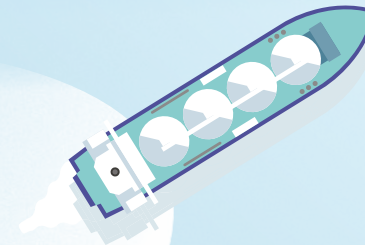


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SECTION

# 05 | Social



## Shaping of Working Environment and Promotion of Health Management

### Approach

#### Basic Principle (On Land)

The “K” LINE Group has established Groupwide guidelines: the Charter of Conduct. Under these guidelines, we respect the human rights of all employees, regardless of whether they are in Japan or overseas, consider the personality, individuality, and diversity of our corporate members, and improve work safety and conditions to offer them comfort and affluence.

#### Basic Principle (At Sea)

Eradication of occupational accidents is fundamental to safe and economical operations. In order to raise each member's safety awareness and ensure safety on board, the Company has introduced safety experience training and/or hazard prediction training. The Company also gathers examples of incidents, through near-miss reports, etc., that have not been tangible but have posed potential risks. Such information is shared internally to help enhance safety in navigation and cargo operations.

In addition, the “K” LINE Group strives not to violate the fundamental rights of seafarers on board by complying with the Maritime Labour Convention, 2006 (MLC, 2006). The convention was adopted in February 2006 by the International Labour Organization (ILO) as a comprehensive international employment convention containing seafarers’ fundamental rights, as set out below:

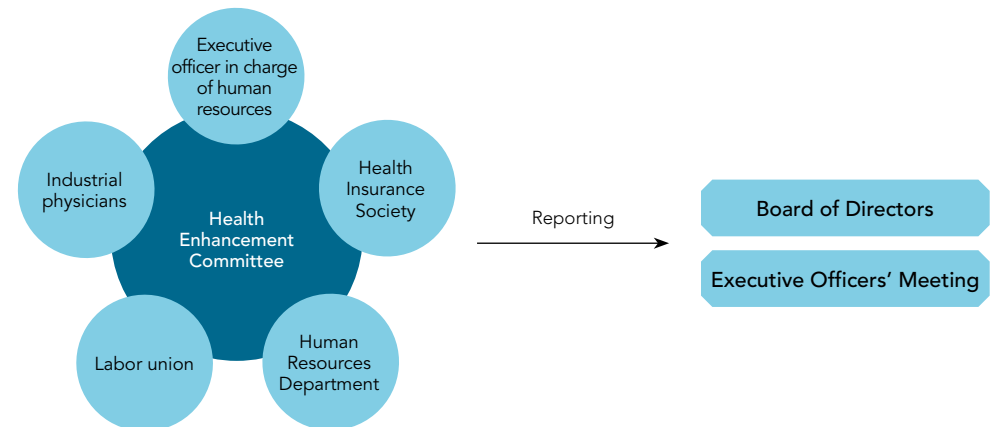
1. Freedom of association and the effective recognition of the right to collective bargaining;
2. the elimination of all forms of forced or compulsory labour;
3. the effective abolition of child labour; and
4. the elimination of discrimination with respect to employment and occupation.

We shall comply with this convention across our entire fleet so as not to infringe on the fundamental rights of our crew members.

### System

#### Management System (On Land)

We strive to continuously improve health and safety at onshore offices and bases and the mental and physical health of our employees. The Company established the Health Enhancement Committee, chaired by an executive officer in charge of human resources (overall health controller), which functions as a health committee, as required by the Industrial Safety and Health Act. We share information by regularly communicating the matters discussed and reported at these committee meetings to the Board of Directors and Executive Officers’ Meeting.

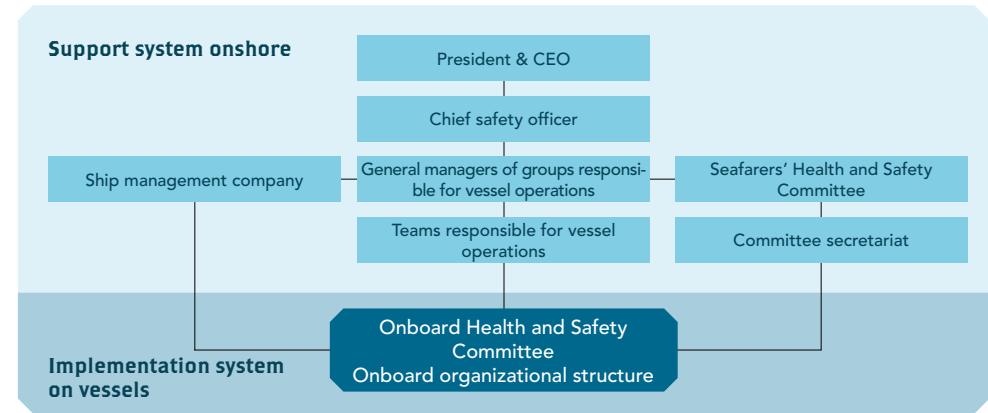


### Management System (At Sea)

Based on legal standards, we have set up a seafarers’ health and safety system, with the Seafarers’ Health and Safety Committee onshore and the Onboard Health and Safety Committee on our vessels. We promote operational health and safety in cooperation with ship management companies and relevant departments.

The Onboard Health and Safety Committee studies and deliberates how to best maintain seafarers’ living and working conditions on board and prevent occurrences or recurrences that may affect seafarers’ health, as well as provide proper training in health and safety.

We were certified as a good company for seafarers’ industrial accident prevention in 2008, and have maintained this certification.



### Initiatives

#### Work–Life Balance (On Land)

Ensuring that employees can maintain a good work–life balance is integral to encouraging employee skill development and to spurring the sustainable growth of the “K” LINE Group. We are actively adopting flexible workstyles as a measure to allow employees to continue working amid the changes that accompany different life stages. For example, the Company had a teleworking system in place even before the COVID-19 pandemic. In addition, we offer robust systems for supporting employees, including maternity, childcare, and long-term care systems that surpass legal requirements.

#### ► Our Actions for Enabling Work–Life Balance

We have been very successful in establishing an excellent relationship with our labor union, and we are jointly seeking opportunities to realize a better work environment and implement measures to enable a work–life balance. These include the implementation of a teleworking system, infertility treatment leave, maternity leave, and childcare leave. In addition to childcare leave for mothers, we have introduced childcare leave for fathers, enabling them to take leave of up to 10 consecutive working days to care for their children. Furthermore, we have established various systems, such as shorter working hours and flextime, to promote our employees’ work–life balance.

## ► Overview of Systems That Support Work–Life Balance

Primary Systems		Outline of Our Systems	Legal Standards	(Number of people)		
				Number of Users in Fiscal 2022		
				Men	Women	Total
Health care during pregnancy		Reduced hours granted during pregnancy	Same as our system	–	0	0
		Hospital visits granted during work hours	Same as our system	–	1	1
Maternity leave		Granted from 8 weeks before the due date	Granted from 6 weeks before the due date	–	16	16
		Maternity allowance granted during the period of 6 to 8 weeks prior to birth	No established standards	–	15	15
Childcare leave		Granted until the child turns 3 years old	Granted until the child turns 2 years old	13	11	24
Childcare leave for fathers		Granted for 5 to 10 working days	No established standards	11	–	11
Leave for advanced infertility treatment		Granted for up to 18 months	No established standards	0	1	1
Nursing care leave		Granted for up to 2 years	Granted for up to 93 days	0	0	0
Support programs during childcare or nursing care	Loan program	Available for an employee who has a preschool child or a person requiring nursing care in their family (up to ¥2,000,000)	No established standards	0	0	0
	Reduced working-hour program	Granted until a child completes the third grade of elementary school	Granted before a child enters elementary school	0	28	28
Flexible working hours		Introduced by various divisions, with core hours of 11 a.m. to 3 p.m.	Depends on the labor-management agreement	–	–	–

Primary Systems	Outline of Our Systems	Legal Standards	Number of Users in Fiscal 2022		
			Men	Women	Total
Refreshment leave	Available in the 11th year at the company (7 consecutive days)	No established standards	9	9	18
	Available in the 21st year at the company (10 consecutive days)	No established standards	10	5	15
Administrative leave for accompanying a spouse on an overseas or domestic assignment	Granted for 2 years for an overseas assignment or 1 year for a domestic assignment	No established standards	0	4	4

## ► Kurumin: The Accreditation Mark Granted to Companies That Support the Raising of the Next Generation of Children

“K” LINE was evaluated for its proactive measures to support the balance between work and childcare and received Kurumin 2022 certification (for its efforts from April 1, 2019, to March 31, 2022) as a childcare support company by the Tokyo Labor Bureau of the Ministry of Health, Labour and Welfare. We also received Kurumin certification in 2016 and 2020.

In addition, KMDS CO., Ltd., one of our consolidated subsidiaries, achieved Kurumin 2021 certification for its efforts from April 1, 2017, to March 31, 2020. Women comprise 90% of employees at this company, which is engaged in trade administration, including documentation for ocean freight transportation, outsourced contracting, and worker dispatching services. We are striving to improve the working environment and diversify workstyles so that both women and men can play active roles.



## Work–Life Balance (At Sea)

### ► Creating Opportunities to Contact Families

To help our seafarers work with peace of mind despite being far away from their families, we established onboard internet access enabling individuals to use smartphones and computers to contact their families and friends via email, social media, and other apps. We also help cover travel and accommodation expenses so that the families of workers can come to our vessels when they berth at ports in Japan and overseas.

In addition, we have established a system allowing families to board our vessels during certain periods.

### ► Accommodations on Vessels

Since ship-based living quarters and working environments are so close together, seafarers need to be able to adjust between being on duty and off duty. We endeavor to help seafarers take proper rest in various ways. This includes giving them opportunities to exercise, read books, and watch DVDs in their free time. Our vessels include onboard gymnasiums, to help seafarers keep fit, and recreation rooms, the cost of which we subsidize by purchasing recreational equipment. Moreover, each vessel has free WiFi.

Daily meals play an important role in ship-based living, and for this reason we employ non-Japanese cooks to prepare onboard meals. Our cooks are trained at the “K” Line Maritime Academy (KLMA) in Manila, the Philippines, underscoring our efforts to provide well-balanced, highly nutritious meals for our seafarers on our vessels.

We also provide crew members on each vessel with a recipe book of their national cuisine so that they can eat a wide variety of meals.

In order to create a bright and pleasant working environment for our seafarers, from time to time we organize recreational events and parties for all crew members to participate in, regardless of their nationality.

## Health and Safety Considerations (On Land)

### ► Physical Health

Our employees must receive a physical examination once a year, and we assist with the costs for those who wish to receive a second examination. We have a medical clinic at our head office in Tokyo that provides medical examinations, and employees can visit a doctor when they are feeling unwell. In addition, we have a “health keeper,” who provides massages for employees to help them recover from fatigue. Thus, we proactively support our employees’ health management.

### ► Mental Health

As a part of mental health care, we have adopted an internet-based stress check program that employees can use to manage their mental health and improve their stress tolerance. In addition, we hold annual seminars on mental health for executives and employees at the Tokyo head office. Furthermore, we have put in place a range of support systems, including mental health consultations with a medical specialist and the Employee Assistance Program (EPA), which provides external counselors to tend to employees’ physical and mental health conditions.

### ► Prevention of Overwork

To reduce overlong working hours, we are implementing training for managers on the relationship between overwork and health and reinforcing measures to prevent employees from becoming overworked. In terms of managing working hours, when an employee does any work outside of regular working hours, an email is automatically sent to their superior after a fixed amount of time has elapsed. This system enables managers to understand the working hours of their employees in a timely manner and respond quickly, such as by reducing their workload. Additionally, we endeavor to reduce overlong working hours by managing the overtime work results for each employee on a daily basis. We will carry out interviews with employees, when necessary, who have the most overtime work Groupwide, as well as with their managers. Furthermore, reporting the average overtime working hours for each department to the Executive Officers’ Meeting on a monthly basis enables us to work together with management and make even more effective improvements.

### ► Health Support for Overseas Assignees

We support medical examinations and vaccinations for employees who are transferring overseas, as well as for their family members. Once they have been posted overseas, employees can also receive support from our partner emergency medical assistance companies.

## Health and Safety Considerations (At Sea)

### ► Initiatives to Prevent Occupational Accidents

While at sea, we conduct pre-work/tool-box meetings every morning to help prevent occupational accidents. We also hold monthly working management committee meetings to ensure that we are thoroughly prepared in the event of an emergency and dangerous situations on board. In addition, we regularly distribute letters from our marine safety supervisors to all vessels to keep our seafarers mindful and aware of issues related to occupational accidents, health, and safety. We also distribute radio calisthenics CDs to encourage employees to do pre-work warm-up exercises to prevent injuries.

In addition, our seafarers are required to attend health- and safety-related training.

### ► Prevention of Overwork

To prevent overwork at sea, we have introduced a labor management and reporting system to consider appropriate distribution of tasks so that our seafarers do not take on excessive workloads. We also arrange ship operational schedules and increase the number of personnel on board as necessary to prevent unreasonable working situations. Moreover, we have an online consultation system with occupational health physicians for crew that have become fatigued after working more than the prescribed hours.

### ► Physical Examinations

Since it is not possible to visit onshore medical facilities while at sea, it is extremely important that our maritime technical personnel are both physically and mentally healthy. They are required to undertake a medical examination prior to embarkation, as well as annual examinations covering items beyond those mandated legally.

We keep secure records of medical examination data at the Company in order to refer to and understand the health status of our various maritime technical personnel. Regarding the mental health of maritime technical personnel, in addition to training courses conducted by externally qualified people and annual stress checks, the superintendent regularly announces safety-related information in collaboration with our own industrial physicians.

### ► Health and Safety Management Guidance through Ship Visits

Seeking to improve overall awareness of the health and safety of our seafarers, we have assigned marine safety supervisors to our Maritime Strategy Group. The marine safety supervisors visit the ships when at port and provide guidance related to health and safety management. During such visits, we also conduct individual interviews to ensure our seafarers are in good mental health. In addition, we encourage our seafarers to engage in radio calisthenics before starting work each day to keep fit and prevent injuries.

### ► Enhancement of Interviews Conducted by HR Personnel

Unlike regular workplaces, our maritime technical personnel experience closed living conditions while working at sea. Once on board, however, they are normally at sea for six-month periods. For this reason, we always have HR personnel conduct telephone interviews with our seafarers to gain feedback focusing on life at sea and, after disembarkation, personal relationships, and anything else they feel is worth mentioning. When deemed necessary, moreover, we conduct face-to-face interviews. Through these actions, we strive to alleviate the concerns of our maritime technical personnel while monitoring the condition of Company workplaces.

### ► Onboard Workstyle Reforms

Maintaining safety in navigation and cargo operations is the most important duty for maritime technical personnel on board our vessels. However, they also take responsibility for numerous administrative tasks, including procedures that accompany entering and exiting ports. We are working on the IT development and digitalization of our vessels, installing high-spec computers, which already support IT development, and promoting the introduction of a communications infrastructure capable of handling large amounts of data to reduce workloads.

## Response to Digital Transformation (DX)

### Realization of Work–Life Balance through DX

#### ▶ Development of a Network Security Platform That Enables Peace of Mind

We recognize the effectiveness of teleworking from the perspective of supporting work–life balance, in addition to the importance of face-to-face communication. We are promoting the reinforcement of a network security platform that does not interfere with operations, even when teleworking, through measures including the introduction of communication tools and strengthening of endpoint security. We will reform workstyles not only onshore but also offshore. We aim to further advance the digitalization of information and administrative processes, as well as the vessels in the marine sector, achieve information sharing between onshore and offshore operations in a timely manner, and realize work–life balance by reforming the environment in which seafarers must live.

#### ▶ Introduction of IT Equipment in Line with Workstyles

Even after the COVID-19 pandemic, online meetings have become the norm. To enhance teleworking, it is essential to ensure the sound and video quality during online meetings and further expand the advantages that can only be found online. To make online meetings at “K” LINE more efficient, we have increased the number of camera microphones and large-size displays in conference rooms. With these enhancements, we have the facilities to make meetings more efficient in a hybrid format that combines face-to-face and online presences.

### Improvement of Office Environment through DX

#### ▶ Meeting the Challenge of Changing Communication Styles

We are advancing the integration of analogue and digital through technological reform. While analogue technology has the advantage of facilitating freethinking, it is difficult to preserve information. For digital technology, although ideas may be limited by the tools being used, data can be easily preserved and searched for. At “K” LINE, we introduced digital whiteboards, interactive projectors, and touch-panel computers to create a work-style environment in which information generated through freethinking using analogue technology can be used in a digital form.

#### ▶ Promotion of Digitalization of Operating and Administrative Processes

We are advancing the introduction of the latest digital equipment in conference rooms and collaboration spaces as only part of the process. We are continuously working through the PDCA cycle, which reviews administrative processes by utilizing digital technology. In addition to RPA\*1 and grassroots development\*2 using Microsoft Power Platform across many business divisions, our corporate-related operations are internally and securely introducing ChatGPT, updating expense reimbursement systems, and encouraging the use of digital signatures on contracts, while leveraging the latest technologies in AI and IoT to digitalize business processes in each business division.

\*1 RPA stands for robotic process automation, an approach to work automation using robots that work within the parameters of created scenarios.

\*2 Grassroots development refers to employees who develop systems without formal programming training.

## Related Data

### Health Management Data

Our corporate principle is to help enrich the lives of people as a logistics company rooted in the shipping industry, and we conduct our business activities accordingly. Crucial to realizing this principle is providing safe and optimized services, which calls for us to constantly maintain the physical and mental health of the individuals involved in our business and to help them fully demonstrate their potential abilities. We believe that health is the source of individual happiness and is indispensable for realizing the Group's principle. As the health of each and every Group employee is of paramount importance, we will work hard to maintain and enhance the health of employees in cooperation with health insurance associations, labor unions, and clinics (occupational health physicians).

### Priority Health-Related Initiatives

- Establishing the Health Enhancement Committee and holding regular meetings (the minutes of which are disclosed to employees)
- Offering stress check consultations and follow-ups
- Holding in-house walking events
- Holding seminars about lifestyle ailments, alcohol, smoking, and women's health (e-learning)

### Work engagement and percentage of employees with high levels of stress

Item	2020	2021	2022	2023
Comprehensive health risk*1	87	87	84	82
Percentage of employees with high levels of stress*2	10.8%	8.9%	9.4%	8.8%
Work engagement*3	2.5 points	2.5 points	2.6 points	2.6 points
Presenteeism*4	–	–	4.1 points	4.0 points

Note: Scores taken from The Brief Job Stress Questionnaire

\*1 Comprehensive health risk is derived from the scores of the following four factors: work burden (quantity), discretion over work, support from superiors, and support from co-workers. It is a quantification of the degree of health risk that occurs due to the work environment. The national average is 100, and the lower the number, the lower the risk.

\*2 Employees with high levels of stress were evaluated based on the average score of mental and physical stress response, work stress factors, and support from colleagues and superiors, converted into a five-point evaluation. The national average is 10%.

\*3 Work engagement is an indicator of how energized, proud of, and enthusiastic about their work employees are. The scores given to each response to the following statements are as follows: "I feel full of vitality when I work" and "I feel proud of my work": Yes = 4 points, Most of the time = 3 points, Sometimes = 2 points, and No = 1 point. The score shown above is calculated based on the average score of all examinees. The national average is 2.5 points.

\*4 Presenteeism means working while suffering from some form of health issue, resulting in low productivity. (Japan has an average of 3.9 out of 5.0 points. A low number equals low productivity.)

### Stress check examination rate

2019	2020	2021	2022	2023
82.6%	84.3%	90.1%	88.0%	92.1%

### Ensuring Employees Take at Least Five Days of Annual Paid Leave

#### Average days of annual paid leave taken

2020	2021	2022
8.3 days	8.9 days	9.9 days

#### Average of seven days' vacation\* taken

2020	2021	2022
5.3 days	5.0 days	4.8 days

\* In a fiscal year, up to seven days of non-statutory leave are available.

### Managing Overtime Working Hours

#### Overtime working hours (monthly average)\*

2020	2021	2022
7.9 hours	8.9 hours	6.8 hours

\* Full-time employees only; excludes transferees and those on reduced working hours

As a result of the above initiatives, we have been recognized under the Certified Health & Productivity Management Organization Recognition Program, designed and promoted by the Ministry of Economy, Trade, and Industry (METI) and the Nippon Kenko Kaigi, to honor companies that practice good health management. Recognition as a 2023 certified Health & Productivity Management Outstanding Organization marks the fourth year in a row and the fifth time overall that we have won in the large enterprise category.



## Data Related to Occupational Accidents

Item	Unit	Fiscal Year					
		2020		2021		2022	
		Onshore	Seafarer	Onshore	Seafarer	Onshore	Seafarer
Number of occupational accidents*1	Cases	0	0	0	0	0	1
Number of fatal occupational accidents	Cases	0	0	0	0	0	0
Number of accidents requiring leave*2	Cases	0	0	0	0	0	0
Lost time incident rate (LTIR)*3	–	0	0	0	0	0	0

\*1 Excludes accidents while commuting

\*2 Number of injuries/illnesses caused by occupational accidents and requiring one or more days of leave

\*3 Accidents that result in time off work beyond the day or shift that the injuries or illnesses occurred / one million total working hour ratio



## The Securing and Development of Human Resources

### Approach

#### Basic Principle (On Land)

The “K” LINE Group is developing human resources and shaping workplace environments with the aim of allowing all employees to heighten their skills and achieve greater results. Our approach toward career planning positions the first 10 years after joining the Company as one leg of an employee’s career, during which they should be provided with various experiences and opportunities to learn, equipping them to develop their careers through on-the-job experience. After the first 10 years, employees move on to a stage at which they are expected to build on their specialties, with an emphasis on autonomy, and to gain management skills and pursue career development. We have also prepared a number of training programs to help employees acquire the skills needed for their specific career plans.

#### “K” LINE Group’s Global Initiatives

- Nurturing individuals who have professional knowledge, high management skills, and integrity
- Maintaining a corporate culture that appreciates mutual respect, freedom, and vigor; these traits enable each employee to use their ability proactively and allow the organization to overcome difficulties and grow continuously
- Creating an environment where employees share what the Company should be in the future and keep nurturing new abilities
- Establishing efficient business procedures that bring maximum results with minimum effort; accordingly, employees can enjoy both work and life

#### Basic Principle (At Sea)

In order to provide safe and optimized transportation services, which is the core of the “K” LINE Group’s business management, it is important to secure maritime technical personnel and to foster them effectively. To attract diverse human resources, we dispatch our maritime technical personnel to various maritime universities and schools to participate in lectures and roundtable discussions. We also welcome interns from various schools in an effort to spark their broad interest in becoming maritime technical personnel. In addition, we take on people from non-maritime universities and train them in-house to become maritime technical personnel. Our maritime technical personnel do much more than work as captains, deck officers, chief engineers, or engineers on ships; they make full use of their high-level skills, knowledge, and experience gained through work on board vessels for a variety of activities that are indispensable to providing safe and optimized services onshore. To enable maritime technical personnel to demonstrate their full potential, we not only provide numerous technical training courses but also conduct stratified training. This training enables the Company and its maritime technical personnel to fulfill their potential with common objectives in mind.

Structure

Human Resource Development Program (On Land)

"K" LINE's training structure for human resource development was designed with the goal of developing human resources who embody the values "K" LINE requires for the realization of its corporate principle and vision.

The training program was primarily designed with the aim of enhancing four types of skills. Although those skills—core skills, practical maritime skills, general skills, and management skills—can be improved through work, we prepared this training program to encourage growth in employees. The training program is mainly divided into position-based training and maritime training for young employees, management training for managers, and general training for all employees.

Human Resource Evaluation Systems

"K" LINE aims to make employees professional shipping executives, a source of differentiation and growth for the Company, by taking into account the efforts and contributions of each employee in their evaluations based on its personnel evaluation system. Our personnel evaluation system measures individual performance in the context of target management and behavioral assessments, and reflects these criteria in their evaluations.

- 1) Target management: At the beginning of the fiscal year, the goals that contribute toward achievement of the Company's earnings targets are set for all employees in accordance with the size of their roles and responsibilities, based on their job grades. At the end of the fiscal year, their achievement of these goals is assessed.
- 2) Behavioral assessments: At the end of the fiscal year, employees are assessed on whether they have reached a state where they are able to consistently demonstrate the behavior required for their job grades.

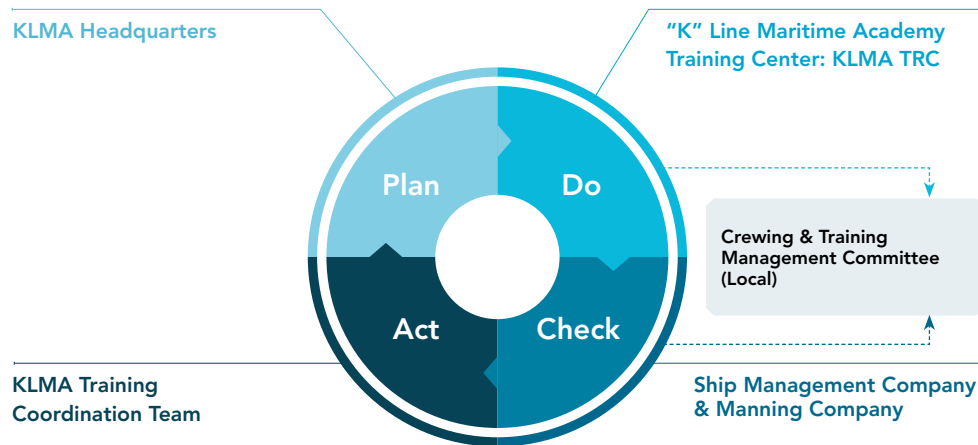
To increase the level of each employee's satisfaction with the outcome of their evaluation, it is necessary for managers to communicate adequately with their employees. At "K" LINE, opportunities are created for such communication in April (to verify first-half targets and behavior required for the fiscal year), in October (progress toward first-half targets, a review of behavior required for each job grade, and confirmation of targets for the second half of the fiscal year), and in March (feedback is provided on two occasions, once before the evaluation and once after the evaluation). In particular, the communication before the evaluation at the end of the fiscal year is positioned as an important process for enhancing mutual understanding based on objective facts, not just impressions and fragmented information.

Human Resource Development Program (At Sea)

Development of Maritime Technical Personnel

The "K" Line Maritime Academy (KLMA) is a generic term for our educational philosophy, which includes educational policies for fostering personnel indispensable to implementing the Group's basic commitment to "safety in navigation and the protection of human lives, cargoes, and the natural environment at sea." These personnel include ships' crews (officers and ratings) and seafarers ("K" LINE seafarers), who have the knowledge and skills that enable them to excel in onshore duties (ship management, crew management, and training, and sales division support).

Under the KLMA, we foster maritime technical personnel according to our KLMA Master Plan and transfer knowledge of the Group's maritime technical expertise, amassed over many years, to the next generation. All Group companies are united in the goal of fostering exceptional seafarers.



Commendation Awards for Maritime Technical Personnel

With the intention of elevating the morality and work motivation of maritime technical personnel, and further improve work efficiency, "K" LINE presents awards in recognition of exemplary actions or achievements that serve as a model for others. These awards recognize individuals who, in the event of maritime accidents or other extraordinary emergencies, make proper decisions and take appropriate actions that result in the rescue of lives, vessels, cargo, or the prevention of maritime disasters and other significant calamities, while ensuring ship safety and maintaining order.

## Initiatives

### Embedding Our Corporate Principle

Exercising “K” LINE’s corporate principle and vision requires the development of human resources who can practice teamwork in their daily activities to give form to the “K” LINE spirit (independence and autonomy, broad-mindedness, and an enterprising spirit), which has supported our ambitions and value creation for a century, and the six values the “K” LINE Group prized (see corporate principle on page 3). In the current era, which is characterized by volatility, uncertainty, complexity, and ambiguity, “K” LINE will continue to foster maritime professionals who can compete on the global stage. We are committed to developing human resources so that they can become professionals with a propensity for self-growth—with a continual awareness of how circumstances affect them no matter how the operating environment may change—and to making them proficient at coordinating their work with others.

### Initiatives for Human Resource Development (On Land)

#### ► Acquisition of Core Skills: Position-Based Training

“K” LINE offers stratified training programs for each level of employee to learn the fundamental skills and ways of thinking required by businesspeople playing important roles in global businesses. In particular, employees who join as new graduates must take these programs each year for their first five years with the Company.

#### ► Acquisition of Practical Maritime Skills: Maritime Training

We implement training for learning specialized knowledge of the marine transportation business, such as an explanation of operations by each department head, the structure of vessels, insurance, clerical duties, bills of lading, and the environment, to enable employees to grow in the most important training period and intensively acquire maritime skills.

#### ► Acquisition of Management Skills: Management Training

Managers are expected to maximize the performance of their organization and fulfill their roles. To ensure this, we implement training for managers with the aim of acquiring management skills that ensure psychological safety by respecting individual diversity, increasing self-efficacy, and providing a comfortable place to work. Additionally, we implement labor management and compliance training to ensure compliance with laws.

#### ► Acquisition of General Skills: Cafeteria Method\*

We implement training with the aim of acquiring knowledge of accounting, finance, English, and IT. We aim to develop human resources capable of understanding “K” LINE’s current corporate value and considering measures for its enhancement by looking at the Company from a general perspective.

\* A method that allows employees to select the seminars they want to participate in from a number of topics.

#### ► On-the-Job Training and Job Class-Specific Training

We carry out an impartial comparison of goals set by employees and their actual achievements. Evaluation results are fed back to each staff member to improve the transparency of the evaluation process and to encourage their development. We assist this development primarily with two programs: on-the-job training (OJT) for mastering knowledge, skills, and procedures on-site and job class-specific group training (OFF-JT). Other training programs we offer include in-house language training, training at our overseas subsidiaries, and assistance for employees taking correspondence courses for personal development. We also provide onboard training for our onshore workers, a program specifically tailored for shipping companies. This helps individual participants improve their skills by providing them with a variety of opportunities, including experiencing work performed by seafarers on ships at sea.

#### ► “K” LINE UNIVERSITY

“K” LINE Group employees from all over the world are invited to our “K” LINE UNIVERSITY training sessions, which are held at one of our three bases in Tokyo, London, or Richmond (Virginia, USA). These training sessions, held several times a year, deal with themes such as the “K” LINE Group’s vision and its future business development. “K” LINE UNIVERSITY provides participants with a valuable opportunity to speak face-to-face with colleagues they would usually communicate with through mostly online tools, and to deepen their shared understanding.

### Initiatives for Human Resource Development (At Sea)

#### ► Securing Maritime Technical Personnel

Securing maritime technical personnel is important for providing safe and optimal transportation services. Seeking to secure diverse human resources, we dispatch our maritime technical personnel to give lectures at various maritime universities and schools. We also accept internships from various schools to encourage a broader interest in the work of maritime technical personnel, and we engage in the training of individuals from non-maritime universities to foster them as maritime technical personnel at the Company.

#### ► In-House Training Program

We introduced the in-house maritime employees training program for university graduates outside of maritime-related universities. Graduates of regular universities are required to participate in a two-year training program at the Maritime Technical College managed by the Japan Agency of Maritime Education and Training for Seafarers. Under this program, graduates attend classroom and practical training, onboard training on training vessels, basic training at our training center, and onboard training on “K” LINE-operated vessels. If the graduates pass the state third maritime officer examination, they are appointed as a

third officer or a third engineer. Following this, they will be able to build a career as maritime technical personnel in the same manner as graduates from a maritime-related university and experience work as onshore employees, including at overseas offices, in addition to working as officers and engineers on board our vessels.

#### ▶ Enhancing Interviews Conducted by HR Personnel

Maritime technical personnel experience closed living conditions when working offshore. As soon as our maritime technical personnel disembark after an offshore stint, they participate in telephone interviews with HR personnel to discuss their lives on board the ship, as well as personal relationships and anything else that comes to mind. When necessary, we also conduct face-to-face interviews. Through these efforts, we endeavor to not only relieve anxiety among our maritime technical personnel but also gain a better understanding of conditions on the front lines.

#### ▶ Obtaining the Latest Knowledge and Skills to Support Safety in Navigation and Cargo Operations

Under the “K” Line Maritime Academy (KLMA), we conduct various training programs to foster maritime technical personnel (“K” LINE seafarers) with essential knowledge and skills to implement the “K” LINE Group’s basic commitment to safety in navigation and the protection of human lives, cargoes, and the natural environment at sea. As part of our

seafarers’ training, we have introduced a state-of-the-art ship maneuvering simulator to help trainees respond to re-enacted accidents and the like. For institutional training, KLMA (Philippines) conducts training using an actual main engine to help trainees obtain knowledge of and skills in new technologies. In these ways, Group companies are united in their quest to develop excellent maritime technical personnel.

#### ▶ KLMA Master Plan

KLMA is based on the KLMA Master Plan for preserving the Group’s seamanship, which we have cultivated over many years, for the next generation. We will reliably preserve the knowledge and skills that support safety in navigation and environmental preservation and “K” LINE’s business foundation, as well as meet the needs of a new era, such as advanced technology. Specifically, our maritime engineers are given onshore training at our six training facilities, in Japan, the Philippines, India, Bangladesh, Eastern Europe, and Central Europe, and onboard training programs. They also receive advancement in both onshore and offshore careers. KLMA (Philippines) is positioned as the core of training for Filipino seafarers, who comprise approximately 70% of “K” LINE Group crew members, and it accepts a total of 10,000 seafarers every year.

Furthermore, we promoted a shift to online training and created a system that enables employees to participate from home.

## Response to Digital Transformation (DX)

### DX Human Resource Development

#### ▶ Approach

DX needs to take hold at business sites before it can become a corporate growth driver. DX human resources, which are key to making DX work, are often lumped together in discussions. To date, the scope of in-house training has been limited to general knowledge of IT and information security.

“K” LINE aims to advance DX further and conduct ongoing in-depth DX training for employees who will be responsible for the actual work, based on its DX Strategy. As a marine transportation company, “K” LINE has defined the skills and knowledge required of its DX personnel, and created a human resource training policy geared toward the acquisition of these skills and knowledge.

#### ▶ Training Program

Based on our DX strategy, we implement a DX training program for employees to acquire necessary skills and knowledge. Specifically, we will strengthen the “DX leaders” of personnel that lead business transformation with knowledge of the latest technology, IT, and security. We are also training the “DX utilizers” of 100 employees with the ability to plan and advance initiatives using data and digital technology. Furthermore, we aim to improve the skill level of “DX users” personnel (all employees), who can utilize digital tools to solve problems.

“K” LINE D+ Salon, a workshop training program launched in 2022, has already graduated 80 participants and will continue to be implemented. Moreover, we have developed a program for certifying DX personnel as “DX utilizers” with e-learning and hands-on training, and set up an internal certification system. We are creating a framework where employees use DX in their actual work in order to enhance corporate value, while fostering an organizational culture and training personnel in DX. Through these efforts, we aim to further instill DX and strengthen our competitiveness.

## Related Data

## Personnel Data (This data applies to Kawasaki Kisen Kaisha, Ltd., and its employees.)

	Item	Unit	Fiscal Year						
			2020		2021		2022		
			Onshore	Seafarer	Onshore	Seafarer	Onshore	Seafarer	
Number of employees	Men	Persons	370	200	372	204	369	201	
	Women	Persons	195	4	213	5	228	6	
	Subtotal	Persons	565	204	585	209	597	207	
	Total	Persons	769		794		804		
	Percentage of employees who are women	%	34.51	1.96	36.41	2.39	38.19	2.90	
Employees in management positions	Men	Persons	120		128		126		
	Women	Persons	5		8		10		
	Percentage of general managers or higher who are women	%	4.00		5.88		7.35		
	Employees in management positions (general managers or higher)	Men	Persons	33		31		27	
		Women	Persons	0		0		0	
		Percentage of general managers or higher who are women	%	0.00		0.00		0.00	
Directors (including officers)	Men	Persons	27		25		26		
	Women	Persons	2		2		2		
	Percentage of general managers or higher who are women	%	6.90		7.41		7.14		
Average years employed*1	Men	Years	14.99		15.21		14.92		
	Women	Years	14.19		14.17		13.77		
Percentage of employees with disabilities*2		%	1.82		2.09		1.71		
Recruitment of new graduates	Men	Persons	20	12	17	17	19	13	
	Women	Persons	10	0	8	1	7	3	
	Percentage of general managers or higher who are women	%	33.33	0.00	32.00	5.56	26.92	18.75	
Training	Cost of training per employee	Yen	63,107	198,652	107,000	154,664	97,092	263,880	
	Average training days per employee	Days	10	9	0.5	8	3.4	12	
	Average training hours per employee	Hours	50	73	13	64	24.1	96	
Labor union participation rate		%	78.60	75.80	76.20	75.80	75.90	74.90	
Employees retiring	Reached retirement age	Persons	6	0	9	3	11	4	
	Voluntary retirement	Persons	11	15	12	10	7	9	
	Involuntary retirement	Persons	3	1	5	3	6	1	
	Others (including those who became officers)	Persons	0	0	2	0	7	1	

\*1 The scope of reporting covers "K" LINE's permanent employees.

\*2 These figures conform to the Act to Facilitate the Employment of Persons with Disabilities. According to the Act, a 90% exclusion rate applies to and is calculated for seafarers (excluding those on duty onshore).

## Diversity & Inclusion

### Approach

#### Promotion of Diversity: Utilization of Diversity as a Wellspring of Competitiveness

With subsidiaries and affiliates in more than 20 countries around the world, the "K" LINE Group is composed of diverse employees. Even at the Japan head office, we conduct group and mid-career hiring of employees of diverse nationalities, educational backgrounds, genders, and work areas (administrative, technical, etc.). We have also established the Action Plan for Promoting the Advancement of Women to achieve a more ideal workplace gender balance, and we are promoting other diversity initiatives.

### Targets and Progress

#### Action Plan to Promote the Active Participation of Women and Support the Development of the Next Generation

In order to create an environment in which everyone can fully demonstrate their individual abilities while balancing work and family life, we formulate the following action plan with the aim of becoming a company where all employees can work with a sense of motivation and self-confidence.

##### ▶ 1. Plan Period: April 1, 2022, to March 31, 2025

##### ▶ 2. Challenges for the Company to Promote the Active Participation of Women and Support the Development of the Next Generation

- (1) Although the number of women in managerial positions continues to increase, it is still small, and it is difficult for female employees who return to work after life events to imagine their career development when aiming for managerial positions while balancing childcare and work.
- (2) Some employees are choosing to change their work duties after life events because they find it difficult to balance childcare and work.
- (3) As the percentage of male employees taking childcare leave is low and understanding of childcare among male employees is not sufficient, understanding of women returning to work after maternity and childcare leave is not improving.

##### ▶ 3. Goals and Initiatives

###### <Goal 1> Goal to provide opportunities related to work life

Increase the percentage of female employees in managerial positions to 15% by the end of the plan period.

###### <Implementation schedule and initiative details>

- From April 2022 onward: Provide opportunities for female employees to consider their own career plans through roundtable discussions with a female Director and Audit & Supervisory Board member.
- From April 2022 onward: Enhance the training content for managerial employees and raise awareness that they should develop human resources as management personnel regardless of gender.
- From April 2022 onward: Implement e-Learning to help employees on maternity or parental leave improve their skills, and promote communication between supervisors and employees returning to work after such life events to facilitate support for short-term business operations (work and childcare) and career planning from a long-term perspective.

## <Goal 2> Goal to balance work life and family life

Limit the average monthly overtime working hours per employee to 40 hours or less.

### < Implementation schedule and initiative details >

- From April 2022 onward: Calculate the average overtime hours by business division on a monthly basis and report them to the Executive Officers' Meeting, thereby making efforts for improvement after management recognizes issues (to maintain the status quo and strengthen efforts to reduce overtime hours).
- From April 2022 onward: Encourage employees to actively make use of teleworking and flextime systems.
- From April 2022 onward: Monitor the use of annual paid leave and share the information within the Company regularly (once a year) to help increase the utilization rate compared with the previous year.

## <Goal 3> Goal set under the Act on Advancement of Measures to Support Raising Next-Generation Children

Increase the percentage of male employees taking leave for childcare to 20% or more.

### < Implementation schedule and initiative details >

- From April 2022 onward: Inform employees who are or whose spouses are pregnant or have given birth of the childcare leave system, etc., and confirm their intention to take leave on an individual basis (in line with the revised Child Care and Family Care Leave Law that took effect in April 2022).
- From April 2022 onward: Relax some of the requirements for taking special leave and allow employees to take special leave consecutively with childcare leave, thereby encouraging male employees to participate in childcare.
- From April 2022 onward: Revise the current employee handbook on childbirth and childcare to include information on taking childcare leave for male employees.

## Related Data

	Unit	2020	2021	2022
Percentage of employees returning to work after using the childcare leave system	%	100	100	100
Retention rate after using the childcare leave system	%	100	100	100
Number of women in managerial roles	Persons	5	8	10
Percentage of employees in management positions who are women	%	4.00	5.88	7.35
Number of employees in leadership positions who are women	Persons	22	25	20
Percentage of women in leadership roles	%	6.70	7.60	7.25
Percentage of employees with disabilities	%	1.82	2.09	1.71

Crew members by nationality	Officers		Ratings		Total	
	Number of seats allocated (people)	Percentage (%)	Number of seats allocated (people)	Percentage (%)	Number of seats allocated (people)	Percentage (%)
Japan	170	6.5	0	0.0	170	2.7
Philippines	1,263	48.2	3,212	84.6	4,475	69.8
India	273	10.4	150	4.0	423	6.6
Bangladesh	152	5.8	80	2.1	232	3.6
China	72	2.8	114	3.0	186	2.9
Europe	644	24.6	158	4.2	802	12.5
Southeast Asia	44	1.7	81	2.1	125	1.9
Total	2,618	100	3,795	100	6,413	100

(As of September 30, 2023)

## Promotion of Safety in Navigation and Cargo Operations

### Approach

#### Basic Principle

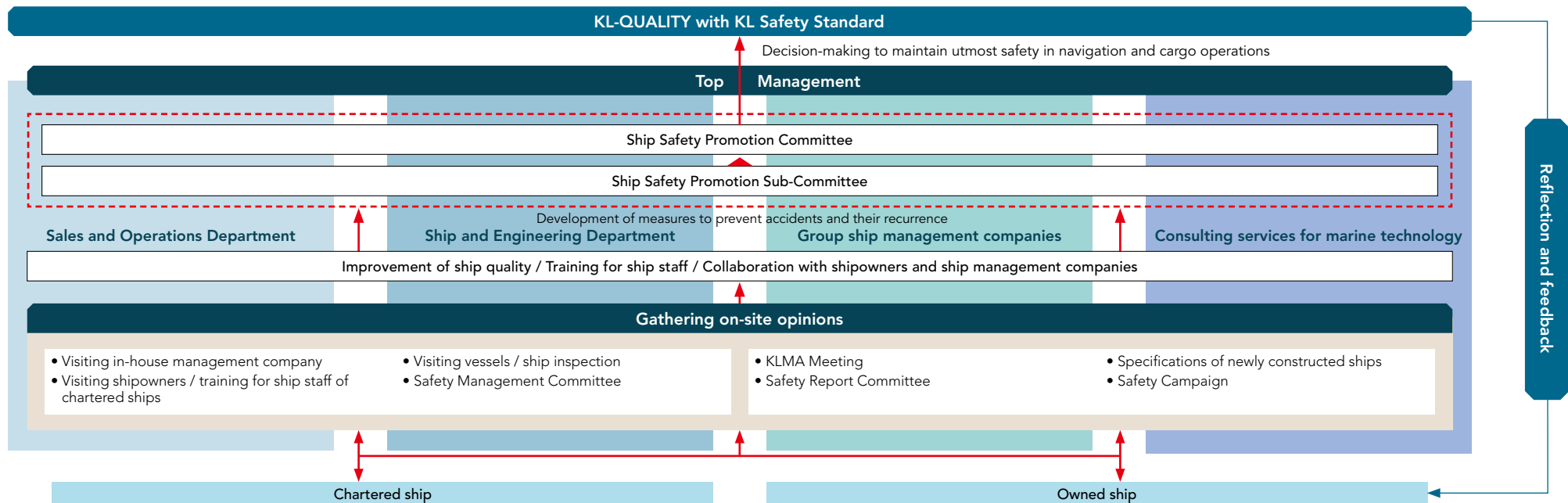
Safety in navigation and cargo operations is an immutable mission in operating a shipping business. The “K” LINE Group includes “providing safe and optimized services” in its corporate principle and vision and has established the following three policy pillars in order to fulfill its social responsibility through safety in navigation and cargo operations:

- (1) Enhancing the management structure for ensuring safety in navigation (P.58)
- (2) Strengthening the ship management system (P.60)
- (3) Reinforcing the securing and training of maritime technical personnel (P.53)

### Promotion System

#### Enhancing the Management Structure for Ensuring Safety in Navigation

The Ship Safety Promotion Committee, chaired by the president & CEO, is the top decision-making body covering safety. It determines accident prevention and safety measures for all ships operated by the Company—including owned, chartered, and entrusted vessels—and handles everything from basic policy formulation to implementation of measures under the system shown below.





### Three-Region Global Monitoring Network That Covers the World

We establish a three-region global monitoring network that covers the world, which includes an emergency response structure that features a 24-hour safety support system for our fleet around the world. The bases in Asia, Europe, and the Americas materialize 24/7 response and support the safe navigation of ships with referring weather and voyage plans through the sophisticated monitoring system. The network also assists the fleet in emergencies and facilitates coordination between the head office and ship management companies.

#### ► K LINE MARINE & ENERGY PTE. LTD.

The “K” LINE Group is pleased to announce that K LINE MARINE & ENERGY PTE. LTD. (KME) was established on June 7, 2023, in Singapore.

KME is a regional base of “K” LINE’s global organization for marine affairs, marine technologies, and human resources. As the one base of our three-region global safety support network suggested in the medium-term management plan, KME promotes reinforcement of the safety and quality management structure and securing of competent ship crews who are able to manage new types of fuel and the latest technologies.

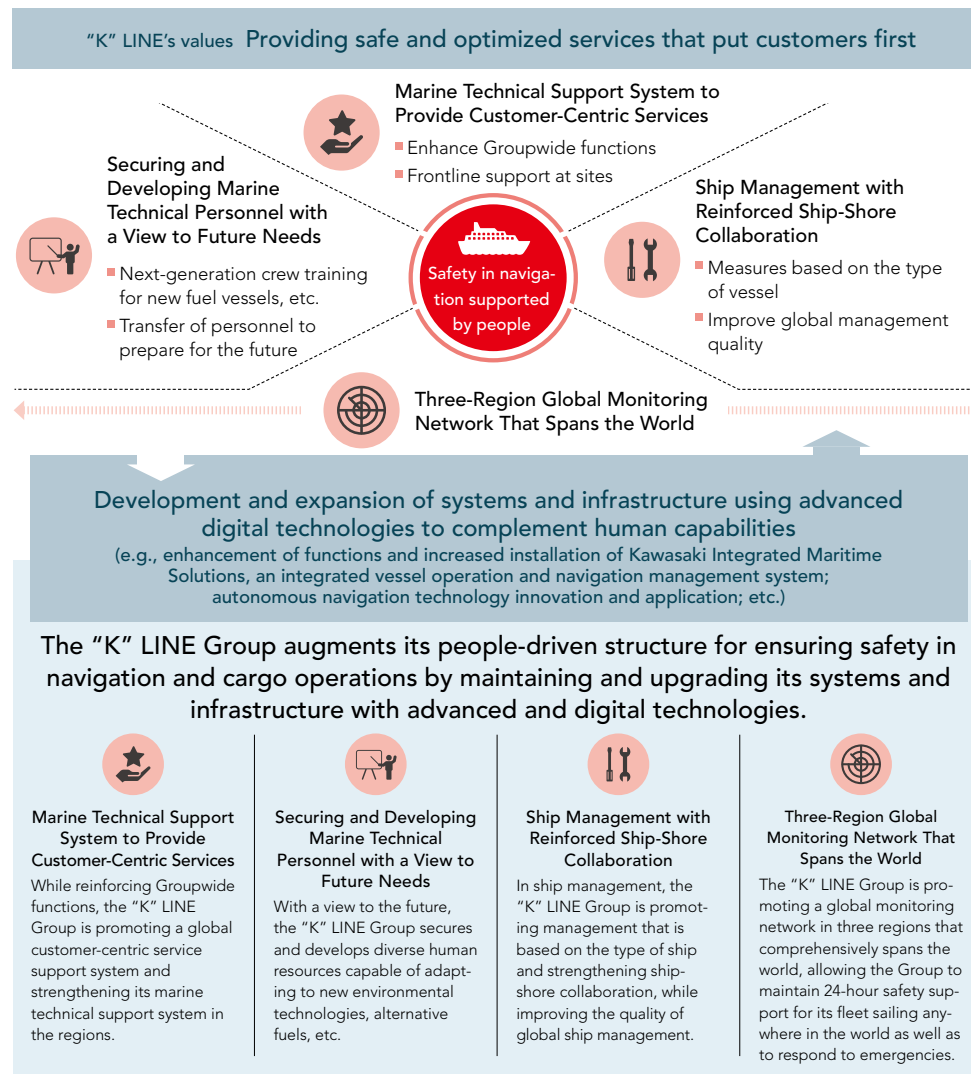
KME advances sustained growth by further development of the global safety and quality management structure and addressing diverse needs including reducing environmental impact.

#### ► Safety in Navigation and Cargo Operations Based on “Human Capabilities”

We believe that the most crucial factor for safety in navigation are human capabilities. To achieve safety in navigation, it is essential to secure and develop competent human resources, strengthen the marine technical support system that ensures close customer relations, and establish and operate the global safety management network. Furthermore, to achieve high levels of safety and quality in transportation, it is necessary to promote the digitization of experience through advanced digital technologies in order to complement human capabilities. Drawing on both human capabilities and advanced digital technologies, we will strengthen the global monitoring system and provide safe and optimized services, with priority given to our customers.

### Safety in Navigation and Cargo Operations Based on “Human Capabilities”

Building a solid system for safety in navigation with safety and quality management that leverages human capabilities—the strength of the “K” LINE Group—complemented with advanced digital technologies



## Cutting-Edge Digital Technologies That Complement the Power of People

### ► Kawasaki Integrated Maritime Solutions

Kawasaki Integrated Maritime Solutions gathers navigation data from each vessel, and it uses this data to visualize ship operation data with the application of the latest AI performance analysis technology to support the advanced management of fleets. Kawasaki Integrated Maritime Solutions provides the information needed to improve fuel economy and reduce greenhouse gas emissions. Kawasaki Integrated Maritime Solutions also features functions that assist with ship navigation optimization by calculating route recommendations based on data about weather and maritime conditions and performance analysis models for each vessel. In these ways, Kawasaki Integrated Maritime Solutions supports the safe and economical operation of ships.

### ► "K"-Assist Project

The "K"-Assist Project is a moniker for all of our technology development projects related to the autonomous navigation of vessels. In the four fields of support for lookout duty and ship navigation, support for safe berthing and unberthing, optimal route control in actual sea surroundings, and support for engine plant operations, the "K" LINE Group is advancing developments that will lead to their practical realization in the future by incorporating knowledge and technologies from not only the marine transportation and shipbuilding industries, but also other industries. In order to realize advanced safety and quality that the "power of people" alone cannot achieve, we are actively utilizing AI and other cutting-edge technologies while advancing DX on ships.

### ► Cybersecurity Certifications for Ships

In recent years, data has been increasingly used to improve safety and quality, and internet connections are used to share vessel navigation data from ship to shore. It has also become necessary to upgrade ICT equipment and networks on ships because of improvements in satellite data transmission capacity. With a view to increased potential cyber risks as ship-to-shore internet connectivity evolves, ship management companies that belong to the "K" LINE Group have obtained Cybersecurity Management System (CSMS) certifications from Nippon Kaiji Kyokai (ClassNK) since 2020. We continue efforts to enhance our ability to respond to cyber risks on ships.

## Initiatives

### Strengthening the Ship Management System

Through in-house ship management companies that share our corporate principle, we provide higher-quality, safer, and more secure services by making full use of our expertise with regard to different vessel types.

Ship Management Company	Vessel Type
K MARINE SHIP MANAGEMENT PTE. LTD.	Oil tanker, LPG carrier, LNG carrier
"K" Line Ship Management (Singapore) Pte. Ltd.	Containership
"K" Line LNG Shipping (UK) Limited	LNG carrier
"K" Line RoRo Bulk Ship Management Co., Ltd.	Car carrier, Dry Bulk Carrier

### Pre-Embarkation Briefing

Prior to embarkation, the head office and in-house management companies conduct a pre-embarkation briefing for senior officers (captain, chief engineer, chief officer, and first engineer). This is an opportunity to explain the Company's basic policies on safety, as well as to provide the latest specific information and instruction through safety management manuals and related written procedures adopted by each management company.

### Maintaining KL-QUALITY through Ship Inspections

Ship inspection supervisors regularly visit operating vessels and implement inspections with our unique quality policy called KL-QUALITY as a guideline. If necessary, we are conducting remote ship inspections utilizing IT and digital tools. Additionally, we hold a Safety Management Committee meeting once a year to share information and exchange opinions with long-term chartered ship owners and ship management companies. Outstanding ship owners will be recognized for their performance in the committee meeting.

### K-DNA: Our Unique Safety Equipment Installation Guidelines

"K" Line-Drive to No Accident (K-DNA) is our unique policy for safety equipment installation that reflects accumulated knowledge and lessons learned from past accidents. K-DNA consists of equipment installation standards for navigation, engine, safety, and piracy countermeasures. By gathering expertise from all segments, we are continuously developing and strengthening hardware safety in our fleets. Namely, this is the very DNA of "K" LINE's history of safety in operations.

## Accident Information Management System (AIMS)

In 2015, we launched our Accident Information Management System (AIMS), with the goal of processing accident cases appropriately and swiftly, analyzing accident trends, and formulating effective prevention measures.

We are taking various steps to eliminate accidents, using this system to analyze accident details and trends and to explore in depth the root causes of accidents. By creating a database of accident information, moreover, we are able to share information with our worldwide network in a timely manner and establish optimal safety measures.

## Safety Campaign

“K” LINE holds an annual Safety Campaign under the theme of safety in navigation and environmental preservation.

When our ships call at a port, the persons in charge of the ship operation department and marine safety department, safety supervisors, supervisors in charge of ship management companies, and other personnel visit the ship to conduct activities necessary for ensuring safe navigation and cargo operations, including discussions with crew members and inspection of the ship’s hull and onboard equipment.

During the Safety Campaign period, meanwhile, we step up various activities, including ship visits by the president & CEO and directors and officers to have face-to-face discussions with ship captains and crews. This provides an opportunity to further raise awareness about both safety in navigation and environmental protection across all of the Company’s operating vessels.

## Safety Report System

Reports of near misses resulting from unsafe behavior on vessels are carefully analyzed by seasoned maritime technical personnel stationed onshore, and the results are communicated back to these vessels. By embedding a no-blame culture, where the party who made the near miss is not held responsible, we receive thousands of reports annually, which helps safety awareness to take root on the front lines.

## Emergency Response Exercise

To ensure the timely and accurate responses that are crucial in the unfortunate event of an accident, we regularly conduct an exercise based on worst-case scenarios involving ships under our operation. This exercise involves practical training and covers everything from assembling an early emergency response team to establishing an accident response headquarters and internal information-sharing systems, as well as setting up systems for communicating with overseas parties and verifying media responses.

## Anti-Piracy Activities

The number of piracy incidents off the coast of Somalia and in the Gulf of Aden has remained low in recent years due to countermeasures undertaken by troops from various nations, including the Japan Maritime Self-Defense Force (JMSDF). Nevertheless, the situation could easily be reversed if the international community weakens its efforts. Moreover, piracy-related losses still occur frequently in the Gulf of Guinea (West Africa) and in Southeast Asia. Accordingly, conditions for merchant ship navigation remain unpredictable.

Off the coast of Somalia and in the Gulf of Aden, we endeavor as much as possible to receive protection from the JMSDF and the navies of various countries. For our own self-defense, we do everything possible to ensure the safety of the crew as our top priority. This includes avoiding problematic areas, maintaining high speeds, using high-pressure water nozzles for defense, and installing razor wire to prevent unauthorized embarkation.

Because it is difficult to prevent pirates from gaining access to slow-speed and low-freeboard vessels, we take various other countermeasures, such as having private armed security guards on board our vessels as a deterrent.

## Response to Digital Transformation (DX)

### Promotion of Safety in Navigation by Utilizing DX

#### Initiatives Aimed at Optimizing Automated Cargo Loading

By developing a shared system for automatic creation of plans for loading steel, iron ore, and coal, "K" LINE aims to maximize loading volume, optimize cargo loading, and introduce labor-saving measures for onboard operations through fulfillment of the various needs and different conditions of customers. Currently, we create loading plans based on knowledge

of the officers and marine engineers on board. However, we are carrying out verification tests for a system that automatically creates plans, which utilize advanced mathematical optimization technologies to achieve the same loading volume as an experienced marine engineer, in a short time and have seen favorable results. We aim to further improve precision and accelerate efforts while examining the specifics for systemization. By utilizing DX, we are promoting the creation of an environment that reduces the burden on officers on board and enables us to focus on safety in navigation, which is our most important mission.

## Related Data

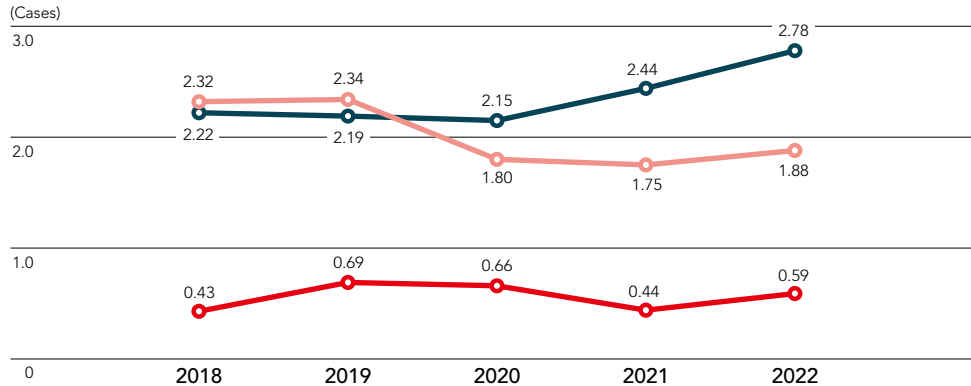
### Number of Major Accidents\*

	2018	2019	2020	2021	2022
Cases	1	1	0	0	0

Safety in navigation and cargo operations is an immutable mission in running a shipping business. Over the past five years, two oil spills have resulted from one grounding and one collision. In both cases, we took appropriate measures to minimize damage.

\* The scope of this data is "K" LINE's scope of consolidation, which corresponds to 100% of sales.

### Average Deficiencies per Port State Controls (PSCs)\*1



● "K" LINE Group ● TOKYO MOU\*2 ● PARIS MOU\*3

\*1 The scope of calculation is "K" LINE's scope of consolidation, which corresponds to 100% of sales.

\*2 PSC organization in Asia-Pacific region

\*3 PSC organization in European and North Atlantic region

Port State Control (PSC) is a safety inspection of foreign ships conducted by port states to verify that the condition of the ship complies with the requirements of international regulations.

The number of deficiencies with "K" LINE Group vessels per PSCs is well below the average number of deficiencies in the main regions.

### Delay Time Due to Mechanical Failure\*

	2018	2019	2020	2021	2022
Hours / vessel / year	3.4	2.3	8.0	6.7	14.7

\* The scope of calculation is "K" LINE's scope of consolidation, which corresponds to 100% of sales.

## Respect for Human Rights

### Approach

#### Basic Principle

The “K” LINE Group stipulates Respect for Human Rights at the start of its Charter of Conduct. The Group is a signatory of the United Nations Global Compact and has expressed its support for the principles related to human rights and labor. The “K” LINE Group Basic Policy on Human Rights was drawn up based on the United Nations Guiding Principles on Business and Human Rights. Management is committed to conducting human rights due diligence.

#### “K” LINE Group Basic Policy on Human Rights

As a corporate group conducting its business activities globally, Kawasaki Kisen Kaisha, Ltd., and its Group companies (hereinafter the “K” LINE Group) believes that one of the important aspects of corporate social responsibility is to promote its business activities, being aware of their impacts on communities, both local and international. Based on the United Nations Guiding Principles on Business and Human Rights, the Group has established the Basic Policy on Human Rights (hereinafter referred to as the “Policy”) and shall promote initiatives to respect the human rights of all stakeholders associated with the Group’s business activities.

This policy complements the Charter of Conduct of the “K” LINE Group companies and applies to all executives and employees working in the Group.

##### 1. Respect for and compliance with international norms and laws related to respect for human rights

The “K” LINE Group supports and respects the principles on fundamental rights listed in the International Bill of Human Rights and international norms related to human rights, such as the ILO Declaration on Fundamental Principles and Rights at Work. In addition, the “K” LINE Group complies with laws and regulations related to human rights applicable in each country and region where it conducts its corporate activities.

Where there is any conflict between internationally recognized human rights and national or regional laws and regulations, the “K” LINE Group will pursue ways to honor the principles of international human rights based on this policy.

##### 2. Respect for Human Rights

The “K” LINE Group respects the dignity and rights of all people and address important issues in human rights and labor practices, such as preventing discrimination, respecting basic labor rights, preventing forced labor and child labor, preventing long working hours, promoting diverse workstyles, and improving occupational health and safety. In addition, the “K” LINE Group will not violate or discriminate against human rights of people affected by its business activities, and will endeavor not to be indirectly complicit in human rights violations. Furthermore, we will continue to encourage our business partners to support this policy.

##### 3. Human Rights Due Diligence and Remedy

The “K” LINE Group will conduct human rights due diligence in order to minimize the adverse impact on human rights. The “K” LINE Group will understand the actual or potential adverse impacts on human rights that may arise in relation to its business activities and prevent or mitigate them before they occur.

Where it is identified that the “K” LINE Group has caused or directly contributed to adverse impact on human rights, it shall work on a remedy through appropriate measures. In addition, even if the “K” LINE Group does not directly contribute to adverse impacts on human rights, it shall work on improvement in cooperation with stakeholders if our business partners and/or other related parties are directly linked to such impacts.

Meanwhile, the “K” LINE Group will establish a system that enables stakeholders inside and outside the Group to report and consult on acts that may have adverse impacts on human rights.

#### 4. Education and Training

In order to instill and comply with this policy, the “K” LINE Group shall conduct appropriate training and education programs for all executives and employees.

#### 5. Information Disclosure

The “K” LINE Group transparently discloses the progress of its human rights initiatives through its website and integrated reports.

#### 6. Dialogue with stakeholders and review of the policy

The “K” LINE Group will continue to engage in dialogue and consultation with stakeholders and external experts. It shall review human rights issues through these dialogues and the human rights due diligence process, and review this policy as necessary.

This policy was approved by the Board of Directors on February 24, 2022.

Implemented on February 24, 2022

System

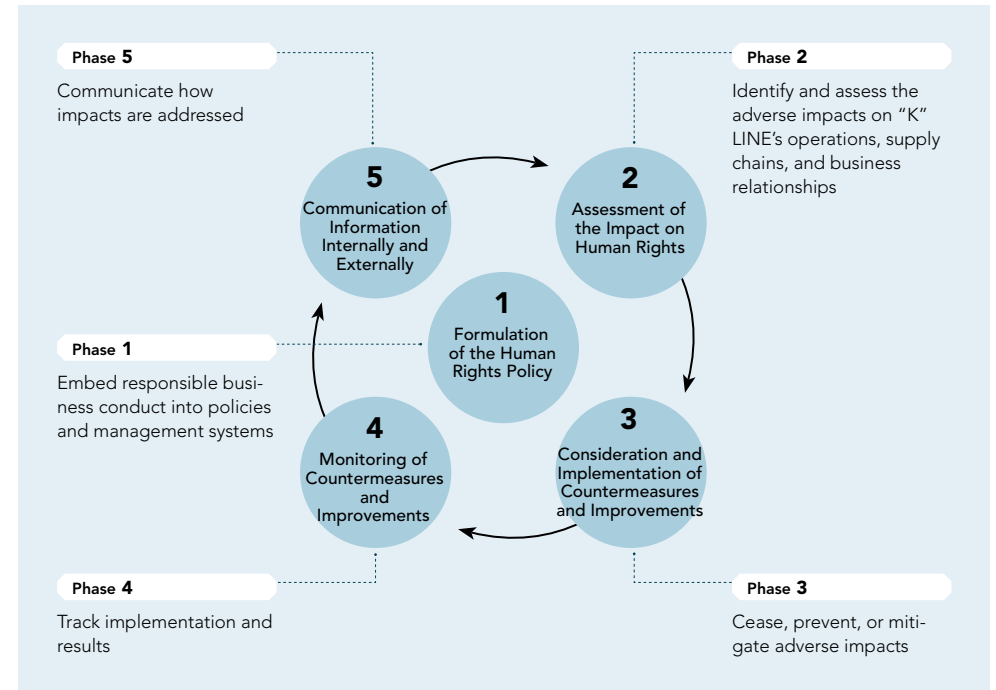
Human Rights Due Diligence System

Based on the "K" LINE Group Basic Policy on Human Rights formulated in 2022, under the supervision of the Corporate Sustainability Management Committee and the direction of the executive officer responsible for corporate sustainability, the Corporate Sustainability, Environment Management, IR and Communication Group has become in charge of implementing human rights due diligence, including the drawing up of measures as well as analysis and assessment of human rights risks related to the business activities of the "K" LINE Group.

System for Implementing Human Rights Due Diligence



Big Picture of Human Rights Due Diligence



Initiatives

Assessment of Human Rights Impacts

We conducted a human rights impact assessment to understand the apparent and latent adverse impacts on human rights from the “K” LINE Group in fiscal 2022. We identified the following as priority issues that should be addressed.

Target Rights Holders	Priority Issues
Employees of “K” LINE and Group companies	Health and safety
	Prevention of harassment
	Prevention of excessive overtime

In fiscal 2023, we began to evaluate specific measures to expand the scope across the supply chain.

Respect for Basic Labor Rights

The Company aims to maintain and improve working environments and to build good relationships between workers and management. We engage in constructive dialogue combining reciprocal perspectives to generate ideas, which we incorporate into our systems to support work–life balance and other aspects of workers’ lives. (For more details, please see Shaping of Working Environment and Promotion of Health Management on page 44.)

Respect for Diversity

The “K” LINE Group has been increasing its diversity in terms of gender, nationality, and so on, corresponding to the globalization of its business activities, with the expectation that improved diversity may contribute to the creation of new ideas that result in future business growth and the sustainable growth of the Company. The Group will continue to improve HR systems and work environments so that it can support and promote diversity further.

In addition, seafarers working on board vessels come from different parts of the world, including the Philippines, India, Bangladesh, China, and elsewhere in Asia, as well as Bulgaria, Croatia, and other European nations. United as one, they work day and night to ensure safety in the navigation and cargo operations of our fleet. (For more details, please see Diversity & Inclusion on page 56.)

Preventing Harassment

“K” LINE has established a dedicated consultation service to address the issues of sexual harassment, power harassment, and mental health. Information on how to use these services is provided on the corporate portal site, along with contact details for the consultation service. The Company has set up a system that allows it to solve problems quickly, while giving maximum consideration to the privacy of persons who wish to have a consultation, for example, by offering access to both male and female consultants and industrial physicians and so on. In addition, we hold seminars for executives and employees on the subject of preventing harassment.

Attendance Rates for Harassment Prevention Seminars


	2018	2019	2020	2021	2022
Regular employees	88%	—*1	87%	—*2	87%
Managers	61%	78%			

\*1 Postponed due to the impact of the COVID-19 pandemic

\*2 In fiscal 2021, the seminars did not target all employees, but limited participation to specific management positions.

Modern Slavery Act

In accordance with the United Kingdom’s Modern Slavery Act 2015 legislation, Group companies in the U.K. have published the Modern Slavery Act Transparency Statement.



[“K” Line Holding \(Europe\) Limited  
Modern Slavery Act Transparency Statement](#)



## Supply Chain Management

### Approach

#### Purchasing Policy and CSR Guidelines for Supply Chain

We have established the "K" Line Group Companies Purchasing Policy and are working to build relationships of mutual trust and cooperation with our business partners as an indispensable partner in providing services that our customers trust.

#### "K" Line Group Companies Purchasing Policy

To provide our customers with trustworthy and reliable services, support and cooperation from our business partners are essential. We thus strive to build mutual trust with our business partners so that we can coexist with each other in mutual prosperity.

##### ► Purchasing Policy

"K" LINE will always transact business based on appropriate purchasing practices, as outlined below, and maintain a fair and sound relationship with our business partners.

1. Making purchasing decisions by providing fair opportunities and conducting impartial evaluations.
2. Complying with laws, ordinances and social norms and building mutually trusting and cooperative relationships with business partners.
3. Giving due consideration to social responsibilities such as respect for human rights and safety, conservation of natural resources and environmental preservation.
4. Striving to achieve the best quality at a reasonable cost.

In addition, we formulated the “K” Line Group Companies CSR Guidelines for Supply Chain to work together with our suppliers to realize sustainability across the entire supply chain.

## “K” Line Group Companies CSR Guidelines for Supply Chain

At the “K” Line Group, we aspire to ensure that our business activities contribute to a sustainable society where people live well and prosperously. We cannot achieve this through our own efforts alone; the cooperation of our business partners is essential. The “K” Line Group Companies CSR Guidelines for Supply Chain (hereafter, “Guidelines”) describe various matters for building a sustainable society. We want to thank our business partners for their understanding of these various matters and their voluntary commitment to them.

### ► Scope of Guidelines

The Guidelines apply to the following entities with which the “K” Line Group companies conduct business.

- Business partners involved in our sales activities
- Business partners involved in vessel navigation and cargo operation
- Business partners involved in ship management, repair, and dismantling
- Business partners involved in other services

### ► Matters that Require Business Partners’ Efforts

#### 1. Respect for Human Rights

The “K” Line Group consistently respects human rights and carefully considers the personality, individuality and diversity of every person working with the Group, while working to improve work safety and conditions in order to offer them comfort and affluence. We ask that our business partners comply with and take action regarding the following points in the pursuit of business.

- **Respect for the basic human rights of employees**  
Respect the basic human rights of employees and do not violate their rights.
- **Abolition of forced labor and child labor**  
Conduct no forced or compulsory labor including over-long working hours for employees, strive to eliminate all forced labor including bonded labor, human trafficking, and slave labor, including any unintentional complicity in such activities, and work to effectively abolish child labor.
- **Compliance with local applicable labor-related laws and regulations in each country**  
Comply with applicable local labor laws and regulations in each country and prevent violations of them. Respect freedom of association and collective bargaining of employees and obey the local laws and regulations in countries and/or regions where your business is operated.
- **Equality in employment and treatment**  
Strive for equal treatment of employees without discrimination in terms of employment and worker treatment.
- **Maintain a safe and healthy workplace environment**  
Ensure the safety and health of employees and prevent occupational accidents and diseases; strive to improve the workplace environment.
- **Payment of decent wages**  
Pay employees decent wages commensurate with actual labor performed and in compliance with applicable wage laws and regulations.

Note: Employees in this section include those on fixed-term employment and temporary staff as well.

## 2. Compliance and Business Ethics

The “K” Line Group promises to comply with applicable laws, ordinances, rules, and other norms of behavior both in the domestic and international community and conducts corporate activities with fair, transparent, and free competition. In addition, the Group is working hard to resolutely confront and avoid all relations with groups and individuals that may threaten social order and public safety, which includes efforts directed at anti-money laundering and counter-terrorism financing. In the process of providing services and products to the “K” Line Group, we ask that our business partners comply with and take action regarding the following points.

- **Compliance with laws, regulations, and other social norms in each country and region**

Comply with relevant laws, regulations and other social norms in each country and region where you operate. Such laws and regulations include competition law, anti-corruption/bribery law, laws on subcontracting, foreign exchange and foreign trade control law, personal information protection law, copyright law, and intellectual property rights law, etc.

- **Elimination of fraud and improper gain**

Strive for honest and fair conduct in the operation of business and eliminate the acceptance of improper gain through bribery and fraud.

- **Prevent money laundering and avoid all relations with groups or individuals that may threaten social order and public safety**

Avoid all relations with groups and individuals (including those suspected of having such relations) that may threaten social order and public safety, take a resolute stand against unreasonable demands from them and completely reject those involved in money laundering and/or the financing of terrorism.

## 3. Earning Trust from Customers and Society by Providing Safe and Beneficial Services

The “K” Line Group continues to pay special attention to safety in navigation, achieving customer satisfaction and garnering trust from society by providing safe and beneficial services. We ask that our business partners, in the process of providing services and products to the “K” Line Group, comply with and take action regarding the following points.

- **Ensuring of safety in navigation and cargo operations**

Based on a companywide safety management system, internally disseminate policies on safety, educate and train employees, use facilities and equipment with full consideration for safety, and systematically take initiatives to ensure safety while continuously making improvements.

- **Establishment of emergency response capability**

To prepare for a state of emergency, such as a serious accident, put in place an internal system and prepare manuals so that needed measures can be taken appropriately and flexibly, and also conduct adequate training.

## 4. Commitment to Environmental Issues

The “K” Line Group recognizes that global environmental efforts are a key issue for all of humanity and that they are essential both for business activities and for the continued existence of the Company. Therefore, we are committed to taking a voluntary and proactive approach to such issues in order to protect and preserve the environment. In addition, as a world-leading transport operator, “K” Line will endeavor to establish a business that allows more people around the world to maximize the advantages of marine transportation. That is to say, under the “K” Line Environmental Vision 2050, “Securing Blue Seas for Tomorrow,” the Company provides customers with a lower environmental load and higher efficiency than any other means of transport. In the process of providing services and products to the “K” Line Group, we ask that our business partners comply with and take action regarding the following points.

- **Reduction of environmental impact**

To preserve the global environment, be mindful of and take proactive approaches in reducing the environmental impact generated by your business activities.

- **Reduction of resource and energy consumption**

To protect limited resources and energy, be mindful of and take proactive approaches in reducing the consumption of resources and energy necessary for the conduct of business.

- **Proactive advice and proposals for reducing environmental impact related to the “K” Line Group’s business activities**

To preserve the global environment and protect resources and energy, be mindful of and offer proactive advice and proposals in reducing the environmental impact related to the business activities of our group.

## 5. Protection and Management of Information and Intellectual Property

The "K" Line Group properly protects and manages business and personal information and intellectual property. We ask that our business partners comply with and take action regarding the following points.

- **Management and protection of confidential information obtained through transactions with the "K" Line Group**  
Commit to managing and protecting confidential information obtained through transactions with the "K" Line Group and do not leak or reveal such information.
- **Proper protection of intellectual property**  
Respect the intellectual property of relevant parties and ensure that transfer of technology and know-how is conducted in a manner that protects intellectual property rights.

### ► Actions Expected of Our Business Partners

The matters above that we ask of you, our business partners, are not only actions for you to take by yourselves. We also ask that you appropriately request and provide guidance to each of the suppliers with whom you work.

In addition, when deploying the Guidelines within your organization or your suppliers, we ask that you ensure that they are included in the internal control system and conduct proper management while raising awareness of executives and employees.

When the contents of the Guidelines differ from laws, regulations, or other rules and standards in the country where you conduct your business, we request you to follow the stricter requirements.

The "K" Line Group seeks to build relationships of mutual trust and cooperation with business partners by requesting that they act appropriately, following the Guidelines. For this reason, we may ask for your cooperation in interviewing you to hear about the current status and progress you are making, and we may provide guidance on making improvements if needed.

## Initiatives

### Initiatives for Sustainable Procurement

We launched the following initiatives to ensure awareness of the “K” Line Group Companies CSR Guidelines for Supply Chain within the Group and among business partners.

- **Publication of a newsletter to increase awareness within “K” LINE and the “K” LINE Group**  
Once each quarter, we publish Sustainability News as a newsletter for all executives and employees at the head office and Group companies around the world. The aim is to spread knowledge and awareness of the concept of and the latest trends in sustainable procurement internally and at Group companies.
- **Examination of implementation of the Self-Assessment Questionnaire, a questionnaire for business partners that uses a checklist**  
In order to understand and assess the sustainability initiatives being undertaken by our suppliers, we are preparing to conduct our own survey with checklists. The purpose of this survey is to have our suppliers conduct a self-assessment of their initiatives to advance sustainability and the actual state of sustainability.

- **Participation in activities of the Global Compact Network Japan (GCNJ) subcommittees**  
“K” LINE actively participates in the activities of the supply chain subcommittee, one of the theme-based subcommittees at GCNJ, a local network in Japan related to the United Nations Global Compact. In addition to gathering the latest information and exchanging information with other subcommittee member companies, we collaborate with other companies to create educational tools for sustainable procurement and practical tools for managers of sustainable procurement. Moreover, “K” LINE serves as co-head of the subcommittee in fiscal 2023.

## Stakeholder Engagement

### Approach

#### Basic Policy

Since the “K” LINE Group conducts business activities around the world, it is essential to build good and solid relationships with various stakeholders, including shareholders and other investors, customers, business partners, employees, people in local communities, and global society. Through interactive communication with stakeholders, we strive continuously to meet the expectations and the needs of society and incorporate them into our business activities in order to fulfill our corporate social responsibility.

Additionally, as stated in chapter three of the Kawasaki Kisen Kaisha, Ltd. CORPORATE GOVERNANCE GUIDELINES, “in order to achieve its sustainable growth and help enhance its corporate value further, the Company shall endeavor to appropriately hold dialogue and cooperate with various stakeholders, including its employees, customers, business partners, creditors, and local communities, and to establish a corporate culture and climate where the rights and positions of such stakeholders are respected and sound business ethics are ensured.”



Stakeholders	Basic Policy
Customers	We do our best to respond to customer needs by developing systems for ensuring timely shipping and striving to provide our customers with a wide range of information. We will improve the quality of our services by maintaining safety in navigation and cargo operations to transport the cargo entrusted to us by our customers safely and surely.
Shareholders and investors	We have adopted an IR policy designed to meet the expectations of our shareholders and investors. Under this policy, we strive to improve our corporate value further by properly disclosing corporate information on a timely basis and communicating with our shareholders and investors at briefings of every kind, for example.
Business partners	We do business based on our “K” Line Group Companies Purchasing Policy. This policy is written to ensure compliance and is aimed at maintaining fair and constructive relationships with our business partners. We thus strive to build trust with our business partners and coexist with them as good partners.
Local communities and global society	We contribute to society as a good corporate citizen and work with people around the world toward development.
Employees	We respect the basic human rights of our employees and develop training programs to maximize the ability of each employee. We also strive to enhance benefit programs and improve working environments to enable each employee to work vigorously and with a sense of safety.

## Related Data

## Expenditure on Trade Associations and Social Contributions

(Millions of yen)

Item	Fiscal Year		
	2020	2021	2022
Political associations	2.8	3.1	3.3
Economic associations	0.8	0.0	0.0
Other associations	2.8	7.4	7.5
Social contributions (donations)	8.8 (8.8)	6.5 (6.5)	9.2 (9.2)
Total	15.2	17.0	20.0

## Results of Investor Relations (IR) Activities

Field	Item	Unit	Fiscal Year		
			2020	2021	2022
IR activities	Domestic IR and SR (shareholder relations)*1	Companies (persons)	148 (179)	145 (223)	110 (121)
	Overseas IR and SR*1	Companies (persons)	15 (17)	27 (38)	135 (175)
	Small meetings	Companies (persons)	57 (57)	90 (103)	96 (101)
	Business briefings and site tours	Times	0	2	0
	IR for private investors*2	Times	2	2	2

\*1 Includes ESG Meetings as of fiscal 2020

\*2 Includes an online session and a session for the persons in charge of sales in securities

## Relationship with the Community

### Approach

#### Basic Principle

The “K” LINE Group, as a good corporate citizen, will make ongoing efforts to contribute to social development and improvement and support employees’ voluntary participation in such activities.

- “K” LINE will identify social issues through dialogue with stakeholders and contribute to local communities by making use of its resources.
- “K” LINE will further and proactively contribute to society through cooperation and collaboration with a broad range of stakeholders, including NPOs/NGOs, local communities, government agencies, and international organizations.
- “K” LINE will support its employees’ voluntary participation in social activities such as volunteer work.

- “K” LINE will prepare for possible relief and aid for disasters or marine accidents and extend social contributions by taking advantage of its know-how and technology, including by transporting necessary resources when needed.
- “K” LINE will provide financial assistance, such as donations, as needed, to help recovery of disaster-stricken areas in the event of a disaster in countries or regions that have close relationships with our business, while supporting education and activities that contribute to the development of the shipping industry.

The “K” LINE Group believes that contributing to the medium- and long-term development of local communities and international society through educational support and job creation is also an important corporate social responsibility. With this in mind, we contribute to the development of excellent seafarers around the world through our support of maritime technical personnel education. We also foster job creation and skills development in the areas where we operate businesses.

### Initiatives

#### Social Contribution Activities through Our Businesses

##### ► Collaboration on Transportation to Areas Affected by Natural Disasters

To assist with prompt recovery in areas affected by natural disasters, we collaborate through free transportation of cargo to support people affected by natural disasters, mainly for regions within our service area.

##### ► Free Ocean Transportation of Fire Engines and Ambulances to Latin American Countries

The “K” LINE Group has established a close relationship with Latin American countries over many years, assuming the role of honorary consul of El Salvador since 1969, as well as past chairmanship of the Japan–Chile Association (established in 1940) and the Japan–Peru Association (established in 1954). It has therefore been providing free ocean transportation of fire engines and ambulances donated by Japanese authorities to countries such as Peru and El Salvador. When we first started free ocean transportation in 2014, El Salvador had just 19 fire engines for the whole country. By 2020, however, we had delivered a total of 22 fire engines and ambulances to enhance the country’s fire control and emergency service.

##### ► Various Study Tours

We offer visits to and tours of our vessels and terminals for children from the local communities where our vessels call. We also host study tours of our Machida Training Center, in Tokyo, for children who live nearby.

##### ► Employment Support for People with Disabilities with a New Recycling Scheme for Used Lashing Materials

Since April 2021, “K” LINE has been helping create working opportunities for people with disabilities by outsourcing a part of the recycling process for used lashing materials used in pure car carriers (PCCs) to the workplace of Continuous Employment Support Type B.\*

Lashing materials are used to tightly secure vehicles on decks of PCCs to keep stability during transportation at sea. These materials need to be replaced with new ones due to deterioration over time. In the past, these materials were treated as industrial waste, but since 2016, we have been recycling them with cooperation from Global Technos, Ltd., in Yokohama, and Daito Corporation, a Group company, in order to reduce the environmental burden. The whole recycling process is completed in Kanagawa Prefecture to minimize road transportation and contribute to reducing CO<sub>2</sub> emissions. Furthermore, by outsourcing the disassembling process of



lashing materials to Seiten, a workplace of Continuous Employment Support Type B operated by Dekkaisora, an NPO in Yokohama, we are helping create employment opportunities for people with disabilities.

\* A welfare service that allows people who have difficulty finding employment at general companies to work in workplaces that offer a certain level of support. There is neither an employment agreement nor a working period limit.

## Supporting the Development of the Next Generation

### ▶ Internship Programs to Develop Human Resources Who Will Lead the Next Generation of the Shipping Industry

The “K” LINE Group organizes annual internship programs for students of nautical colleges. The programs consist of an introduction to our business operations and lectures related to the operation and management of ships, as well as visits to our vessels and workshops to discuss issues related to the shipping industry.

### ▶ Sending Lecturers for Securing Maritime Technical Personnel

The “K” LINE Group has been participating in a task force established in 2008 by the Japanese Shipowners’ Association (JSA) to secure maritime technical personnel for the future. The number of Japanese seafarers is in decline, so it is essential for the shipping industry to secure professional maritime technical personnel who can lead the world of shipping. We have been sending lecturers to “open campuses” at maritime academies and sharing information with educational institutions.

### ▶ Collaboration on Comprehensive Learning Time with Kudan Secondary School

“K” LINE has been collaborating on the Comprehensive Learning Time project at Kudan Secondary School, and has invited students to visit its corporate headquarters since fiscal 2022. Since the school opened in 2006, it has encouraged students to visit companies and associations in the neighborhood and in Chiyoda Ward, in Tokyo, for the purpose of gaining new perspectives on society and career training. With its headquarters located in Chiyoda Ward, “K” LINE has cooperated with the school on this visitation program.

## Related Data

### Results of Social Contribution Activities

Field	Item	Unit	Fiscal Year			
			2019	2020	2021	2022
Social contribution	Disaster relief donations	¥10,000	583	0	200	300
	Lunchtime volunteers*1	Persons	69	—*2	—*2	11
	Volunteer leave	Persons	1	0	0	0
	Free transportation	Times	3	0	1	0

\*1 Includes officers and employees of Group companies

\*2 Postponed due to the COVID-19 pandemic

## Volunteer Activities

### ▶ Volunteer Leave System

“K” LINE has a volunteer leave system under which employees can take leave for a maximum of 10 days a year to participate in volunteer activities in places affected by large-scale natural disasters.

### ▶ Community Contribution Activities / Environmental Preservation Activities

In cooperation with other companies located in the same building as its head office, the “K” LINE Group has been conducting a litter cleanup activity—a voluntary lunchtime activity—since fiscal 2014. Through casual participation in lunchtime activities, this has become an opportunity for employees to build awareness of environmental preservation and contribute to the local community.

Additionally, from fiscal 2021 we have been implementing coastal cleanup activities in collaboration with NPOs and other groups.

### ▶ Raising Awareness of Social Contributions: “K” LINE’s Intranet Portal

In order to raise awareness of social contributions among employees and management, “K” LINE has a special section on its intranet portal that highlights social contribution activities, including volunteer opportunities, circular reports on volunteer activities, and an opinion box. We also have a post-volunteering questionnaire, the feedback from which we use to inform future activities.

## Support for Restoration of Disaster-Affected Areas

### ▶ Donations

The “K” LINE Group provides donations as needed to support the recovery of disaster-stricken areas in the event of a disaster in countries or regions that have close relationships with our business. In fiscal 2022, “K” LINE donated ¥3 million through the Japanese Red Cross Society in consideration of damages caused by the earthquake that hit Turkey and Syria on February 6, 2023.