

Statement on the UK Modern Slavery Act

Introduction

In accordance with the provisions of the UK Modern Slavery Act, THK CO., LTD. is issuing the following statement summarizing its efforts to prevent human rights violations, including slave labor and human trafficking, within the THK Group and throughout its supply chain in 2022.

THK Group Overview

The THK Group was the first company in the world to develop the Linear Motion (LM) Guide, which is based on an original concept and innovative technology. Our mainstay LM Guide products have been adopted in many industries as components essential to achieving various types of labor-saving, high-precision, automated, and lightweight mechanisms. In addition, we also develop, produce, and supply to the world a range of other vital machine components, including ball splines and ball screws, as well as automotive and transportation components, such as linkage and suspension components; seismic isolation systems that protect human lives and property from earthquakes; and robots that solve challenges facing society.

See the following pages to learn more about THK.

THK Company Information (<https://www.thk.com/?q=eng/node/213>)

THK Group Overview (<https://www.thk.com/?q=eng/node/214>)

THK Products (<https://www.thk.com/?q=eng/node/229>)

THK Supply Chain Management

(<https://www.thk.com/eng/csr/social/supplychain.html>)

THK Group Policies

THK Group Stance

(1) THK Corporate Philosophy

As a manifestation of our entrepreneurial spirit, the THK Group's corporate philosophy is *providing innovative products to the world and generating new trends to contribute to the creation of an affluent society*.

(2) THK Corporate Basic Policies

The basic policies that the THK Group must follow as it performs its duties are creating value and contributing to society, being customer-oriented, and compliance with laws and regulations.

(3) THK Group Action Charter

The THK Group has established ten principles of behavior in order to perform its social responsibilities with high ethical standards, creating a sustainable society and respecting human rights around the world as well as the letter and spirit of relevant laws and international rules.

THK Group Stance

(https://www.thk.com/eng/csr/policy.html#management_philosophy)

These three items are contained in the "Fundamentals for the THK Group Employees" pamphlet that is distributed to all THK Group employees.

Fundamentals for the THK Group Employees

(https://www.thk.com/eng/csr/policy.html#employee_knowledge)

THK Group Human Rights Policy

The THK Group Human Rights Policy was established as the guiding principle for the entire THK Group's human rights efforts, and we engage in such efforts based on this policy.

THK Group Human Rights Policy

(<https://www.thk.com/eng/csr/social/humanrights.html>)

THK Group Structures

The THK Group has established the following structures related to human rights.

(1) THK's Compliance Structure

In Japan, we have established a Compliance Committee chaired by the CEO, and compliance subcommittees consisting of representatives from all offices, departments, and Group companies report to this committee.

In addition, each Group company around the world has designated a person in charge of human rights and coordinates with the Compliance Committee and compliance subcommittees to ensure smooth communication.



(2) THK Group Helpline

The THK Group provides a helpline for employees to consult about or report matters concerning wrongful acts, legal violations, and unethical behavior, including issues related to human rights. A separate, dedicated point of contact is also available for incidents of harassment.

THK Group Helpline

(<https://www.thk.com/eng/csr/governance/compliance.html#performance>)

Helpline for Harassment

(<https://www.thk.com/eng/csr/social/humanrights.html#performance02>)

Human Rights Efforts

Training

Using a variety of methods, including a web conference system, in-person training conducted by internal or external instructors, e-learning materials, the company intranet, and internal information boards, the THK Group regularly

disseminates valuable information and conducts training about human rights topics.

In 2022, we conducted the following human rights training.

(1) Held a seminar on human rights

In April 2022, a voluntary internal seminar on human rights was held for compliance subcommittee members and human rights personnel in Japan. This seminar was an opportunity for participants to reflect on human rights, as it focused on defining human rights and explaining what related activities society expects from corporations, all while providing real-life examples.

(2) Shared materials on human rights within the THK Group

Training materials about human rights, primarily those that were used for the seminar conducted in Japan, were translated into English and shared throughout the global THK Group.

(3) Displayed informational posters about human rights

Informational posters on human rights were created and displayed at THK's business locations throughout Japan.

(4) Conducted the Compliance Subcommittee Seminar

An annual Compliance Subcommittee Seminar is held for compliance subcommittee members. The seminar this year was conducted virtually through a web conference system, and the theme was how to have effective internal communication in order to prevent or correct compliance violations. Participants learned about the importance of mutual respect, which is a fundamental part of respecting human rights.

(5) Trained employees with "Compliance Tips"

"Compliance Tips" is an internal publication issued quarterly for employees in Japan in order to improve employee awareness and knowledge of compliance. This year, this publication was used to provide internal training on bribery from an anti-corruption perspective.

“Compliance Tips” is published to the company intranet and posted on each floor’s information board. Compliance subcommittee members also distribute PDF copies to employees.

Training and Activities to Raise Awareness

(<https://www.thk.com/eng/csr/governance/compliance.html#activity>)

Supply Chain Transparency

In order to achieve supply chain transparency, the THK Group has distributed its CSR Procurement Guidelines to suppliers and conducts surveys or interviews as appropriate to confirm compliance with those guidelines.

CSR Procurement Guidelines

(<https://www.thk.com/eng/csr/social/supplychain.html#performance>)

In 2022, THK conducted a survey of its Japanese and overseas Group companies and its direct domestic suppliers in order to examine each company’s human rights efforts.

(1) Survey of THK Group Companies

Scope: 24 THK Group companies (Response rate: 100%)

The THK Group works to respect human rights based on the THK Group Human Rights Policy and the Fundamentals for the THK Group Employees. In addition, because each Group company implements its own activities, a survey was conducted at both domestic and global locations in order to confirm the current status of these efforts.

The survey found that there was no problem with regard to the fundamentals of prohibiting discrimination, forced labor, and other human rights infringements related to employment, but there were varying levels of involvement with human rights issues involving the supply chain, such as conflict minerals and anti-corruption. Moving forward, the THK Group will share information and work on human rights efforts together as a cohesive whole.

(2) Survey of Direct Suppliers in Japan

Scope: 501 direct suppliers (Response rate: 76%)

THK asks its suppliers to work on human rights efforts in accordance with the THK Group Human Rights Policy and the CSR Procurement Guidelines.

In addition, a survey of select suppliers was conducted in order to identify the human rights challenges in THK's supply chain that require special focus.

The results indicate that all of the suppliers have a high level of awareness with regard to human rights. However, it became clear that there were different levels of activity among suppliers, so THK will put more effort into informational campaigns and strive for improvement.

THK Group Challenges

Among its various human rights initiatives, the THK Group recognizes the following matters as especially critical challenges.

(1) Eliminating Discrimination

The THK Group respects the basic human rights, individuality, and diversity of individuals. Furthermore, we do not discriminate, harass, or otherwise treat individuals inhumanely based on race, gender, language, religion, nationality, sexual orientation, gender identity, or disability.

(2) Improving the Labor Environment

The THK Group respects labor agreements and does not engage in any forced or child labor. By maintaining a dialogue with workers and striving to create a vibrant corporate culture in which all people respect each other for their diverse individual characteristics, we create a working environment where employees can work safely and with peace of mind, in a manner that is healthy both mentally and physically.

In order to engage with this issue, we regularly conduct internal surveys to identify issues and consider improvements.

(3) Ethical Material Procurement

The THK Group aims for ethical procurement in its purchasing of components and materials used in its manufacturing processes. We strive to ensure that our procured goods do not contribute to human rights violations, and if we become aware of any such involvement, we will respond appropriately.

Education Efforts in the Supply Chain

The THK Group strives to ensure our suppliers are made aware of our human rights activities, and we request that our suppliers make similar human rights efforts.

Akihiro Teramachi
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THK CO., LTD.
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