sustainable growth. NSK continuously applies for patents on its technological achievements to achieve differentiation from competitors and increase the competitiveness of its products and services. In fiscal 2021, the number of patents held decreased, as we did not apply for renewal of patents that have little potential for future use, the number of which surpassed the number of newly registered patents.

# **Occupational Health and Safety**

I.	NSK Report 2022	P.42 Foundation Supporting Sustainability Safety Management
	Websites	Sustainability Information ► NSK ESG Initiatives ► <u>Safety Management</u>

		Category	Scope of coverage	Unit	FY2017	FY2018	FY2019	FY2020	FY2021* <sup>3</sup>
Lost time frequency		Globally	NSK Group	—	0.60	0.37	0.35	0.43	0.28* <sup>2</sup>
	st time injury	Japan	Group in Japan	—	0.23	0.30	0.20	0.23	0.07* <sup>2</sup>
	quency rate*	Outside Japan	NSK Group (outside Japan)	-	0.79	0.41	0.45	0.57	0.43* <sup>2</sup>

## Lost Time Injury Frequency Rate



We are strengthening our occupational safety initiatives throughout the entire NSK Group. The lost time injury frequency rate decreased to 0.28 in fiscal 2021 from 0.43 in fiscal 2020.

\*1 Lost time injury frequency rate = Number of work accidents resulting in one or more days of work absence / total actual working hours × 1,000,000

\*2 Verified by a third-party. See p.17 for details.

\*3 There were no serious accidents, including fatalities.

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Environment

Social

# Health and Wellness

NSK Report 2022

022 P.40 Foundation Supporting Sustainability Evolve Personnel Development

Websites

Sustainability Information ► NSK ESG Initiatives ► Human Resource Management

Safe and Healthy Workplaces and Work-Style Reforms: Building More Engaging Workplaces

	Category	Scope of coverage	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
	Percentage of employees participating in the Specific Health Guidance program	Group in Japan*	%	25.7	25.3	25.1	27.3	27.2
Health and wellness initiatives indicators	Percentage of employees receiving stress checks		%	93.8	95.9	94.9	95.9	97.9
	Percentage of employees who smoke		%	39.1	37.6	36.6	33.8	31.9
	Percentage of employees receiving regular health checkups		%	_	_	_	_	100.0
Indicators on the status of health investment measures	Participation rate in health and wellness e-learning	Group in Japan*	%	_	_	_	_	96.2
modulos	Completion rate of the Specific Health Guidance program		%	_	_	_	_	40.9
Indicators on changes in employee awareness	Percentage of employees who thought "I need to change!" regarding health initiatives	Group in Japan*	%	_	_	_	_	93.4
and behavior	Percentage of employees with a high level of stress		%	_	_	_	_	10.3
Final health-related	Presenteeism (percentage of loss, based on the WHO-HPQ method)		%	_	_	-	_	38.9
target indicators	Absenteeism (percentage of long absences due to illness)	Group in Japan*	%	_	_	_	_	0.7

 $^{\ast}$  NSK Ltd. and major NSK Group companies in Japan

Social

# Human Resources

NSK Report 2022 P.40 Foundation Supporting Sustainability Evolve Personnel Development

Websites

Sustainability Information NSK ESG Initiatives Human Resource Management

	Category	Scope of coverage	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
	Total	NSK Group	Persons	31,861	31,484	30,747	30,378	30,577
	Japan	Group in Japan	Persons	11,607	11,755	11,803	11,774	11,853
	Japan	Group in Japan	(%)	(36.4)	(37.3)	(38.4)	(38.8)	(38.8)
	The Americas	Group in the	Persons	3,080	3,093	2,804	2,617	2,696
Number of employees		Americas	(%)	(9.7)	(9.8)	(9.1)	(8.6)	(8.8)
	Europe	Group in Europe	Persons	3,908	4,259	4,206	4,333	4,312
		Croup in Europe	(%)	(12.3)	(13.5)	(13.7)	(14.3)	(14.1)
	Asia	Group in Asia	Persons	13,266	12,377	11,934	11,654	11,716
		(excluding Japan)	(%)	(41.6)	(39.3)	(38.8)	(38.4)	(38.3)
Percentage breakdown of employees by	Men	NSK Group	(%)	82.4	80.9	81.0	82.0	81.9
gender (men/women)	Women		(70)	17.6	19.1	19.0	18.0	18.1
A (	Total		Years (Age)	16 (41)	16 (41)	17 (42)	17 (42)	17 (43)
Average years of employment	Men	Group in	Years	17	17	17	18	17
(average age)		Japan*1	(Age)	(42)	(42)	(42)	(43)	(43)
(arolago ago)	Women		Years	10	11	12	12	12
			(Age)	(37)	(37)	(37)	(38)	(38)
	Total		Persons	102	115	93	107	93
Number of new	Men	Group in	Persons	89	99	67	87	78
graduates hired		Japan* <sup>2</sup>	(%)	(87.3)	(86.1)	(72.0)	(81.3)	(83.9)
	Women		Persons (%)	13 (12.7)	16 (13.9)	26 (28.0)	20 (18.7)	15 (16.1)

\*1 NSK Ltd. and major NSK Group companies in Japan \*2 NSK Ltd. and major NSK Group companies in Japan (career-track positions only)

#### Number of Employees

Group in Japan Group in the Americas Group in Europe Group in Asia (excluding Japan) (Persons)

35,000	01	06	1 0									
00,000	31	,86	1 3	1,48	<sup>34</sup> 3	0,74	73	0,37	83	0,57	7	
30,000												
25,000			13,266		12,377		11,934		11,654		11,716	
20,000			3,908		4,259		4,206		4,333		4,312	
15,000			3,080		3,093		2,804		2,617		2,696	
10,000			11,607		11,755		11,803		11,774		11,853	
5,000												
0	2	017	2	2018	3 2	2019	)	2020	) :	2021		(FY)

The global number of employees as of the end of March 2022 increased by 199 people compared to the previous fiscal year, bringing the total to 30,577.

#### Breakdown of Employees by Age Group (NSK Group)



Social

Governance

	Category		Scope of coverage	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
	Total	Men		%	—	91	91	91	90
	IOTAI	Women		%	—	9	9	9	10
Managers	O i M	Men		%	-	98	98	94	92
Percentages of men and women	Senior Managers level	Women	NSK Group	%	-	2	2	6	8
	Managara laval	Men		%	-	98	98	90	86
	Managers level	Women		%	-	2	2	10	14
Turnover rate	Turnover rate*2			%	1.35*4	1.64	1.40	<b>1.10</b> * <sup>4</sup>	1.73
	Total		Group in	Persons	624	660	625	<b>627</b> * <sup>4</sup>	608
Number of rehired senior employees* <sup>3</sup>	Senior employee rehir	ing system	Japan*1	Persons	570	592	555	569	560
	Other (fixed-term cont	tract, etc.)		Persons	54	68	70	58* <sup>4</sup>	48
Employment rate of	Employment rate of peop disabilities	ble with	Group in Japan* <sup>1</sup>	%	2.09	2.25	2.24	2.45	2.56
people with disabilities	(Reference) Legally mandated employment rate in Japan		—	%	2.00	2.20	2.20	2.30	2.30
Number of employees	Total			Persons	69	109	162* <sup>4</sup>	189* <sup>4</sup>	184
who took childcare	Men			Persons	40	73	125* <sup>4</sup>	147* <sup>4</sup>	149
leave	Women		Group in	Persons	29	36	91919199398942269898902210641.401.10*460625627*4525555696870 $58*^4$ 202.202.3009162*4189*473125*4147*43637423111526101551312 $0*^5$ 10101051527518001001008383837753815,51816,985*4	35	
Number of employees	Total	$3^{2}$ $3^{2}$ $1.35^{4}$ $1.64$ $1.40$ $1.1$ $1000000000000000000000000000000000000$	15	12					
who took nursing care	Men			Persons	1	2	6	10	10
leave	Women			Persons	2	1	5	5	2
	Number of participants in Management College	n Global	NSK Group	Persons	14	13	12	<b>0</b> * <sup>5</sup>	0* <sup>5</sup>
Human resource development	Number of participants ir Management College	n Japan		Persons	15	10	10	10	10
·	Number of participants in of Technology	NSK Institute	NSK Group	Persons	466	451	527	518	493
Rate of labor union	Non-management emplo	yees		%	100	100	100	100	100
participation	All employees including r	nanagement	Group in Japan*1	%	82	83	83	83	84
Labor-management consultations	Number of labor-manage consultations*6	ement	Japan	Times	7	7	7	5	7
Employee engagement survey*7	Number of participants ( employees)	officers and	NSK Group	Persons	28,893 (Worldwide)	15,538 (Japan)			5,976* <sup>8</sup> (Outside Japan)

\*1 NSK Ltd. and major NSK Group companies in Japan
\*2 Percentage of persons employed at the end of the previous fiscal year who left the Company in the given year
\*3 Number of employees aged 60 and over
\*4 The data has been updated retrospectively.
\*5 Suspended due to the COVID-19 pandemic.

\*6 Number of times Central Labor-Management Conference meetings held
\*7 Conducted as a compliance awareness survey until fiscal 2017. Conducted as Employee Engagement Survey (Compliance Awareness Survey) from fiscal 2018 onward (same data as the employee engagement survey described on p.14).
\*8 Some survey subjects were postponed due to the COVID-19 pandemic.

# Governance

# **Corporate Governance**

Ð	NSK Report 2022	Pp. 56-61 Corporate Governance
	Websites	Company ▶ Corporate Governance

### Composition of the Board of Directors and Nomination/Audit/Compensation Committees

	Category	Unit	June 2018*1	June 2019	June 2020	June 2021	June 2022
	Chair of the Board of Directors	-	President and CEO	President and CEO	President and CEO	Chairman and Director	Chairman and Director
	Number of directors	Persons	12	12	9	9	9
	Men (percentage)	Persons (%)	11 (91.7)	11 (91.7)	8 (88.9)	8 (88.9)	8 (88.9)
	Women (percentage)	Persons (%)	1 (8.3)	1 (8.3)	1 (11.1)	1 (11.1)	1 (11.1)
	Number of internal directors (who also serve as executive officers)	Persons	6	6	3	2	2
	Men	Persons	6	6	3	2	2
	Women	Persons	0	0	0	0	C
Board of Directors	Number of internal directors (who do not serve as executive officers)	Persons	1	1	1	2	2
	Number of independent outside directors (total)	Persons	5	5	5	5	5
	Men	Persons	4	4	4	4	4
	Women	Persons	1	1	1	1	1
	Percentage of internal directors (who also serve as executive officers)	%	50.0	50.0	33.3	22.2	22.2
	Percentage of independent outside directors	%	41.7	41.7	55.6	55.6	55.6
	Number of independent outside directors with four or more important concurrent posts	Persons	0	0	0	0	0
	Term of directors	Years	1	1	1	1	1
	Average tenure of directors*2	Years	3.3	3.3	3.5	4.3	4.4
	Committee chair	-	Independent outside director	Independent outside director	Independent outside director	Independent outside director	Independent outside director
Nomination Committee	Number of members	Persons	3	3	3	3	3
	Internal directors	Persons	1	1	1	1	1
	Independent outside directors	Persons	2	2	2	2	2
	Committee chair	-	Independent outside director	Independent outside director	Independent outside director	Independent outside director	Independent outside director
Audit Committee	Number of members	Persons	4	3	4	4	4
	Internal directors	Persons	1	1	1	1	1
	Independent outside directors	Persons	3	2	3	3	3
Compensation	Committee chair	-	Independent outside director	Independent outside director	Independent outside director	Independent outside director	Independent outside director
Committee	Number of members	Persons	3	3	3	3	3
	Internal directors	Persons	1	1	1	1	1
	Independent outside directors	Persons	2	2	2	2	2

\*1 One independent outside director was appointed in July 2018. \*2 The average tenure of directors who were reelected following the previous year, at the time directors are elected.

**Governance** 

Social

## Number of Times the Board of Directors and Nomination/Audit/Compensation Committees Convened and Their Attendance Rates

	Category	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
	Number of times convened	Meetings	10	10	10	10	10
Board of Directors	Attendance rate	%	100	99	99	98	100
	Attendance rate of independent outside directors	%	100	98	98	10         10           99         98           98         98           8         5           00         100           00         100           15         16           00         100           5         4           00         100	100
	Number of times convened	Meetings	6	7	8	5	7
Nomination Committee	Attendance rate	%	100	95	100	100	100
	Attendance rate of independent outside directors	%	100	86	100	100	100
	Number of times convened	Meetings	14	14	15	16	14
Audit Committee	Attendance rate	%	100	100	100	100	100
	Attendance rate of independent outside directors	%	100	100	100	100	100
	Number of times convened	Meetings	4	8	5	4	5
Compensation Committee	Attendance rate	%	100	100	100	100	100
Committee	Attendance rate of independent outside directors	%	100	100	100	100	100

#### Executive Officers, Group Officers

								,
		Category	Unit	April 2018	April 2019	April 2020	April 2021	April 2022
		Total	Persons	34	35	34	32	21
	Executive officers	Men (percentage)	Persons (%)	33 (97.1)	34 (97.1)	33 (97.1)	30 (93.7)	20 (95.2)
		Women (percentage)	Persons (%)	1 (2.9)	1 (2.9)	1 (2.9)	2 (6.3)	1 (4.8)
		Total	Persons	3	3	3	4	4
Gro	Group officers	Men (percentage)	Persons (%)	3 (100)	3 (100)	3 (100)	4 (100)	4 (100)
		Women (percentage)	Persons (%)	0 (0)	0 (0)	0(0)	0 (0)	0 (0)

#### Compensation of the President and CEO

Category	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Total consolidated compensation, etc., of the President and CEO*1	Millions of yen	203	153	Less than 100	157	102
Average annual salary of employees (NSK Ltd.)*2	Millions of yen	7.62	7.76	7.47	6.85	7.12
Ratio of total consolidated compensation, etc., of the President and CEO to average annual salary of employees	-	26.6	19.7	Less than 13.4	22.9	14.3

\*1 Disclosed in the Status of Corporate Governance section in the Annual Securities Report.

\*2 Disclosed in the Overview of Company section in the Annual Securities Report.

#### Political Donations

Category	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Political donations	Millions of yen	4.10	4.05	4.05	2.05	4.05

# Compliance

G	NSK Report 2022	P. 51 Compliance
	Websites	Sustainability Information  NSK ESG Initiatives  Compliance

Categor	Scope of coverage	Unit	FY2017	FY2018	FY2019	FY2020	FY2021	
Employee engagement survey*1	Participants (officers/ employees)		Persons	28,893 (Worldwide)	15,538 (Japan)	15,518 (Outside Japan)	- /	5,976* <sup>3</sup> (Outside Japan)
Compliance hotline: Number of c	NSK Group	Incidents	88	127	175	178	168	
Number of serious legal violation		Incidents	0	0	0	0	0	
Number of penalties for corruption		Incidents	0	0	0	0	0	
Number of violations of competit		Incidents	0	0	0	0	0	
Competition law training	Sessions conducted	-	Sessions	106* <sup>4</sup>	207	154	172	106
(including compliance-related	Number of participants <sup>*5</sup>		Persons	1,463* <sup>4</sup>	2,960	2,867	5,481	7,588
topics)	Average training time		Hours/person	1.5	1.0	1.0	1.0	0.6

\*1 Conducted as Compliance Awareness Survey through fiscal 2017. Conducted as Employee Engagement Survey (includes compliance-related questions) from fiscal 2018 onward (same data as the employee engagement survey on p.12).

\*2 The data has been updated retrospectively.

\*3 Some survey subjects were postponed due to the COVID-19 pandemic.

\*4 Includes the results of training conducted outside Japan.

\*5 Includes e-learning participants, since fiscal 2020.

## As of April 1 of each fiscal year



No.1811004387

## **Independent Verification Report**

## To: NSK Ltd.

## 1. Objective and Scope

Japan Quality Assurance Organization (hereafter "JQA") was engaged by NSK Ltd. (hereafter "the Company") to provide an independent verification on "FY2021\* NSK Group GHG emissions (Scope 1 and 2) calculation report", "FY2021\* NSK Group GHG emissions (Scope 3) calculation report", "FY2021 NSK Group Water withdrawal calculation report", "FY2021 NSK Group Waste, valuable resources, and Hazardous waste calculation report" and "FY2021 NSK Group VOC emissions calculation report" (hereafter "the Reports"). The content of our verification was to express our conclusion, based on our verification procedures, on whether the statement of information regarding GHG emissions, Energy Use, Water withdrawal, Industrial waste and valuable resources, Hazardous waste only in Japan facilities, and VOC emissions calculation standard (Scope 1 and 2) (Ver. 02-10)", "NSK Group GHG emissions calculation standard (Scope 1 and 2) (Ver. 02-10)", "NSK Group GHG emissions calculation standard (Scope 1 and 2) (Ver. 02-10)", "NSK Group GHG emissions calculation standard (Scope 1 and 2) (Ver. 02-10)", "NSK Group GHG emissions calculation standard (Scope 1 and 2) (Ver. 02-10)", "NSK Group GHG emissions calculation standard (Scope 1 and 2) (Ver. 02-10)", "NSK Group GHG emissions calculation standard (Scope 1 and 2) (Ver. 02-10)", "NSK Group GHG emissions calculation standard (Scope 1 and 2) (Ver. 01-05)", "NSK Group Total waste of industrial waste and valuables, Recycling rate and Hazardous waste, calculation standard (Ver. 01-03)", "NSK Group PRTR emissions calculation standard (Ver.01-03)" and "NSK Group VOC emissions calculation standard (Ver.01-04)" (hereafter "the Rules"). The purpose of the verification is to evaluate the Reports objectively and to enhance the credibility of the Reports. \* The fiscal year 2021 of the Company ended on March 31, 2022.

## 2. Procedures Performed

JQA conducted verification in accordance with "ISO 14064-3" for GHG emissions and Energy use, and with "ISAE3000" for Water withdrawal, Industrial waste and valuable resources, Hazardous waste, and VOC emissions, respectively. The scope of this verification assignment covers Scope 1 (Energy-derived CO<sub>2</sub>, nonenergy-derived CO<sub>2</sub> associated with the use of acetylene, CH<sub>4</sub> and N<sub>2</sub>O), Scope 2 and Scope 3 as GHG emissions, Energy Use, Water withdrawal<sup>\*1</sup>, Industrial waste and valuable resources<sup>\*2</sup>, Hazardous waste only in Japan facilities <sup>\*3</sup>, and VOC emissions<sup>\*4</sup>. The verification was conducted to a limited level of assurance and quantitative materiality was set at 5 percent each of the total emissions and total amount in the Reports. The organizational boundaries of this verification cover all NSK Group sites in Japan and outside Japan, including production sites, technology centers and non-production sites of NSK Ltd., NSK equity affiliates<sup>\*5</sup> and NSK brand producing companies.

\*1 Water withdrawal is comprised of tap water, industrial water, groundwater, recycled water and rainwater, used by business activities.

- \*2 Industrial waste and valuable resources are solid or liquid waste discharged by business activities.
- \*3 Hazardous waste is "specially controlled industrial waste" stipulated by the "Waste Management and Public Cleaning Act" among the amount of Industrial waste and valuable resources only in Japan facilities.
- \*4 VOC emissions are substances specified by the Rules, among the VOC emitted from business activities.
- \*<sup>5</sup> NSK equity affiliates which 50 percent or more of the voting stock is owned by NSK.
- Our verification procedures included:
  - For on-site verification except for Scope 3, visiting four sampling sites in Japan: NSK Ltd. Takasaki Plant, Osaka Nissei Bldg., NSK-Warner K.K. Fukuroi Plant, Asahi Seiki Co., Ltd., selected by the Company.
  - On-site assessment to check the report boundaries; monitoring points of activity data; monitoring and calculation system; and the activity data.
  - Performing validation of the Rule and verification of Scope 3. Checking calculation scenario and allocation method for Scope 3; monitoring and calculation system; and emission data.

\*Please refer to the next page.

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## 3. Conclusion

Based on the procedures described above, nothing has come to our attention that has caused us to believe that the statement of the information regarding the Company's FY2021 GHG emissions, Energy Use, Water withdrawal, Industrial waste and valuable resources, Hazardous waste only in Japan facilities, and VOC emissions in the Reports is not materially correct, or has not been prepared in accordance with the Rules.

## 4. Consideration

The Company was responsible for preparing the Reports, and JQA's responsibility was to conduct verification of GHG emissions, Energy Use, Water withdrawal, Industrial waste and valuable resources, Hazardous waste only in Japan facilities, and VOC emissions in the Reports only. There is no conflict of interest between the Company and JQA.

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Sumio Asada, Board Director For and on behalf of Japan Quality Assurance Organization 1-25, Kandasudacho, Chiyoda-ku, Tokyo, Japan July 22, 2022

\*Please refer to the previous page.

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## Independent Assurance Statement

December 8, 2022

Mr. Akitoshi Ichii President & CEO NSK Ltd.

### 1. Purpose

We, Sustainability Accounting Co., Ltd., have been engaged by NSK Ltd. ("the Company") to provide limited assurance on the Company's Lost-Worktime Injury Rates for the fiscal year ended March 2022 which were 0.07 in Japan, 0.43 outside Japan, and 0.28 globally ("the performance data"). The purpose of this process is to express our conclusion on whether the performance data were calculated in accordance with the Company's standards. The Company's management is responsible for calculating the performance data. Our responsibility is to independently carry out a limited assurance engagement and to express our assurance conclusion.

#### 2. Procedures Performed

Our assurance engagement has been planned and performed in accordance with International Standard on Assurance Engagement 3000 (ISAE3000).

The key procedures we carried out included:

- · Interviewing the Company's responsible personnel to understand the Company's standards
- · Reviewing the Company's standards
- Performing cross-checks on a sample basis and performing a recalculation to determine whether the performance data were calculated in accordance with the Company's standards.

## 3. Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the performance data have not been calculated, in all material respects, in accordance with the Company's standards.

We have no conflict of interest relationships with the Company.

Takashi Fukushima Representative Director Sustainability Accounting Co., Ltd.

