

Fiscal 2015 CSR Activity Performance and Fiscal 2016 Targets

Category		FY2015 target
Governance (Management Structure Supporting Sustainable Growth)		
Corporate Governance	Strengthening of corporate governance	<ul style="list-style-type: none"> •Strengthen corporate governance structures to ensure fair and transparent decision-making by considering stakeholders' positions
	Strengthening of risk management	<ul style="list-style-type: none"> •Conduct internal audits of finance, purchasing and compliance based on regional risk assessment in the Americas, Europe, China, and ASEAN •Conduct audits on group governance systems of regional headquarters •Conduct compliance self-check at all global sites •Issue and distribute group internal audit standards
	Development of group crisis management systems	<ul style="list-style-type: none"> •Materialize crisis management systems and clarify management cycles, based on the Group crisis management standards
Risk Management	Disaster preparedness	<p>(Measures to deal with the risk of large-scale earthquakes in Japan)</p> <ul style="list-style-type: none"> •Implement measures to deal with issues to ensure BCP (head office and business sites) •Verify and revise BCP effectiveness through training (Expansion of scopes of continual production phase at production sites and initial response phase at business sites) <p>(Risks associated with disasters at outside Japan sites)</p> <ul style="list-style-type: none"> •Identify group-wide severe disaster risks •Implement measures to minimize damages from severe disaster risks
	Reduction of risks associated with procurement	<ul style="list-style-type: none"> •Continue to develop replacements for parts •Visualize global supply chain data •Develop supply chain disaster response system •Continue to expand BCP measures to suppliers
Compliance	Strengthening of compliance	<ul style="list-style-type: none"> •Expand scope of compliance training and enhance training content •Reflect the results of compliance awareness survey in the content of training programs
	Promotion of CSR procurement	<ul style="list-style-type: none"> •Distribute the "NSK Supplier CSR Guidelines" in Occidental countries •Improve activities using the "NSK Supplier CSR Guidelines" and the "Self-Assessment Check-Sheets" •Continue to conduct and respond to conflict minerals surveys (supply chain surveys, response to customer's surveys)
	Security export	<ul style="list-style-type: none"> •Improve technical intelligence management systems for production plants
Quality Assurance (Creating Quality to Earn the Confidence of Society)		
Improving Quality		<ul style="list-style-type: none"> •Start operating self-audit systems for special processes besides heat treatment
Raising Customer Satisfaction		<ul style="list-style-type: none"> •Improve maintenance quality and enhance customer value by focusing on development of human resources •Enhance education systems for technical support staff
Good Labor Practices (Creating a Dynamic Work Environment)		
Providing Opportunities and Workplaces that Foster the Growth of Employees		<ul style="list-style-type: none"> •Strengthen development of regional management personnel and global human resources
Creating Safe and Healthy Workplaces		<ul style="list-style-type: none"> •Strengthen health and safety initiatives globally
Working with Local Communities (Social Contributions Targeting Community Development)		
Social Contributions Targeting Community Development		<ul style="list-style-type: none"> •Continue awareness building efforts in priority areas for social contribution •Continue to share information on initiatives among business sites
Environment (Activities for Global Environment Protection / Environmental Voluntary Action Plan)		
Environmental Management	Acquisition and maintaining of environmental management system certification	<ul style="list-style-type: none"> •Maintain ISO 14001 certification at all subject sites •Obtain ISO 14001 certification within three years of starting full-scale operations at a site
	Measures for complying with environmental laws and regulations and coping with environmental risks	<ul style="list-style-type: none"> •Zero instances in which emissions standards are exceeded •Zero instances of oil and other leakage-related environmental accidents
Creating Environmentally Friendly Products		<ul style="list-style-type: none"> •Create environmentally friendly products and technologies
Global Warming Countermeasures	Reduction of CO ₂ emissions per production unit (saving energy)	<ul style="list-style-type: none"> •In/outside Japan (Manufacturing): Reduce CO₂ emissions per production unit by 4% (base year: FY2011) •In Japan (Distribution): Reduce CO₂ emissions per ton-kilometer by 4% (base year: FY2011)
	Reduction of CO ₂ emissions	<ul style="list-style-type: none"> •In Japan (Manufacturing): Reduce CO₂ emissions to no more than FY2011 level
Measures for Resource Conservation and Recycling	Resource conservation initiatives	<ul style="list-style-type: none"> •In Japan (Manufacturing/Development/Design): Continue to reduce waste of resources by changing machining processes •In/outside Japan (Manufacturing): Reduce water withdrawal per production unit by 4% (base year: FY2011)
	Maintaining of zero emissions	<ul style="list-style-type: none"> •In Japan (Manufacturing): Maintain zero emissions (landfill disposal rate no more than 0.01%)
	Increasing of the recycling rate	<ul style="list-style-type: none"> •In Japan (Manufacturing): Achieve a waste recycling rate of 99.99% or more •Outside Japan (Manufacturing): Achieve a waste recycling rate 99.0% or more
	Reduction of waste emissions per production unit	<ul style="list-style-type: none"> •In Japan (Manufacturing): Reduce industrial waste emissions per production unit by 32% or more (base year: FY2011) •In Japan (Distribution): Reduce packaging material waste per production unit by 8% (base year: FY2007)
Reducing Use of Environmentally Harmful Substances	Strengthening of environmentally harmful substances management system	<ul style="list-style-type: none"> •Conduct on-site audits at key suppliers •Investigate status of NSK List of Environmentally Harmful Substances at suppliers
	Reduction of use of environmentally harmful substances	<ul style="list-style-type: none"> •In Japan (Manufacturing): Reduce handling of PPRTR-designated substances per production unit by 25% from FY2011 •In/outside Japan (Manufacturing): Completely phase out use of machining fluids containing chlorine additives
Biodiversity Conservation	Biodiversity education	<ul style="list-style-type: none"> •Conduct biodiversity education
	Expansion of initiatives aimed at biodiversity conservation	<ul style="list-style-type: none"> •Develop initiatives for preserving biodiversity through social contribution activities

* For targets by FY2018, please see Mid-Term Goals (FY2016-2018) in each chapter.

● Achieved
 ▲ Partially achieved
 ✘ Not achieved

Performance in FY2015	Evaluation	FY2016 target	Page
<ul style="list-style-type: none"> Improved corporate governance structure to reflect Japan's amended Companies Act and other social requirements such as the Corporate Governance Code 	●	<ul style="list-style-type: none"> Create a more effective corporate governance structure driven by management by the Board of Directors 	pp. 17-20
<ul style="list-style-type: none"> Conducted internal audits of finance, purchasing and compliance based on regional risk assessment in the Americas and China Conducted audits on group governance systems of regional headquarters for the Americas and Europe together with the internal audit departments in the Americas and Europe Conducted compliance self-checks at all global sites Established group internal audit standards and rules (October 2015) Held the 3rd global internal audit conference (June 2016) 	●	<ul style="list-style-type: none"> Conduct audits of sites selected in consideration of risk assessment results and a comprehensive view Conduct financial and purchasing basis audits in China and ASEAN together with regional internal audit departments Visit all global sites to conduct compliance audits 	
<ul style="list-style-type: none"> Materialized crisis management systems and clarified management cycles, based on the Group crisis management standards 	●	<ul style="list-style-type: none"> Build crisis management systems and instill management cycles 	
<ul style="list-style-type: none"> Implemented measures to deal with issues to ensure BCP (head office and business sites) Verified and revised BCP effectiveness through training (Expansion of scopes of continual production phase at production sites and initial response phase at business sites) 	●	<ul style="list-style-type: none"> Improve BCP effectiveness against large-scale earthquakes (Expansion of scope of training and implementation of measures for issues) 	pp. 20-23
<ul style="list-style-type: none"> Identified severe disaster risks at some Group companies Implemented measures to minimize damage from severe disaster risks at some Group companies 	▲	<ul style="list-style-type: none"> Clarify the response structure and implement measures to minimize damage from severe disaster risks 	
<ul style="list-style-type: none"> Continued to develop replacements for parts Visualized global supply chain data (expanded to ASEAN and China) Conducted drills to confirm the safety of suppliers Continued to expand BCP measures to suppliers 	●	<ul style="list-style-type: none"> Continue to develop replacements for parts Visualize global supply chain data and continue improving accuracy Continue conducting drills to confirm the safety of suppliers Continue to expand BCP measures to suppliers 	
<ul style="list-style-type: none"> In Japan: Expanded scope of compliance training to plans, engineering departments, and Group companies Outside Japan: Enhanced training content with inclusion of competition law, bribery, and harassment In response to the results of compliance awareness survey, strengthened compliance education and ensured thorough awareness of the whistle-blowing hotline 	●	<ul style="list-style-type: none"> Strengthen awareness building to prevent the cartel incident from fading from memory Establish a new compliance culture Improve compliance awareness at Group companies Expand scope of regions included in the compliance awareness survey outside Japan 	
<ul style="list-style-type: none"> Distributed the Guidelines in Occidental countries Provided assessment results of "Self-Assessment Check-Sheets" to suppliers as feedback Continued to conduct and respond to conflict minerals surveys (supply chain surveys, response to customer's surveys) 	●	<ul style="list-style-type: none"> Distribute the "NSK Supplier CSR Guidelines" worldwide Improve activities using the "NSK Supplier CSR Guidelines" and the "Self-Assessment Check-Sheets" Continue to conduct and respond to conflict minerals surveys (supply chain surveys, response to customer's surveys) 	pp. 23-29
<ul style="list-style-type: none"> Developed a technology provision inspection system associated with equipment maintenance and overhauling Developed a drawing inspection system associated with procurement outside Japan 	●	<ul style="list-style-type: none"> Improve export control system for automotive parts 	
<ul style="list-style-type: none"> Started operating self-audit systems for special processes besides heat treatment Carried out development of maintenance personnel 	●	<ul style="list-style-type: none"> Foster quality-first culture and human development Enhance preventive quality monitoring and auditing Reassert strict adherence to quality control basic matters Enhance site control ability based on 5 GEN-Principle 	pp. 34-41
<ul style="list-style-type: none"> Continued holding the NSK Global Management College At the Global Production Meeting, reported safety status and provided future directions on safety to each representative for regional headquarters Started to manage lost-worktime injury rate globally 	●	<ul style="list-style-type: none"> Provide opportunities and workplaces that foster the growth of employees Make the most of diverse human resources Create environments where employees can work with vitality 	pp. 42-53
<ul style="list-style-type: none"> Conducted awareness building activities through training and education Distributed a CSR Communication Report introducing case studies to employees 	●	<ul style="list-style-type: none"> Take measures to invigorate social contributions 	pp. 54-56
<ul style="list-style-type: none"> Maintained certification at all subject sites One site obtained certification Instances in which emissions standards were exceeded: One in Japan (sewerage), one in China (sewerage), and one in ASEAN (air) Zero instances of oil and other leakage-related environmental accidents Created nine environmentally friendly products 	●	<ul style="list-style-type: none"> Maintain ISO 14001 certification at all subject sites (respond to FY2015 revisions) Obtain ISO 14001 certification within three years of starting full-scale operations at a site Zero instances in which emissions standards are exceeded Zero instances of oil and other leakage-related environmental accidents Create environmentally friendly products and technologies 	pp. 58-61
<ul style="list-style-type: none"> In Japan: Reduced CO₂ emissions per production unit by 8.4% (base year: FY2011) Outside Japan: Reduced CO₂ emissions per production unit by 27.0% (base year: FY2011) CO₂ emissions per ton-kilometer increased by 5.1% (base year: FY2011) 	●	<ul style="list-style-type: none"> In Japan (Manufacturing): Reduce CO₂ emissions per production unit by 9.1% (base year: FY2011) Outside Japan (Manufacturing): Reduce CO₂ emissions per production unit by 27.2% (base year: FY2011) In Japan (Distribution): Reduce CO₂ emissions per ton-kilometer by 10.4% (base year: FY2011) 	pp. 65-68
<ul style="list-style-type: none"> Reduced CO₂ emissions by 4.6% (base year: FY2011) Reduced waste of resources by changing machining processes In Japan: Reduced water withdrawal per production unit by 28.3% (base year: FY2011) Outside Japan: Reduced water withdrawal per production unit by 21.3% Maintained zero emissions (landfill disposal rate was 0.0001%) In Japan: Recycling rate was 99.9999% Outside Japan: Recycling rate was 96.1% 	●	<ul style="list-style-type: none"> In Japan (Manufacturing): Reduce CO₂ emissions to no more than FY2011 level In Japan (Manufacturing/Development/Design): Continue to reduce waste of resources by changing machining processes In Japan (Manufacturing): Reduce water withdrawal per production unit by 28.5% (base year: FY2011) Outside Japan (Manufacturing): Reduce water withdrawal per production unit by 21.6% In Japan (Manufacturing): Maintain zero emissions In Japan (Manufacturing): Achieve a waste recycling rate of 100% or more Outside Japan (Manufacturing): Achieve a waste recycling rate 96.6% or more 	pp. 69-72
<ul style="list-style-type: none"> Reduced industrial waste emissions per production unit by 27.4% (base year: FY2011) Reduced packaging material waste per production unit by 24.9% (base year: FY2007) 	▲	<ul style="list-style-type: none"> In Japan (Manufacturing): Reduce industrial waste emissions per production unit by 27.5% or more (base year: FY2011) In Japan (Distribution): Reduce packaging material waste per production unit by 25.9% (base year: FY2007) 	
<ul style="list-style-type: none"> In Japan: Conducted on-site audits at 38 key suppliers Investigated status of NSK Environmentally Harmful Substances at 307 suppliers Outside Japan: Conducted on-site audits at 29 key suppliers Investigated status of NSK List of Environmentally Harmful Substances at 200 key suppliers 	●	<ul style="list-style-type: none"> In and outside Japan (Procurement): Conduct on-site audits at key suppliers, and investigate status of NSK List of Environmentally Harmful Substances at suppliers 	pp. 73-75
<ul style="list-style-type: none"> Reduced handling of PRTR-designated substances per production unit by 23.6% from FY2011 Completely phased out use of machining fluids containing chlorine additives Outside Japan: Conducted education on biodiversity in China, the US, and India In Japan: Conducted forest maintenance experience at three plants 	●	<ul style="list-style-type: none"> In Japan (Manufacturing): Reduce handling of PRTR-designated substances per production unit by 24.6% from FY2011 Conduct biodiversity education Develop initiatives for preserving biodiversity through social contribution activities 	pp. 76-77