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ESG DATA BOOK  
**2021**  
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### Editorial Policy

The "K" LINE Group is an integrated logistics company that owns and operates various fleets tailored to worldwide marine transportation needs. We also engage in land transportation and warehousing businesses. The "K" LINE Group has defined the  Value ("K" LINE Value) as a symbol of its corporate value. We produce the "K" LINE report, which provides explanations from both a financial and non-financial perspective, to ensure that our wide range of stakeholders understand  Value.

From fiscal 2021, we are producing an ESG data book to supplement the "K" LINE report. This data book will mainly summarize environmental, social, and governance (ESG) information and act as a communication tool for sharing this information with our stakeholders, who have a particularly high awareness of the "K" LINE Group's ESG initiatives.

### Reporting Period

Fiscal 2020 (April 1, 2020–March 31, 2021)

Some information regarding activities and initiatives will be from before this period or more recent than other information.

### Scope of Reporting

In principle, this data book covers the activities and data of Kawasaki Kisen Kaisha, Ltd., and its subsidiaries and affiliates. When there are limits to the scope of our activities and data, we will add the information in notes throughout this report.

### Guidelines Referred to

- International Integrated Reporting Framework
- GRI standards for sustainability reporting
- ISO 26000
- The United Nations Global Compact
- Environmental Reporting Guidelines 2018, Ministry of the Environment of Japan
- Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation, Ministry of Economy, Trade and Industry of Japan

### Forward-Looking Statements

The Company's plans, strategies, and future financial results indicated in this data book reflect the judgment made by its management based on information currently available and include risk and uncertainty factors. Consequently, the actual financial results may be different from the Company's forecasts due to changes in the business environment, among other factors.

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SECTION

**01**

| **Corporate Principle**

## Corporate Principle and Vision

In shipping business, which serves as key logistics infrastructure supporting worldwide economic activity, the "K" LINE Group earns the trust of customers through the provision of safe, reliable marine transportation and logistics services. As an integrated logistics company grown from shipping business, our corporate principle is to help enrich the lives of people. Under this principle, we will make further improvements to **K** Value, which represents our unique value as a group.

## Corporate Principle

As an integrated logistics company grown from shipping business, the "K" LINE Group contributes to society so that people live well and prosperously.

We always recognize this principle in our operations.

## Vision

Our aim is to become an important infrastructure for global society, and to be the best partner with customers by providing the high-quality logistics services based on customer-first policy.

## Values the "K" LINE Group prizes

**Providing reliable and excellent services**  
Contributing to society

**A fair way of business**  
Fostering trust from society

**Relentless efforts to achieve innovation**  
Generating new values

**Respecting humanity**  
Corporate culture that respects individuality and diversity

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SECTION

**02**

| **"K" LINE Group's Sustainability Management**

## "K" LINE Group's Sustainability Management

### Approach to Sustainability

#### Charter of Conduct: "K" Line Group Companies

The "K" LINE Group has adopted the following Charter of Conduct for the "K" LINE Group companies as standards of behavior for the entire Group.

#### Charter of Conduct: "K" Line Group Companies

Kawasaki Kisen Kaisha, Ltd. and its group companies (hereinafter "K" Line Group) reemphasize that due respect for human rights and compliance with applicable laws, ordinances, rules are the fundamental foundations for corporate activities and that group companies' growth must be in harmony with society and therefore, in order to contribute toward sustainable development of society, we herein declare to abide by "Charter of Conduct" spelled out below:

##### 1. Human rights

The "K" Line Group will consistently respect human rights and we will positively consider personality, individuality and diversity of its corporate members and improve work safety and conditions to offer them comfort and affluence.

##### 2. Compliance

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 conduct its corporate activities through fair, transparent and free competition.

##### 3. Trustworthy company group

The "K" Line Group continues to pay special attention to safety in navigation, achieving customer satisfaction and garnering trust from the community by providing safe and beneficial services.

##### 4. Proactive environmental efforts

The "K" Line Group recognizes that global environmental efforts are a key issue for all of humanity and that they are essential both in business activities and existence of the company and therefore we are committed to a voluntary and proactive approach to such issues to protect and preserve the environment.

##### 5. Protection, proper management and disclosure of information and communication with society

The "K" Line Group will protect personal and customer data, properly manage corporate information through timely and appropriate disclosure, widely promoting bi-directional communication with society including shareholders.

##### 6. Contribution to society

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.

##### 7. Harmony in the international society

The "K" Line Group will contribute to the development of international society in pursuance of its business pertaining to international logistics and related businesses, respecting each country's culture and customs.

##### 8. No relations with anti-social forces

The "K" Line Group will resolutely confront any anti-social force or organization which may threaten social order and public safety and never have any relationship with them.

The management of each "K" Line Group Company recognizes that it is its role to realize the spirit of the Charter and takes the lead in an exemplary manner to implement the Charter while setting up effective mechanics throughout the company. The management also seeks cooperation from its business counterparts. The management, from the viewpoint of risk management, sets up an internal system to prevent incidents in breach of this Charter and should such an event occur, the management of respective "K" Line Group member companies will demonstrate decisiveness to resolve the problem, conduct a thorough investigation to determine the cause and take preventative measures. Additionally, such management will expeditiously and accurately release information and fulfill its accountability to society.


Adopted December, 2006

Revised August, 2012

The “K” LINE Group monitors the compliance status of its Charter of Conduct within the Group on a regular basis, and reviews the contents of the Charter as necessary to ensure that it keeps up with the times.

Group companies have their own guidelines conforming to their respective country’s regulatory mandates, business fields, and area characteristics. There are necessary but not

fundamental differences in wording between the Charter of the Group and those of individual Group companies.



**“K” Line Implementation Guideline for Charter of Conduct**  
[https://www.kline.co.jp/en/csr/group/charter/main/01/teaserItems1/0/linkList/0/link/guideline\\_12.pdf](https://www.kline.co.jp/en/csr/group/charter/main/01/teaserItems1/0/linkList/0/link/guideline_12.pdf)

**Basic CSR Policy**

As an integrated logistics company grown from the shipping business, the “K” LINE Group’s corporate principle is to help enrich people’s lives. Under this principle, we believe our corporate social responsibility (CSR) obligations cover two large frameworks; namely, managing the impact of our business

activities and creating new values. The aim of our CSR activities is to build a management structure that emphasizes social responsibility. We will help create a sustainable society by addressing material issues within these frameworks and implementing measures to address them.

► **Building a Management Structure That Emphasizes Social Responsibility**

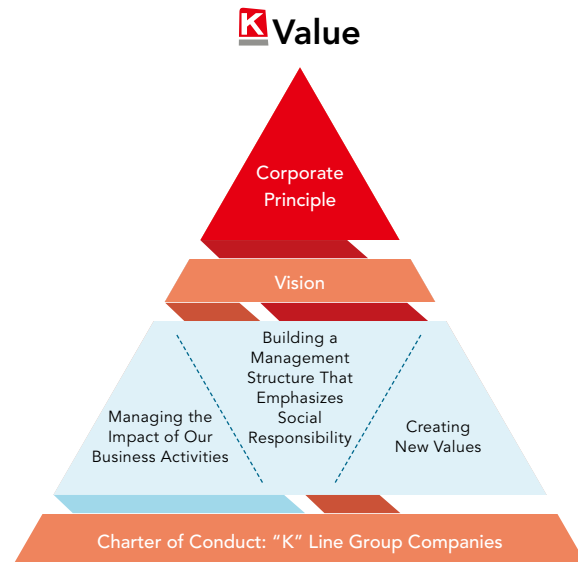
The “K” LINE Group strives to achieve sustainable growth and improved corporate value by consistently implementing initiatives for the realization of its corporate principles and vision. It aims to build a management structure, mainly by further strengthening corporate governance, in order to fulfill its CSR through initiatives to address material issues that have been identified through dialogue with its stakeholders.

► **Managing the Impact of Our Business Activities**

One of the key aspects of the “K” LINE Group’s social responsibility as a globally operating corporate group is to be aware of the potential impacts of our business activities on local and global communities, and to promote business activities based on the above perception. The Group endeavors to provide services with consideration for environmental preservation and safety in navigation and cargo operations, to conduct fair business activities, and to give due consideration to the human rights, health, and safety of the people linked to the Group’s business.

► **Creating New Values**

Another aspect of the “K” LINE Group’s social responsibility is to create new values in order to contribute to and grow with society. The Group aims to create new values and offer them to society by developing human resources who can succeed on the global stage through a corporate culture that allows free and open-minded discussions, observing customer needs, and creating new technologies and ideas that contribute to the reduction of our environmental impacts and the improvement of the quality of our services.



## The United Nations Global Compact

"K" LINE endorses the United Nations Global Compact (UNGC), an initiative proposed by the United Nations, and has been participating in it since April 20, 2020. The UNGC is a voluntary initiative in which companies and organizations act as good members of society and participate in the creation of a global framework for sustainable growth by demonstrating responsible and creative leadership. Signatory companies and organizations are required to support and implement the UNGC's Ten Principles on human rights, labour, the environment, and anti-corruption.

"K" LINE has defined initiatives toward sustainability as an important management issue, and is strengthening its efforts to contribute to the realization of a sustainable society, the aim of the UNGC.

The "K" LINE Group has also joined the Global Compact Network Japan (GCNJ), which comprises Japanese companies and organizations that participate in the UNGC. Through the GCNJ's subcommittees, which focus on specific themes, member companies and organizations actively conduct discussions and exchange information on approaches to initiatives and methods for proceeding with them. In fiscal 2020, we participated in the Human Rights Due Diligence (HRDD) Subcommittee, the Anti-Corruption Subcommittee, the ESG Subcommittee, and the Reporting Research Subcommittee. At meetings of subcommittees, we collected information on the latest trends and the initiatives of progressive companies in relation to each theme and shared information on our own initiatives.

### The Ten Principles of the United Nations Global Compact

Human rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
	Principle 2: make sure they are not be complicit in human rights abuses.
Labour	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
	Principle 4: the elimination of all forms of forced and compulsory labour;
	Principle 5: the effective abolition of child labour; and Principle 6: the elimination of discrimination in respect of employment and occupation.
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges;
	Principle 8: undertake initiatives to promote greater environmental responsibility; and
	Principle 9: encourage the development and diffusion of environmentally friendly technologies.
Anti-corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

WE SUPPORT



United Nations Global Compact  
<https://www.unglobalcompact.org/>

Global Compact Network Japan  
<https://www.ungcnj.org/>



“K” LINE Group’s Materiality

Process to Identify Materiality

By promoting sustainability management, the “K” LINE Group has identified materiality, major social issues that need to be addressed, through the following process.

► Step 1 Specify Themes Related to the “K” LINE Group’s Business Activities

The “K” LINE Group, through dialogue with internal and external stakeholders and by referring to the OECD Guidelines for Multinational Enterprises, ISO 26000, the GRI Guidelines, and other frameworks, has specified environmental and social themes that the Group’s operations around the world may affect or contribute to.

► Step 2 Select Material Issues

The Group has selected 10 of the themes identified in Step 1 to prioritize in terms of the significance of their economic, environmental, and social impacts and the effects on stakeholder evaluations and decision-making. These themes, and two additional themes deemed essential to establish the relevant management structure to address them, have been designated as material issues requiring action by the Group.

► Step 3 Formulate CSR Action Plans

The Group has set medium- and long-term targets for the 12 material issues designated in Step 2 and formulates annual CSR action plans geared to each target.

► Step 4 Match with the SDGs

The Group has aligned the CSR action plans outlined in Step 3 with the 17 SDGs adopted by the United Nations in 2015 to ensure that the objectives are compatible.


► Step 5 Review

The Group reviews the progress of the CSR action plans semiannually, and revises or modifies them as necessary. At the end of each fiscal year, the Group evaluates the progress and results of the CSR action plans and, based on the progress toward the medium- and long-term goals and the social changes relevant to its businesses, formulates new plans for the next fiscal year.






SDGs Related to Material Issues

“K” LINE Group’s Materiality

Building a Management Structure That Emphasizes Social Responsibility

Themes	Material Issues	Related SDGs
Corporate governance	Establishment of a management structure that responds to the demands of society	—
Stakeholder engagement	Promotion of dialogue with stakeholders	

Managing the Impact of Our Business Activities

Themes	Material Issues	Related SDGs
Human rights	Prevention of discrimination Respect for basic labor rights Prevention of forced labor and child labor	
Labor practices	Prevention of overlong working hours Promotion of diverse workstyles Improvement of occupational health and safety	
Compliance	Prevention of corruption Prevention of anticompetitive behavior	
Safety in navigation and cargo operations	Prevention of major accidents	
Environmental preservation	Reinforcement of environmental management Environmentally friendly business activities	
Risk management	Business continuity plans (BCPs) to respond to large-scale disasters Enhancement of response capabilities for major accidents Crisis and risk management systems	—

Creating New Values

Themes	Material Issues	Related SDGs
Human resource development	Improvement of corporate culture Development of global leaders Promotion of diversity	
Innovation	New value proposals through reduction of environmental impacts and improvement of service quality	
Community involvement and development	Assistance in recovery / reconstruction from natural disasters Promotion of social contribution activities using corporate resources	
Employment creation and skills development	Support for education and employment creation	

Promotion System for Sustainability

Sustainability Governance

Amid globally accelerating changes in values and behavior, as well as accelerating GHG reductions and environmental regulations, “K” LINE considers sustainability management as a priority issue for enhancing corporate value over the medium to long term and discusses the issue as necessary at the Board of Directors’ meetings. In April 2021, we restructured the existing organization and reformed the promotion system for sustainability to ensure it is a key management objective.

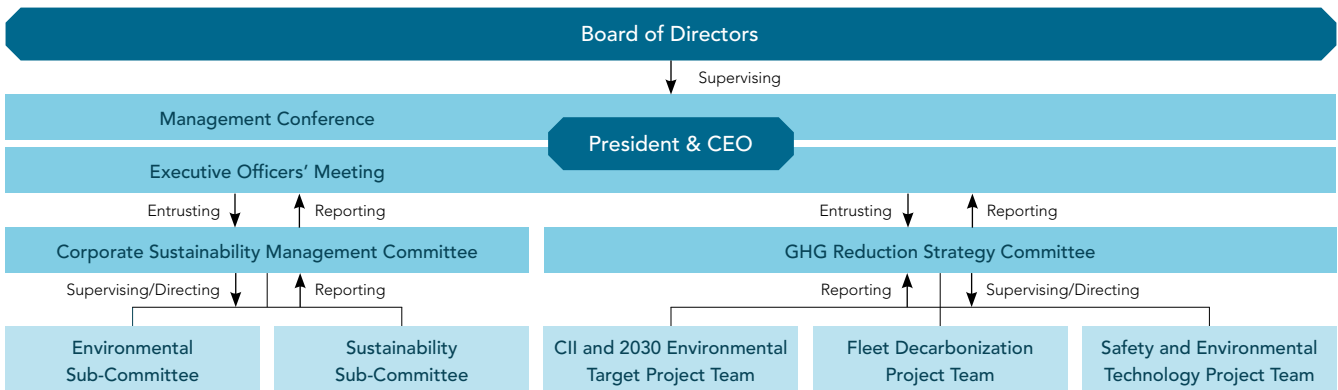
The Corporate Sustainability Management Committee, chaired by the President & CEO, is enhancing corporate value by reviewing and formulating a promotion system for the “K” LINE Group’s sustainability management.

The Environmental Sub-Committee, a subcommittee under the Corporate Sustainability Management Committee, is responsible for operating the environmental management system (EMS) formulated in accordance with the “K” LINE Group Environmental Policy and the standards of the International Organization for Standardization (ISO). The subcommittee is also responsible for promoting other environmental activities.

The second subcommittee, the Sustainability Sub-Committee, is responsible for promoting management that will contribute to the sustainability of “K” LINE’s businesses and the enhancement

of corporate value. This is achieved by developing ship safety navigation technology, economic navigation technology, and environmental technology, including next-generation fuel compatibility, and through initiatives for low-carbon and zero-carbon businesses, digital transformation (DX) compatibility, and our response to social issues, as well as further reinforcement of governance and compliance.

In October 2021, we integrated the functions of our Alternative Fuel Project Committee and our Environment/Technology Committee, and established the new GHG Reduction Strategy Committee. We established three project teams, the CII and 2030 Environmental Target Project Team, the Fleet Decarbonization Project Team, and the Safety and Environmental Technology Project Team, as subcommittees under the GHG Reduction Strategy Committee. They are responsible for reinforcing the organizational response to urgent issues, such as the Energy Efficient Existing Ship Index (EEXI) and the Carbon Intensity Indicator (CII), accelerating initiatives to develop ships fueled by liquefied natural gas (LNG) and the LNG fuel supply business and examine next-generation fuels and new technologies, and formulating the latest measures for compliance with environmental guidelines, including technical aspects.



### Sustainability Management Structure

As part of the reinforcement of the promotion system for sustainability management implemented on April 1, 2021, “K” LINE established three new groups: the Corporate Sustainability, IR, and Communication Group; the GHG Reduction Strategy Group; and the Carbon-Neutral Promotion

Group, which are responsible for the practical implementation of sustainability promotion. They will accelerate sustainability initiatives together with the existing Environment Management Group, the Fuel Strategy & Procurement Group, and the Advanced Technology Group.



<p><b>Corporate Sustainability, IR, and Communication Group</b></p> <p>Integrates the existing CSR, IR, and PR functions to promote communication with stakeholders inside and outside the Group as the driving force behind sustainability management.</p>	<p><b>Environment Management Group</b></p> <p>Manages “K” LINE’s environmental strategies in an integrated manner, formulates comprehensive strategies and a road map for realizing environmental management, and implements specific measures to reduce the Company’s environmental impact.</p>	<p><b>Carbon-Neutral Promotion Group</b></p> <p>The demand for carbon-neutral businesses is increasing. This includes businesses related to renewable energy, including offshore wind power, carbon capture, use and storage (CCUS) businesses, fuel conversion (LNG value chain) businesses, and the emissions trading system. Promotes business development to achieve net-zero CO<sub>2</sub> emissions in collaboration with relevant internal organizations and affiliated companies to respond to these trends and launch businesses as soon as possible.</p>
<p><b>GHG Reduction Strategy Group</b></p> <p>Supervises the technical aspects of next-generation environmental vessel strategies, with GHG reduction as the focus. Engages in research and implementation of GHG reduction initiatives, such as new fuels, including ammonia and hydrogen, electric vessels (EVs), carbon capture and storage (CCS), and methanation. Also promotes the introduction of LNG-fueled vessels, which are in the practical stage of development.</p>	<p><b>Fuel Strategy &amp; Procurement Group</b></p> <p>Carries out procurement of fuel oil, LNG fuel, and lubricating oil to ensure safe navigation and cargo operations of “K” LINE and “K” LINE Group companies and improve earnings. Also examines and drafts basic policies for new fuel compatibility aimed at reducing greenhouse gases and CO<sub>2</sub> emissions in the future.</p>	<p><b>Advanced Technology Group</b></p> <p>Promotes the examination and development of innovative technology that contributes to improving ship safety and economic efficiency and reducing environmental impact. Also carries out appropriate energy management for chartered ships and vessels controlled by “K” LINE and formulates and implements specific measures to reduce fuel consumption.</p>

## ESG Performance

### Sustainable Finance

#### Significance of Sustainable Finance

Since setting 2030 interim milestones in the "K" LINE Environmental Vision 2050, we have been trying to minimize all kinds of environmental impacts resulting from our business activities. In this vision, we set the following interim milestones:

- Improve CO<sub>2</sub> emission efficiency by 50% compared with 2008 (beyond the International Maritime Organization (IMO) target of 40%)
- Pursue transportation and supply of new energy for a low-carbon society

#### Case Study: Climate Transition Loan

"K" LINE has arranged an operating lease for our next-generation environmentally friendly LNG-fueled car carrier through a climate transition loan with Mizuho Bank Ltd. (MHBK) and Sumitomo Mitsui Trust Bank, Limited (SMTB). This loan is recognized as the very first climate transition finance transaction in Japan.

The loan was evaluated by the Japan Credit Rating Agency, Ltd., in line with the Climate Transition Finance Handbook published by the International Capital Market Association

(ICMA) and it achieved the highest recognition, Green1 (T), as an overall evaluation.

The aim of climate transition finance is to accelerate the efficient flow of financing to companies that address climate change risk as material issues for their core business activities, and to move beyond conventional business procedures to achieve their GHG emission reduction target to contribute to global goals for decarbonization.

#### ► Use of Loan Proceeds

- The loan was used toward the purchase of an LNG-fueled car carrier, one of the concrete action plans in our environmental strategy.
- When compared with vessels powered by conventional heavy fuel oil, the vessel carrier is expected to be about 45% more energy efficient (Energy Efficiency Design Index (EEDI) basis), reduce sulfur oxides by about 100%, and reduce nitrogen oxides by 80% to 90% through the use of exhaust gas recirculation (EGR).
- The project is officially supported by the Ministry of the Environment and Ministry of Land, Infrastructure, Transport and Tourism as "a model business using alternative fuels to reduce ship CO<sub>2</sub> emissions."

#### ► Project Evaluation and Selection Process

- Following an evaluation and selection process by relevant departments to ensure that it met eligibility criteria, the project was approved by the Board.

#### ► Management of Loan Proceeds

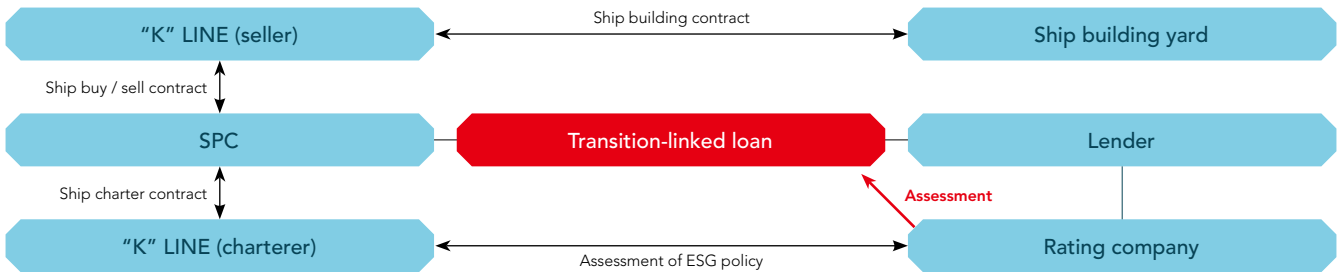
- The proceeds of the loan will be managed by cash flows determined by contracts among the relevant parties.
- All the loan proceeds are tied to this specific project.
- The proceeds are tracked and managed through our internal accounting system.

#### ► Reporting

- All the funds procured from the loan have been used toward the purchase of the LNG-fueled vessel.
- GHG (CO<sub>2</sub>) emissions from the vessel will be disclosed to the lenders annually.
- Our environmental strategy KPIs will be updated on our website accordingly.

► Finance Outline

Finance scheme	Operating lease
Charterer	“K” LINE
Owner/Borrower	Leasing companies’ special purpose company (SPC)
Agreement date	March 10, 2021
Loan amount	About ¥5.9 billion
Loan arranger	Mizuho Bank, Ltd. (MHBK)
Loan co-arranger	Sumitomo Mitsui Trust Bank, Limited (SMTB)
Transition structuring agent	MHBK, Mizuho Securities Co., Ltd., SMTB
Lender	MHBK, SMTB
Use of proceeds	Purchase of a next-generation environmentally friendly LNG-fueled car carrier
Evaluator	Japan Credit Rating Agency, Ltd.
Overall evaluation	Green1 (T)



Transition-Linked Loan

Below are details of Japan’s first transition-linked loan, and one of the largest-scale unspecified purpose loans to be linked with sustainability performance targets (SPTs).

► Sustainability Performance Targets (SPTs)

This transition-linked loan stipulates the following three SPTs:

- SPT 1:** Total yearly GHG emissions throughout the loan term  
(Target: 50% reduction by 2050 compared with 2008)
- SPT 2:** Yearly CO<sub>2</sub> emissions per ton-mile throughout the loan term  
(Target: 50% reduction by 2030 compared with 2008)
- SPT 3:** CDP rating of A- or higher

Note: All of the above SPTs are connected with a matrix table of loan interest to promote our transition strategy.

## ► Finance Outline





Finance scheme	Transition-linked loan
Borrower	"K" LINE
Loan amount	About ¥110 billion
Loan term	5 years
Loan agreement date	September 27, 2021
Loan arranger	Mizuho Bank, Ltd. (MHBK)
Loan co-arranger	Development Bank of Japan Inc. (DBJ), Sumitomo Mitsui Trust Bank, Limited (SMTB)
Lender	Kansai Mirai Bank, Limited, THE SAIKYO BANK, LTD., THE SAN-IN GODO BANK, LTD., San ju San Bank, Ltd., Shinkin Central Bank, Suruga Bank Ltd., The Chugoku Bank, Limited, THE TOCHIGI BANK, LTD., DBJ, The Norinchukin Bank, The Hachijuni Bank, Ltd., The Higo Bank, Ltd., The Hyakujushi Bank, Ltd., The Hokuriku Bank, Ltd., MHBK, Mizuho Trust & Banking Co., Ltd., SMTB, The Yamaguchi Bank, Ltd., The Bank of Yokohama, Ltd., and other lenders
Transition structuring agent	Mizuho Securities Co., Ltd., MHBK
Evaluator	Japan Credit Rating Agency, Ltd.
Target SPTs	① Total GHG emissions ② CO <sub>2</sub> emissions per ton-mile ③ CDP rating

Note: By linking all of the above SPTs and interest rate terms in a matrix, it becomes a system for committing to the implementation of each of our transition strategies.

## ■ External Recognition

"K" LINE has been included in global socially responsible investment (SRI) indices and received a range of awards in recognition of its efforts to enhance its initiatives for non-financial issues including corporate social responsibility (CSR) and environmental, social, and governance (ESG) issues.

## SRI/ESG Evaluation

Contents	
 <p>Member of <b>Dow Jones Sustainability Indices</b> Powered by the S&amp;P Global CSA</p>	<ul style="list-style-type: none"> <li>• Dow Jones Sustainability Asia/Pacific Index</li> </ul> <p>Provided by US-based S&amp;P Dow Jones Indices LLC, this ESG index evaluates the sustainability of the world's leading companies based on economic, environmental, and social criteria.</p> <p><a href="https://www.spglobal.com/esg/csa/indices/djsi-index-family">https://www.spglobal.com/esg/csa/indices/djsi-index-family</a></p>
 <p><b>FTSE Blossom Japan</b></p>	<ul style="list-style-type: none"> <li>• FTSE Blossom Japan Index</li> </ul> <p>Created by the global index provider FTSE Russell, the FTSE Blossom Japan Index is designed to measure the performance of Japanese companies demonstrating strong ESG practices. The FTSE Blossom Japan Index is used by a wide variety of market participants to create and assess responsible investment funds and other products.</p> <p><a href="https://www.ftserussell.com/products/indices/blossom-japan">https://www.ftserussell.com/products/indices/blossom-japan</a></p>
 <p><b>2022 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)</b></p>	<ul style="list-style-type: none"> <li>• MSCI Japan Empowering Women Index (WIN)</li> </ul> <p>The MSCI Japan Empowering Women Index (WIN), developed by US-based Morgan Stanley Capital International (MSCI), is a stock price index that was created to classify companies with outstanding gender diversity based on MSCI's unique Gender Diversity Score.</p> <p><a href="https://www.msci.com/our-solutions/indices/japan-empowering-women-index">https://www.msci.com/our-solutions/indices/japan-empowering-women-index</a></p> <p>Note: The inclusion of "K" LINE in the MSCI Japan Empowering Women Index (WIN) and the use of the MSCI logo, trademark, service mark, and index name are not equivalent to support, promotion, or assistance of "K" LINE by MSCI and its affiliates. The MSCI index is the exclusive property of MSCI. MSCI, the MSCI index name, and the MSCI index logo are the trademark and service mark of MSCI and its affiliates.</p>
 <p><b>S&amp;P/JPX Carbon Efficient Index</b></p>	<ul style="list-style-type: none"> <li>• S&amp;P/JPX Carbon Efficient Index</li> </ul> <p>One of the ESG indices adopted by Government Pension Investment Fund (GPIF), this index focuses on environmental issues and measures the performance of companies by evaluating their levels of information disclosure on carbon emissions, as well as their carbon emissions per unit of revenue.</p> <p><a href="https://www.jpjx.co.jp/english/markets/indices/carbon-efficient/index.html">https://www.jpjx.co.jp/english/markets/indices/carbon-efficient/index.html</a></p>

## Major Awards and Recognition

## Contents



CDP 2021 Climate Change A List

"K" LINE has achieved the highest rating, A, for five consecutive years.

<https://www.cdp.net/en/companies/companies-scores>



Nikkei SDGs Management Survey

Nikkei Research Inc. evaluated "K" LINE with a 4.0-star rating.

[https://www.nikkei-r.co.jp/service/survey/sdgs\\_survey/](https://www.nikkei-r.co.jp/service/survey/sdgs_survey/) (Japanese)



Ministry of Health, Labour and Welfare

"K" LINE was granted Kurumin certification for the second time, as a company that provides superior support for childcare.

[https://www.mhlw.go.jp/stf/seisakunitsuite/bunya/kodomo/shokuba\\_kosodate/kurumin/index.html](https://www.mhlw.go.jp/stf/seisakunitsuite/bunya/kodomo/shokuba_kosodate/kurumin/index.html) (Japanese)



Daiwa Investor Relations Co. Ltd.

"K" LINE was granted the Excellence Award in 2021.

Each year, Daiwa Investor Relations Co. Ltd. evaluates and grades the online disclosure of information by listed companies through their investor relations (IR) websites, granting awards to the top-performing companies.

[https://www.daiwair.co.jp/news/internet\\_IR2021.html](https://www.daiwair.co.jp/news/internet_IR2021.html) (Japanese)



EcoVadis

"K" LINE was awarded a Bronze rating for overall sustainability initiatives in 2021 by EcoVadis, an internationally recognized provider of business sustainability ratings based in France.

<https://ecovadis.com/>

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SECTION

# 03 | Environment



## Environment

### "K" LINE Group Environmental Policy

#### "K" LINE Group Environmental Policy

The "K" LINE Group is aware that our business activities can impact on the global environment, and we therefore set forth in our environmental policy our determination and commitment to minimize the impact of our business activities on the global environment.

So that we can successfully promote our environmental activities in accordance with the environmental policy, the Corporate Sustainability Management Committee, which is led by the President & CEO, discusses and develops policies for promoting the sustainability activities of the entire "K" LINE Group with two subcommittees: the Sustainability Sub-Committee and the Environmental Sub-Committee.

The Environmental Sub-Committee meets twice a year, bringing together top management and the environmental managers, assistant environmental managers, and sub-assistant environmental managers from each division of the Company to prepare basic plans and set targets on environmental matters for the Group, monitor progress toward these targets, evaluate the results, and reconfirm or review the targets.

In addition, all Group companies come together so that the entire staff working for the "K" LINE Group unites to promote environmental activities, and we hold a Group Environmental Conference every year to discuss and share awareness of current environmental issues.

### "K" LINE Group Environmental Policy

#### ► Core Concept

The "K" LINE Group is aware and recognizes that addressing environmental concerns is an issue shared by all mankind. Therefore, the "K" LINE Group is taking proactive measures as an essential condition for its existence and for conducting a business enterprise, striving to reduce the environmental impact of its business activities, and seeking to contribute to the development of a sustainable society.

#### ► Conduct Guidelines

1. We are setting objectives and targets for environmental preservation and making improvements on an ongoing basis to reduce the impact on the environment from our business activities. Furthermore, we are complying with all environmental treaties, laws and regulations as well as policies and voluntary standards to which the "K" LINE Group has consented.
2. We are striving to protect the global and marine environment through fleet-wide implementation of safe operation practices and are establishing the organizations and structures necessary for such implementation.
3. We are promoting research, development and introduction of ship facilities and equipment to improve ship energy efficiency and operating efficiency, which results in reduction of greenhouse gas emissions and the prevention of atmospheric pollution.
4. In consideration of biodiversity, we are maintaining an awareness of the impact that the transport of ballast water and living organisms that attach to ship hulls have on ecosystems and working to protect those ecosystems.
5. We are contributing to establish a recycle-based society by promoting the 3Rs (reduce, reuse and recycle) and promoting the effective re-use of resources, including ship recycling.
6. The entire "K" LINE Group is and will continue to support and participate in social contribution activities intended to protect the environment.
7. We are conducting education and training programs to elevate awareness and understanding of environmental preservation issues among each member of the entire "K" LINE Group.

Revised in August 2012

**"K" LINE Environmental Vision 2050:  
Long-Term Environmental Guidelines for 2050**

**Revised "K" LINE Environmental Vision 2050:  
2050 Goals and 2030 Interim Milestones**

We successfully achieved most of the 2019 interim milestones of the "K" LINE Environmental Vision 2050, which was formulated by the "K" LINE Group in March 2015. At the same time, we recognize that the business environment and demands of customers have changed since the formulation of the vision and there is a need to respond to the impact of climate change and the increasing demands for decarbonization. Accordingly, in June 2020, we announced our revised "K" LINE Environmental Vision 2050, with targets reorganized around the two issues of

"Decarbonization" and "Aim for Zero Environmental Impact." This vision shows the formulation of new 2050 goals and 2030 interim milestones.

**"K" LINE Environmental Vision 2050**  
[https://www.kline.co.jp/en/csr/environment/management/main/010/teaserItems2/01/linkList/0/link/K-LINE\\_E-vision\\_en\\_2020\\_v2.pdf](https://www.kline.co.jp/en/csr/environment/management/main/010/teaserItems2/01/linkList/0/link/K-LINE_E-vision_en_2020_v2.pdf)

**Revision of 2050 Targets:**

**The Challenge of Achieving Net-Zero GHG Emissions**

In November 2021, we revised the 2050 goals for decarbonization in the "K" LINE Environmental Vision 2050. Reinforcement of global climate change countermeasures has become an urgent issue and the drive to achieve net-zero GHG emissions by 2050 is gaining momentum in every country and every industry. Amid these circumstances, the Group is also taking on the challenge of raising our target even further to net-zero GHG emissions by 2050.

**The Challenge of Achieving Net-Zero GHG Emissions**  
[https://www.kline.co.jp/en/csr/environment/management/main/010/teaserItems1/01/linkList/0/link/2111vision%20minaooshi\\_EN.pdf](https://www.kline.co.jp/en/csr/environment/management/main/010/teaserItems1/01/linkList/0/link/2111vision%20minaooshi_EN.pdf)

**System**

**Environmental Management System**

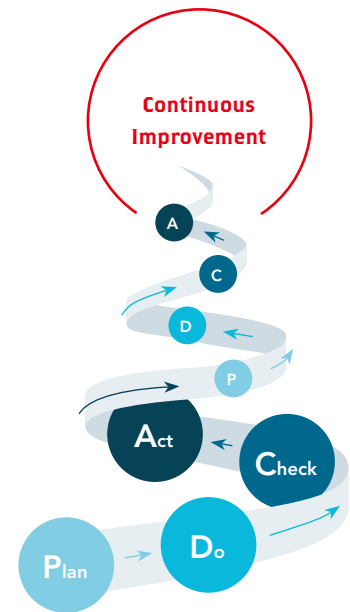
**► Establishment of an Environmental Management System (EMS)**



We have established an EMS based on ISO 14001\*1 and operate it to make constant improvements by identifying environmental impacts and minimizing them. We implemented the EMS in February 2002, after obtaining certification from a third-party organization. Since then, we have been striving to enhance our environmental activities by using annual reviews and renewal periods to check and ensure that our EMS complies with the ISO 14001 standard, is conducted in line with the PDCA cycle,\*2 and is improved and corrected accordingly.

\*1 ISO 14001 is an international EMS standard set by the International Organization for Standardization (ISO). Requirements for the EMS are stipulated in ISO 14001.  
 \*2 Processes are separated into four steps: plan, do, check, and act. Following this cycle is one management method to continuously improve business activities.

**ISO 14001 Certification**  
<https://www.kline.co.jp/en/csr/environment/management/main/05/teaserItems2/00/file/isocert2022eng.pdf>



### ► Acquisition Status of Environmental Certification

"K" LINE Group companies have acquired various environmental certifications, including ISO 14001, and we are making a Groupwide commitment to environmental protection. Group companies that have acquired ISO 14001 certification account for around 79% of our Groupwide net sales.



**Acquisition Status of Environmental Certification**  
<https://www.kline.co.jp/en/csr/environment/management/main/07/teaserItems1/01/linkList/0/link/EMS%20GREENKAIKEI%20EG.pdf>

## ■ Environmental Targets and Results

### Action Plan / Environmental Targets

Based on our environmental management system (EMS), we continuously run our PDCA cycle. We have set our environmental target for the year in line with the "K" LINE Environmental Vision 2050 and "K" LINE Group Environmental Policy. We have appropriately reviewed our achievements and have used these outcomes to set our target for next year. These environmental targets include not only measures related to ship operations but also specific measures for office sites, such as the reduction of both water consumption and waste.



**Environmental targets for 2021**  
<https://www.kline.co.jp/en/csr/environment/data/main/03/teaserItems1/01/linkList/00/link/2021KANKYOMOKUHYOU%20EN.pdf>

### Results of Our Environmental Activities



**2020 Results of Our Environmental Activities**  
<https://www.kline.co.jp/en/csr/environment/data/main/03/teaserItems1/01/linkList/0/link/2020KANKYOKATSUDO%20JISSEKI%20EN.pdf>

## Climate Change (Decarbonization and Low-Carbon Transition)

### Approach

#### Environmental Initiatives and Response to TCFD

Climate change is expected to expose humankind to major physical risks, such as serious natural disasters. To prevent these risks, it is widely believed that global warming must be prevented from increasing, and achieving this will require worldwide effort, such as environmental regulations to significantly reduce greenhouse gas (GHG) emissions.

In June 2020, we revised the “K” LINE Environmental Vision 2050 and reviewed key issues and some targets based on the

results of scenario analysis recommended by the Task Force on Climate-related Financial Disclosures (TCFD).

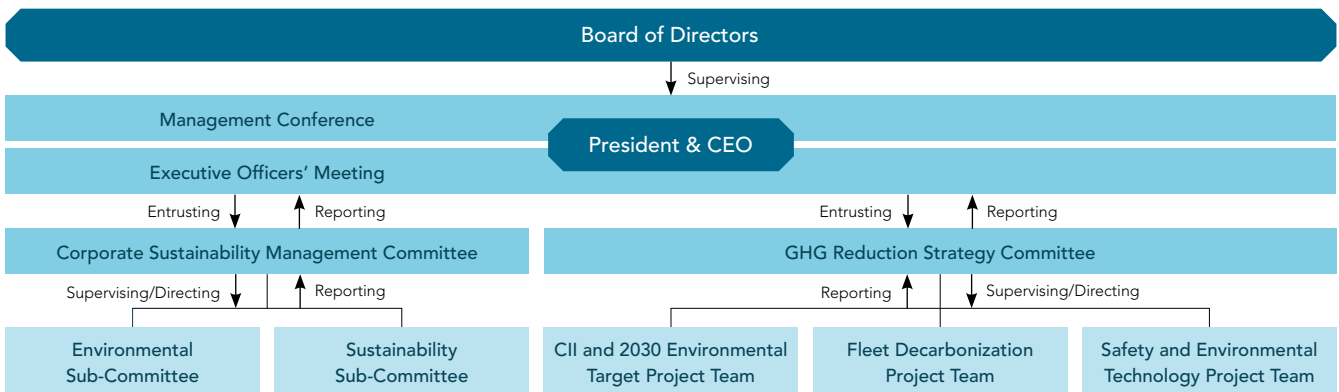
Since climate change countermeasures are an important management issue, we have also adopted “expansion of safety, environmental, and quality initiatives” as a strategy in our medium-term management plan from fiscal 2020 and are promoting effective initiatives.

### Environmental Governance

#### Governance System for Environmental Risks and Opportunities

In April 2021, the “K” LINE Group restructured the existing organization and reformed the promotion system for sustainability to ensure it is a key management objective. The Corporate Sustainability Management Committee, chaired by the President & CEO, is enhancing corporate value by reviewing and formulating a promotion system for the “K” LINE Group’s sustainability management. Additionally, in October 2021, we established the new GHG Reduction Strategy Committee by integrating the Alternative Fuel Project Committee, which is in charge of accelerating initiatives for conventional LNG-fueled vessels and the LNG fuel supply business and examining next-generation fuel and new

technologies, with the Environment/Technology Committee, which formulates measures for compliance with environmental regulations, including technical aspects. Each of these two committees functions as a forum for strategic discussions. The Environmental Sub-Committee, a subcommittee under the Corporate Sustainability Management Committee, is responsible for operating the environmental management system (EMS) formulated in accordance with the “K” LINE Group Environmental Policy and the standards of the International Organization for Standardization (ISO). The subcommittee is also responsible for promoting other environmental activities.



Risks and Opportunities

Implementing Scenario Analysis

The Paris Agreement sets out a long-term target to pursue efforts to limit the average global temperature rise to 1.5°C, well below 2°C, compared to preindustrial levels.

In the spirit of the Paris Agreement, the International Maritime Organization (IMO), a specialized United Nations agency for maritime issues, has set targets and measures for international shipping activities. We are working to reduce the GHG emissions from our business activities in line with the IMO’s policies, but we recognize that efforts to reduce GHG

emissions may be insufficient, and that the 4°C warming scenario and the intensification of physical risk is a possibility. The Group must build the resilience to adapt to those conditions to ensure that its business operations will continue. We have formulated road maps for how the Group should prepare for the anticipated negative (risks) and positive (opportunities) aspects of both the “below 2°C warming scenario” and the “4°C warming scenario.”

**Scenario 1** Mainly transition risks related to the decarbonization of society

- Stricter regulations, such as a carbon tax
- Customer actions to realize low or zero-carbon emissions
- Carbon capture and reuse, hydrogen and other technologies enabling low-carbon and decarbonized energy
- Need for new low-carbon and decarbonized energy supply and transportation

**Scenario 2** Mainly physical risks due to climate change

<p><b>Natural disasters (acute risk)</b></p> <ul style="list-style-type: none"> <li>• More typhoons and cyclones</li> <li>• Intensifying natural disasters</li> </ul>	<p><b>Changes in the natural environment (chronic risk)</b></p> <ul style="list-style-type: none"> <li>• Rising sea levels</li> <li>• Changes in the land environment</li> <li>• Changes in the ocean environment</li> </ul>
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**What We Must Do**

**Hardware**

- Install energy-saving equipment to improve ship operating efficiency
- Launch ships with low-carbon or decarbonized new fuel and propulsion technologies
- Make ships physically stronger

**Software**

- Enhance digital and automation technologies to make operations safer and more efficient
- Raise employee awareness and provide training in new technologies
- Construct a corporate structure capable of flexibly responding to needs, such as for reconstruction assistance

**Business activities**

- Develop and enter new energy supply and transportation businesses
- Prepare fleet for new transportation technologies
- Increase capability for green ship recycling
- Participate in collection and study of marine plastic pollution
- Increase dialogue with administrators involved in improving port facilities, roads, and other infrastructure
- Increase involvement in policy-making with governments, the United Nations, and NGOs

Indicators and Targets

Aim for Net-Zero GHG Emissions

We will steadily promote an action plan for achieving the interim milestones for 2030 that have been set out in our “K” LINE Environmental Vision 2050.

We will take on the new challenge of achieving net-zero GHG emissions as a target for 2050. We will aim to help enrich the lives of people by also promoting support for the decarbonization of society.

2030 Interim Milestones

- “K” LINE low-carbon transition: Improve CO<sub>2</sub> emissions by 50% compared with 2008 levels
- Support development of a low-carbon society: Transport and supply new energy for a low-carbon society

2050 Targets

- “K” LINE decarbonization: The challenge of net-zero GHG emissions
- Support the decarbonization of society: Be the transporter and supplier of new energy

## Strategies and Initiatives

### "K" LINE Decarbonization and Low-Carbon Transition

While taking on the challenge of achieving net-zero GHG emissions in 2050, we will first work toward achieving the 2030 interim milestones set out in the "K" LINE Environmental Vision 2050 by making the shift toward ships fueled by liquefied natural gas (LNG), ships fueled by liquefied petroleum gas (LPG), and ships that use new zero-emission fuels such as ammonia and hydrogen, from the perspective of achieving decarbonization and low-carbon transition at "K" LINE. Additionally, we will promote initiatives for reducing CO<sub>2</sub> emissions, such as using the Seawing automated kite system (wind propulsion) and Kawasaki Integrated Maritime Solutions (integrated vessel operation and performance management system).

#### ▶ 1. New Fuels (Fuel Conversion)

##### Expand introduction of LNG-fueled ships

- Expanding introduction of LNG-fueled ships in the 2020s, investing in approximately 40 vessels by 2030
  - ▶ Delivered "K" LINE's first LNG-fueled car carrier, *CENTURY HIGHWAY GREEN*, in March 2021
  - ▶ Plan to deliver "K" LINE's first LNG-fueled capesize bulk carrier in 2024
  - ▶ Decided to invest in a further eight LNG-fueled car carriers by 2025

Approximately 25% to 30% reduction in CO<sub>2</sub> emissions, compared with heavy-oil fueled vessels



CENTURY HIGHWAY GREEN

##### Introduce LPG-fueled ships

- A very large gas carrier (VLGC), which is mainly fueled by LPG and capable of carrying LPG or ammonia, with a view to transporting ammonia in the future (planned delivery in 2023)

Approximately 20% reduction in CO<sub>2</sub> emissions, compared with heavy-oil fueled vessels

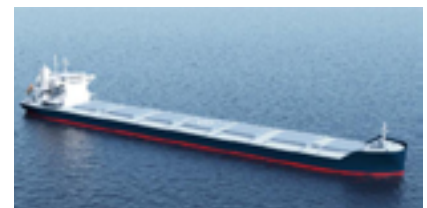


Photograph provided by Kawasaki Heavy Industries, Ltd.

##### Introduce zero-emission vessels that use new fuels such as ammonia and hydrogen

- Considering the introduction of zero-emission fuels, such as ammonia and hydrogen, and carbon-neutral fuels, such as bio-LNG and synthetic fuel
- Participating in a joint study framework for researching the use of ammonia as a maritime fuel that crosses industrial boundaries, such as those between shipping companies, trading companies, shippers, and manufacturers, with the aim of using ammonia-fueled vessels
- Considering the target of commercialization and the introduction of zero-emission vessels in the second half of the 2020s

Zero CO<sub>2</sub> emissions



Photographs provided by the Japan Ship Technology Research Association

▶ 2. Seawing Automated Kite System That Utilizes Wind Power Propulsion

- Developed in collaboration with French company AIRSEAS, a spin-off from AIRBUS
- Considering expanding the use of this new technology, which can be installed on any type of vessel, including existing ones, to all vessels
  - ▶ Installation on a capesize bulk carrier scheduled to begin in fiscal 2022

Expecting a reduction in CO<sub>2</sub> emissions of more than 20%  
 Pursuing a 45% to 50% reduction in CO<sub>2</sub> emissions through the synergistic effect of installation on LNG-fueled vessels



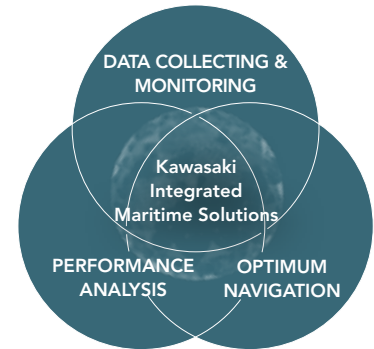
LNG-fueled capesize bulk carrier

▶ 3. Improvement of Operational Efficiency

**Kawasaki Integrated Maritime Solutions (Integrated vessel operation and performance management system)**

- Collects vessel operation data in real time, including fuel consumption, output power, and ship speed, and pursues the improved operational management of the vessel by using an optimum navigation system that calculates safe and fuel-efficient recommended routes
- Recently achieved visualization of performance degradation and impact of external disruption for each individual vessel using AI data analysis technology to further maintain and improve operational efficiency

Approximately 3% to 5% reduction in CO<sub>2</sub> emissions through installation of Kawasaki Integrated Maritime Solutions

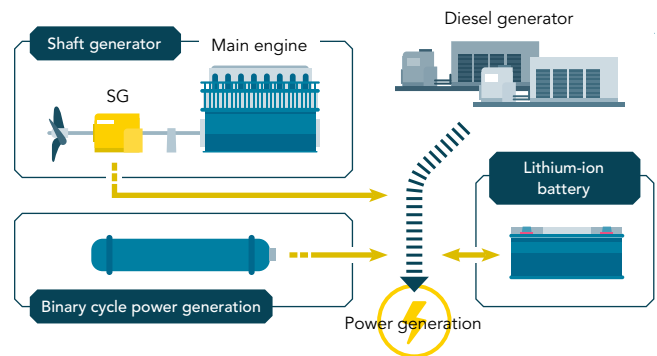


▶ 4. Other Energy-Efficient and Decarbonization Technology and Equipment

**Hybrid propulsion system**

- Considering a hybrid propulsion system that combines a shaft generator, binary cycle power generation,\* and lithium-ion batteries

\* A method of generating electricity by heating and evaporating a working fluid with a low boiling point through low-level heat sources, such as warm water, low-pressure steam, or air, and using the steam to turn a turbine



**CO<sub>2</sub> capture plant on vessel**

- World's first CO<sub>2</sub> capture plant on a vessel installed on coal carrier *CORONA UTILITY* in August 2021
- Carrying out project demonstration in collaboration with Mitsubishi Shipbuilding Co., Ltd., and Nippon Kaiji Kyokai, aiming for commercialization of the plant



► 5. Raising Funds through Climate Transition

- Raised funds through Japan’s first climate transition loan (purpose specified finance) for the LNG-fueled car carrier, *CENTURY HIGHWAY GREEN*, in March 2021
- Raised approximately ¥110 billion through Japan’s first transition-linked loan (TLL) (purpose unspecified finance) in September 2021. Funds to be used to finance a range of environmental countermeasures aimed at decarbonization

► 6. Launch of Internal Carbon Pricing

- Full-scale internal launch of operation in April 2021. Calculated with reference to an economic index that takes into account a future earnings contribution of ¥4,000 per ton of CO<sub>2</sub>
- Promote low-carbon transition and decarbonization projects by using them as an indicator for the evaluation of investment projects

Supporting the Development of a Decarbonized and Low-Carbon Society

We will promote initiatives, such as supporting the offshore wind power business, participating in and creating a fuel supply network for the hydrogen and ammonia transportation business, and participating in the CO<sub>2</sub> transportation business, as a target for supporting the development of a decarbonized and low-carbon society set out in the “K” LINE Environmental Vision 2050, which aims to achieve net-zero GHG emissions by 2050.

► 1. Support Offshore Wind Power Business

- Established “K” Line Wind Service, Ltd., together with Kawasaki Kinkai Kisen Kaisha, Ltd., and provided offshore support vessels and transport vessels for offshore wind farm businesses
- Supporting target set by the Japanese government for the introduction of offshore wind power generation of 30 gigawatts to 45 gigawatts by 2040 from an operational and transportation perspective



Offshore support vessel

► 2. Participate in Transportation of Hydrogen and Ammonia, and Create Fuel Supply Network

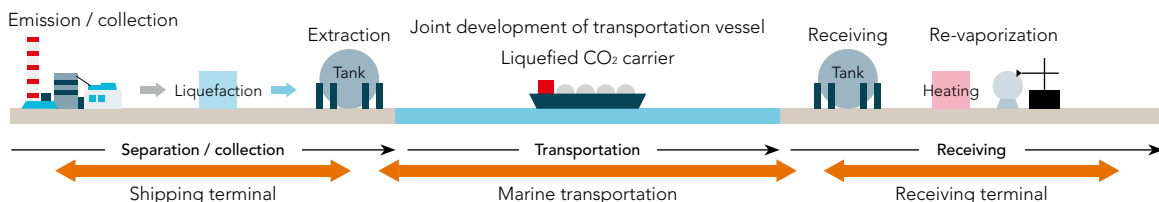
- Participate in CO<sub>2</sub>-free Hydrogen Energy Supply-chain Technology Research Association (HySTRA) with the aim of creating an international supply chain for the transportation to Japan of CO<sub>2</sub>-free hydrogen made from Australian brown coal
- Considering re-entering the ammonia transportation business
- Considering participation in the project to create a supply network for hydrogen and ammonia at all sites



Photograph provided by Kawasaki Heavy Industries, Ltd.

► 3. Participate in CO<sub>2</sub> Transportation Business

- Participate in R&D and demonstration project for CO<sub>2</sub> marine transportation together with the Engineering Advancement Association of Japan, Nippon Gas Line Co., Ltd., and Ochanomizu University





#### ► 4. Other Initiatives

- Collaborate with Chubu Electric Power Co., Inc., on a tidal energy project in Canada (aim to begin operation in 2023)
- Looking into carbon credits, carbon offsets, etc.

Note: The offsetting of carbon emissions may be carried out through an internationally accepted method in the future.

#### ■ Related Data

##### CO<sub>2</sub> Emissions of "K" LINE Group

Category		2016	2017	2018	2019	2020
Scope 1		12,971,192	13,417,625	12,536,134	10,325,224	9,202,613
Scope 2	Location basis	31,025	30,505	27,306	26,397	25,191
	Market basis	27,669	25,019	23,135	26,220	21,780
Scope 3		1,551,014	1,516,445	1,424,198	1,304,803	1,219,525

(Tons)

##### Fuel Oil Consumption

	2016	2017	2018	2019	2020
Fuel oil	3,872,209	4,101,514	3,823,776	3,140,039	2,809,074

(Tons)

##### Greenhouse Gas (GHG) Emissions per Deadweight Ton-Mile\*

	2016	2017	2018	2019	2020
All types of vessels	5.31	5.36	5.32	4.82	4.49
Container ships	9.11	9.25	8.43	7.70	7.03
Bulk carriers and tankers	3.04	2.99	2.98	2.86	2.75

(g-CO<sub>2</sub>/ton-mile)

\* Index for transporting one ton of cargo one nautical mile (1,852 meters).

## Reduce "K" LINE's Impact on the Sea and Air

### Approach

#### Basic Principle

Safety in navigation and cargo operations is an immutable mission in a shipping business. The "K" LINE Group contributes to society through safety in cargo and navigation operations by providing reliable and excellent services, as stated in

our corporate principle and vision. At the same time, we will contribute to reducing our impact on the sea and air, continue promoting efforts to reduce oil spill accidents to zero, and reduce the environmental impact from vessel operations.

### Key Targets

#### Promoting Efforts to Reduce Oil Spill Accidents to Zero

- Strengthen safety in navigation (use the optimal navigation support system and develop automatic ship navigation for vessel steering and engine plant operation)
- Enhance ship resilience, such as seaworthiness, and maneuverability
- Strengthen all other safety measures, including safety training for staff

#### Reducing the Environmental Impact of Ship Operations

- Continue measures to manage ballast water, reduce emissions of sulfur oxide (SOx) and nitrogen oxide (NOx), and install equipment to comply with regulations
- Reduce the impact of shipping operations on marine mammals
- Increase staff environmental awareness

### Initiatives

#### Safe Operations with Kawasaki Integrated Maritime Solutions (Integrated Vessel Operation and Performance Management System)

Kawasaki Integrated Maritime Solutions rolled out across our fleet in March 2016 continues to focus on developing engine plant operation support and failure prediction and diagnosis. Together, these enhance our safety in navigation and environmental protection measures.



#### The "K" LINE Group Environmental Award

The "K" LINE Group Environmental Award recognizes Group officers and employees who take action to protect the environment and biodiversity and provide a significant contribution to the sustainability of our business operations.



## Raising Environmental Awareness through E-Learning

The "K" LINE Group's environmental management system (EMS) provides education and training programs to maintain and raise the environmental awareness of Group staff.



## Related Data

### SOx and NOx Emissions from Vessels

	2016	2017	2018	2019	2020
SOx emissions	183,292	195,166	188,102	129,786	35,983
NOx emissions	274,430	284,326	262,226	202,678	181,429

(Tons)

### SOx and NOx Emissions per Deadweight Ton-Mile

	Unit	2016	2017	2018	2019	2020
SOx emissions	g-SOx/ton-mile	0.082	0.081	0.080	0.067	0.022
NOx emissions	g-NOx/ton-mile	0.118	0.115	0.112	0.097	0.089

## Other Environmental Data of "K" LINE's vessels

### ► Waste Generation, etc. (All Types of Vessels)

	2016	2017	2018	2019	2020
Bilge	4.98	4.14	5.54	4.15	4.02
Sludge*	4.2	3.6	4.1	3.9	4.0
Garbage on board	3.7	4.0	4.0	3.5	3.5

(m<sup>3</sup>/ship-month)

\* The residue left over after cleaning and processing fuel and lubricating oil

### ► Gray Water from "K" LINE Vessels (Owned Ships)

	2016	2017	2018	2019	2020
All types of vessels (owned ships)	82,887.8	78,768.8	90,841.8	82,485.0	64,421.6

(Metric tons)

## Support the Environmental Activities of Society

### Approach

#### Basic Principle

To contribute to the realization of a sustainable future, we are reinforcing collaboration between industry, academia, and government, including countries, local government, and universities, to carry out various environmental preservation initiatives.

#### Key Targets

- Promote volunteer environmental protection activities
- Increase the capability to accommodate green ship recycling
- Participate in the collection and study of marine plastic pollution

### Initiatives

#### In-House Enlightenment through Environmental Volunteer Activities

We engage in various activities to raise the environmental consciousness of our employees further, including initiatives to protect biodiversity and create pleasing landscapes. We also are collaborating with the NPO Chiba University Students Committee for Environmental Management System to protect community nature areas and to clean business sites and seashores.



#### Implementation of Responsible Ship Dismantling and Resource Recovery

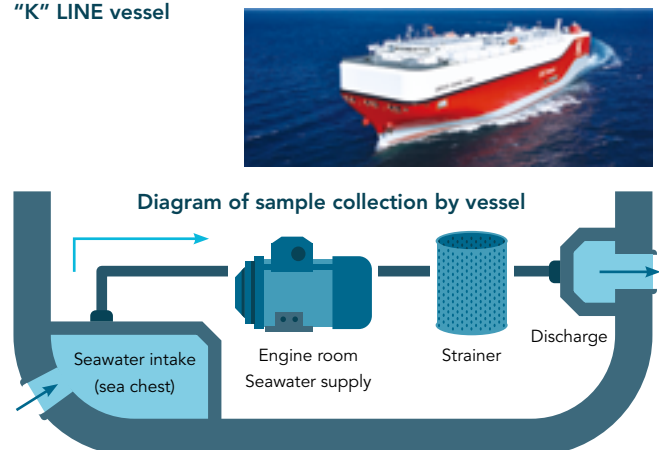
Ship dismantling enables the recovery of metals that can be recycled into new products and services and provides work and community economic activity. When disposing of our vessels, we follow our own environmental impact assessment checklist to select dismantling yards taking into account occupational health and safety and environmental performance.



#### Joint Research on Marine Plastic Waste with Tokyo University of Marine Science and Technology

"K" LINE has signed an agreement with Tokyo University of Marine Science and Technology to start joint research on marine plastics. The joint research will evaluate how much plastic waste can be collected from common seawater intake that is filtered by ships on voyages. Specifically, "K" LINE vessels will take samples from the seawater intake line with a strainer while the ship is running, and then the university will collect plastic particles from the samples and analyze their material, size, and other properties. The aim of this project is that it will lead to further research, such as the collection of microplastics in the open sea using ocean-going vessels and the establishment of a monitoring system for the density of microplastics in specific areas.

Proposed method for sample collection to be carried out by "K" LINE vessel



## Related Data

### Office Environmental Data

#### ► Electricity

	2016	2017	2018	2019	2020
Annual consumption	841,007	825,971	821,109	789,971	736,212
Annual consumption per person	912	881	866	860	836

(kwh)

#### ► Office Paper

	2016	2017	2018	2019	2020
Annual consumption	4,845,644	4,619,249	4,406,968	3,852,224	2,178,527
Annual consumption per person	5,256	4,951	4,649	4,196	2,473

(Sheets)

#### ► Water

	2016	2017	2018	2019	2020
Annual consumption	599	584	546	509	318
Annual consumption per person	0.90	0.86	0.79	0.75	0.50

(m³)

### Total Quantity of Recycling

#### ► Ship Recycling

	2016	2017	2018	2019	2020
All types of vessels	76,268	18,509	5,923	13,774	114,055

(Tons)

### Waste

#### ► Waste

	2016	2017	2018	2019	2020
All offices	1,364	1,564	1,022	823	571
All vessels	10,629	8,475	9,110	7,477	6,361

(Tons)

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SECTION

# 04 | Social

## Labor Practices / Occupational Health and Safety

### 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 the meantime, 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 in respect of employment and occupation.

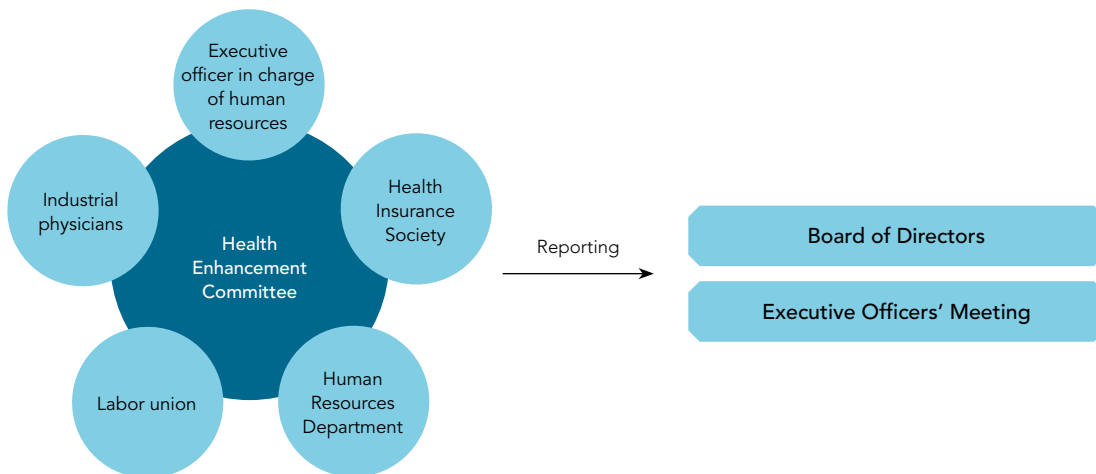
We shall comply with this convention across our entire fleet so as not to infringe on the fundamental rights of our crew members

### System

#### Management System (On Land)

We strive to continuously improve health and safety at the office 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 Onboard Health and Safety Committee on our vessels.

We promote operational health and safety in cooperation with ship management companies and relevant departments.

The Seafarers’ 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 providing proper training in health and safety.

We were certified as a good company for seafarers’ industrial accident prevention in 2008.



### 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 remote working 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 the legal requirements.

#### ► Our Actions for Enabling a 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 work–life balance. These include the implementation of a remote working system, infertility treatment leave, maternity leave, and childcare leave. In addition to childcare leave for mothers, we have also 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 a Work–Life Balance

(Number of people)

Primary systems	Outline of our systems	Legal standards	Number of users in fiscal 2020		
			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	—	11	11
	Maternity allowance granted during the period of 8 to 6 weeks prior to birth	No established standards	—	11	11
Childcare leave	Granted until the child turns 3 years old	Granted until the child turns 1 year and 6 months old	0	20	20
Childcare leave for fathers	Granted for 5 to 10 working days	No established standards	2	—	2
Leave for advanced infertility treatment	Granted for up to 18 months	No established standards	0	0	0
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 pre-school child or a person requiring nursing care in their family (up to ¥2,000,000)	1	1	2
	Reduced working hours program	Granted until a child completes the third grade of elementary school	0	21	21
Flexible working hours	Introduced by various divisions, with core hours of 11 A.M. to 3 P.M.	Depends on the labor-management agreement	—	—	—
Refreshment leave	Available in the 11th year at the company (7 consecutive days)	No established standards	6	0	6
	Available in the 21st year at the company (10 consecutive days)	No established standards	2	2	4
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

We were awarded Kurumin 2020 certification, recognizing us as a childcare support company under the Act on Advancement of Measures to Support Raising Next-Generation Children, for our efforts from April 1, 2016, to March 31, 2019. We achieved the same certification in 2016 for our efforts from April 1, 2014, to March 31, 2016.

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 an active role.



## Work-Life Balance (At Sea)

### ▶ Creating Opportunities to Contact Families: Ocean Duties

Before it became possible to access the internet from our ships, employees used to contact their families using satellite phones and private email, where the number of messages that could be sent and received was limited. For our maritime technical personnel, who work far away from their families, this was a troubling situation.

To help our seafarers work with peace of mind despite being far away from their families, we established onboard internet environments 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, which gives peace of mind both to our personnel and their families. In these ways, we strive to ensure that our maritime technical personnel can do high-quality work.

### ▶ Living Conditions 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.

Daily meals play an important role in ship-based living, and for this reason we employ foreign cooks to prepare onboard meals. Our cooks are trained at the "K" Line Maritime Academy (KLMA) in Manila, 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 cost 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 relieve and help them recover from fatigue. Thus, we proactively support our employees' health management.

### ▶ Mental Health

To assist with mental health issues, 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 to 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, and 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 at Sea

While at sea, we conduct prework/tool-box meetings every morning to help prevent occupational accidents. We also hold monthly working management committee meeting to ensure that we are thoroughly prepared in the event of 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 prework warm-up exercises to prevent injuries.

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

### ► Prevention of Overwork at Sea

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.

### ► Physical Examinations

Since it is not possible to visit shore 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 external qualified people, the superintendent regularly announces safety-related information in collaboration with our own industrial physicians.

### ► Initiative to Prevent Passive Smoking

In our new container ships, each with a capacity of 14,000 containers, we are modifying the specifications to facilitate the trialed separation of smoking and non smoking areas. We will also set up smoking rooms to prevent passive smoking. Our aim is to offer pleasant environments where both smokers and nonsmokers can spend their time comfortably while on board.

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

Seeking to improve the overall health and safety of our seafarers, we have assigned marine safety supervisors to our Marine Human Resource 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 personal 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, moreover, 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. Where 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 our 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 port. 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 the workload.

On *CENTURY HIGHWAY GREEN*, which was delivered in March 2021, we introduced a Long-Term Evolution (LTE) network that uses IP/MPLS (IP/multiprotocol label switching) solutions, in addition to the traditional satellite communication system. By realizing a balance of sufficient communication speed and highly encrypted communication through a Field Area Network (FAN) environment between the onshore and offshore points, we can utilize a range of digital technologies at ports of call, both domestic and overseas, to make onboard work more efficient.

## COVID-19 Response (On Land)

### ► COVID-19 Infection Prevention Measures

We are working on the following measures in order to prevent employees from being infected with COVID-19.

- Encouraging employees to work from home whenever possible
- Encouraging employees to stagger commuting hours when coming to the office
- Conducting thorough infection prevention in the office (provision of hand sanitizer, measurement of visitors' temperatures, installation of acrylic screens)
- Conducting meetings or providing training programs online
- Categorizing the day employees receive their COVID-19 vaccinations as a working day, and granting employees a day of paid leave should they suffer any adverse reactions

### ► Overview of Employees who Worked from Home during the State of Emergency

Period of state of emergency		Percentage of employees who worked from home
1st state of emergency	April 7–May 25, 2020	88%
2nd state of emergency	January 8–March 21, 2021	67%
3rd state of emergency	April 25–June 20, 2021	60%
4th state of emergency	July 12–September 30, 2021	78%

## COVID-19 Response (At Sea)


### ► The Neptune Declaration on Seafarer Wellbeing and Crew Change

“K” LINE has signed The Neptune Declaration on Seafarer Wellbeing and Crew Change calling for action to resolve the global crew change problem caused by COVID-19 as soon as possible. This declaration, adopted by the Global Maritime Forum\* and signed by more than 850 parties involved in the maritime value chain, aims to:

- Recognize seafarers as key workers and give them priority access to COVID-19 vaccines
- Establish and implement gold-standard health protocols based on existing best practice
- Increase collaboration between ship operators and charterers to facilitate crew changes
- Ensure air connectivity between key maritime hubs for seafarers



\* An international not-for-profit organization committed to shaping the future of global seaborne trade to increase sustainable long-term economic development and human wellbeing



**“K” LINE Signs The Neptune Declaration on Seafarer Wellbeing and Crew Change**  
<https://www.globalmaritimeforum.org/neptune-declaration>

## Related Data

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

Item	Unit	Fiscal year							
		2018		2019		2020			
		Onshore	Seafarer	Onshore	Seafarer	Onshore	Seafarer		
Number of employees	Men	Persons	362	199	368	202	370	200	
	Women	Persons	190	5	194	3	195	4	
	Subtotal	Persons	552	204	562	205	565	204	
	Total	Persons	756		767		769		
	Percentage of employees who are women	%	34.4	2.5	34.5	1.5	34.5	2.0	
Employees in management positions	Men	Persons	127		126		120		
	Women	Persons	6		5		5		
	Percentage of employees in management positions who are women	%	4.51		3.82		4.00		
	Employees in management positions (general managers or higher)	Men	Persons	33		37		33	
		Women	Persons	1		1		0	
		Percentage of general managers or higher who are women	%	2.94		2.63		0.00	
Directors (including officers)	Men	Persons	28		31		27		
	Women	Persons	1		2		2		
	Percentage of directors who are women	%	3.45		6.06		6.90		
Average years employed	Men	Years	14.7		14.9		14.7		
	Women	Years	16.1		16.2		17.3		
Percentage of employees with disabilities*	%	2.05		1.96		1.82			
Recruitment of new graduates	Men	Persons	15	15	12	17	20	12	
	Women	Persons	4	0	4	0	10	0	
	Percentage of new graduates who are women	%	21.0	0.0	25.0	0.0	33.3	0.0	
Training	Cost of training per employee	Yen	100,000	359,804	58,000	283,794	63,107	198,652	
	Average training days per employee	Days	10	23	10	19	10	9	
	Average training hours per employee	Hours	50	184	50	152	50	73	
Labor union participation rate	%	69.4	75.1	67.1	77.5	67.5	75.8		
Employees retiring	Reached retirement age	Persons	3	3	4	1	6	0	
	Voluntary retirement	Persons	20	10	29	8	11	15	
	Involuntary retirement	Persons	3	2	3	1	3	1	
	Others (including those who became officers)	Persons	7	0	4	1	0	0	

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

## Health Management Data

As a globally trusted, integrated logistics company that evolved from the shipping business, our corporate principle is to help enrich the lives of people, and we conduct our business activities accordingly. Crucial to realizing this principle is "providing reliable and excellent services," which calls for us to constantly maintain the physical and mental health of the individuals involved in our business, and 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. Positioning the health of each and every Group employee as paramount, 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 a regular meeting (the minutes of which are disclosed to employees)
- Offering stress check consultations and follow-ups

### Stress check examination rate

FY2018	FY2019	FY2020	FY2021
85.1%	82.6%	84.3%	90.1%

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

Items	FY2019	FY2020	FY2021
Comprehensive health risk*1	88	87	87
Percentage of employees with high levels of stress ratio*2	9.6%	10.8%	8.9%
Work engagement*3	2.5 points	2.5 points	2.5 points

Note: How The Brief Job Stress Questionnaire is scored

\*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 surroundings, 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, Almost yes = 3 points, Somewhat different = 2 points, Different = 1. The score shown above is calculated based on the average score of all examinees. The national average is 2.5 points.

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

#### Average days of annual paid leave taken

FY2018	FY2019	FY2020
10.1 days	10.5 days	8.3 days

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

FY2018	FY2019	FY2020
6.3 days	6.1 days	5.3 days

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

### ► Managing Overtime Working Hours

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

FY2018	FY2019	FY2020
7.5 hours	5.6 hours	7.9 hours

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

As a result of the above initiatives, we have been recognized as a 2021 Certified Health & Productivity Management Outstanding Organization for a third time, and for the second

year in a row, under the Certified Health and Productivity Management Organization Recognition Program designed and promoted by the Japan's Ministry of Economy, Trade, and Industry (METI) and the Nippon Kenko Kaigi, to honor companies that practice good health management.



## Data Related to Occupational Accidents

(Cases)

Item	FY2018		FY2019		FY2020	
	Onshore	Seafarer	Onshore	Seafarer	Onshore	Seafarer
Number of occupational accidents*1	0	1	0	0	0	0
Number of fatal occupational accidents	0	0	0	0	0	0
Number of accidents requiring leave*2	0	0	0	0	0	0
Lost time injury frequency (LTIF)*3	0.00	0.00	0.00	0.00	0.00	0.00

\*1 Excludes accidents while commuting

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

\*3 Number of fatal occupational accidents and accidents requiring leave per million working hours

## Human Resource Development

### 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 he or she should be provided with various experiences and opportunities to learn, equipping them to

##### "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

#### Basic Principle (At Sea)

In order to provide reliable and excellent transportation services, which is the core of the "K" LINE Group's business management, it is important to secure maritime technical personnel, and also 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.

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.

- 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

Our maritime technical personnel do much more than work as captains, navigators, chief engineers, or engineers on ships. They make full use of their high-level skills, knowledge, and experience gained through work on board for a variety of activities that are indispensable to providing reliable and excellent 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 leads our company and our maritime technical personnel to fulfill their potential with common objectives in mind.

### Structure

#### Human Resource Development Program (On Land)

"K" LINE's training program 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 aims to enhance four skills. Although those skills—core skills, practical maritime skills, general skills, and

management skills—can be improved on 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 Development Program (At Sea)

##### Development of Maritime Technical Personnel

The "K" Line Maritime Academy (KLMA) is a generic term for our educational philosophies including 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 the ship's crew (officer and rating) and seafarers ("K" Line seafarers) with the knowledge and skills to

enable them to excel at 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.



**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 (the independence and autonomy, broad-mindedness, and enterprising spirit), which has supported our ambitions and value creation for a century, and the four values the “K” LINE Group prizes (providing reliable and excellent services, a fair way of business, relentless efforts to achieve innovation, and respecting humanity). 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 make 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 business people 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 to contribute to the Company as a whole. 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**

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.

► **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 and overseas 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 normally only communicate with by phone or email, 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 an onshore employee, 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 human relationships and anything else that comes to mind. Where 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 to 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 actual main equipment 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 that 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, East 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.

## Diversity

### 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). 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 for Promoting the Advancement of Women

The “K” LINE Group has been increasing diversity in terms of gender, nationality, and so on, corresponding to the globalization of its business activities.

We formulated the Action Plan for Promoting the Advancement of Women with the aim of becoming a company

that not only creates a working environment where women can fully demonstrate their capabilities but also becomes a place where all employees, including women, can work with fulfillment and vitality.

#### ► Details of Targets and Initiatives (Period of Plan: April 1, 2019, to March 31, 2022)

**Target 1:** Increase the number of female employees in managerial and leadership roles by more than 1.2 times the current figure during the period of the plan

##### Details of Initiatives

- Enhance the training system to support the steady development of careers for both men and women and to increase management awareness (From April 2019)

**Target 2:** Create a work environment that enables female employees to want to return to work and imagine their career path after childcare leave

##### Details of Initiatives

- Create opportunities for employees to create their own career plans by reinforcing the network between female employees and those in managerial and leadership roles and introducing case studies of senior co-workers in similar positions (From April 2019)
- Hold training for female employees who are returning from childcare leave and their managers to develop the skills of those using the childcare leave system and support their career development
- Carry out development from a medium- to long-term perspective by encouraging each individual employee to create a career plan together with their manager

**Target 3:** Create an environment where diverse employees can continue their careers and grow

##### Details of Initiatives

- Further commit to creating a work environment that enables employees who are raising small children or who are caregivers to maximize their performance, For example, shorter working hours for the purpose of childcare until the child has finished the third grade of elementary school (From April 2014)
- Actively promote the use of the teleworking system (From January 2019)
- Continue initiatives aimed at all employees for the prevention of maternity harassment and sexual harassment

Related Data

	Unit	2018	2019	2020
Number of women in managerial roles	Persons	6	5	5
Percentage of women in managerial roles	%	4.51	3.82	4.00
Number of women in leadership roles	Persons	23	23	22
Percentage of women in leadership roles	%	6.7	6.9	6.7
Percentage of employees with disabilities	%	2.05	1.96	1.82

(As of March 31, 2021)

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	173	6.66	0	0.00	173	2.70
Philippines	1,135	43.69	3,012	79.18	4,147	64.78
India	220	8.47	146	3.84	366	5.72
Bangladesh	102	3.93	56	1.47	158	2.47
China	218	8.39	319	8.39	537	8.39
Europe	702	27.02	190	4.99	892	13.93
Southeast Asia	48	1.85	81	2.13	129	2.01
Total	2,598	100.00	3,804	100.00	6,402	100.00

## Safety in Navigation and Cargo Operations

### Approach

#### Basic Principle

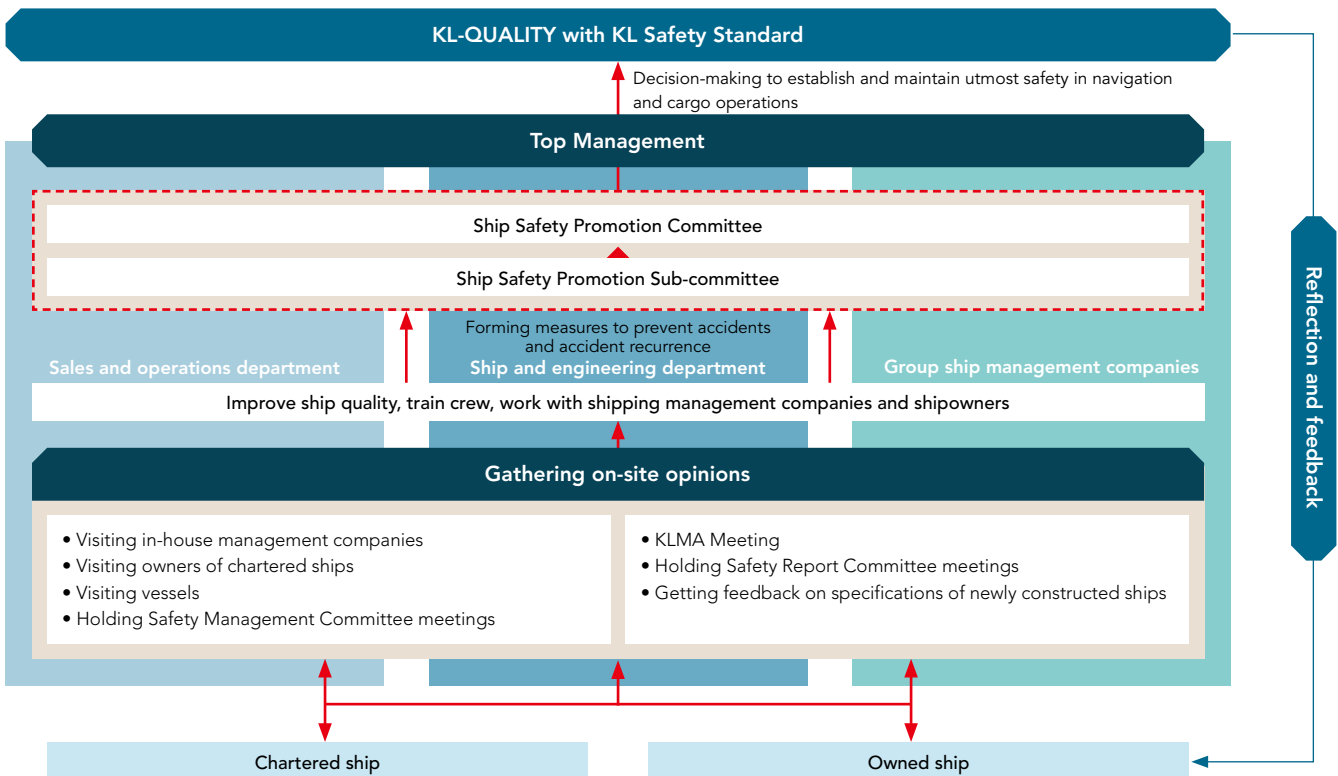
Safety in navigation and cargo operations is an immutable mission in running a shipping business. The “K” LINE Group includes “providing safe and excellent services” in its corporate principle and vision, and has established the following three policy pillars in order to fulfill its social responsibility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

- 1: Enhancing management structure for ensuring safety in navigation
- 2: Strengthening the ship management system
- 3: Reinforcing the securing and training of maritime technical personnel

### Promotion System

#### Enhancing 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.



## 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" Line Energy Ship Management Co., Ltd.	Oil tanker, LPG carrier, LNG carrier
"K" Line Ship Management (Singapore) Pte. Ltd.	Container ship, chemical tanker
"K" Line LNG Shipping (UK) Ltd.	LNG carrier
"K" Line RoRo Bulk Ship Management Co., Ltd.	Car carrier, dry bulk carrier
Stargate Shipmanagement GmbH	Car 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 Inspection

Seeking to maintain the high quality of all vessels we operate, we have established a set of quality guidelines called KL-QUALITY. In addition to regulatory requirements, we use these guidelines when conducting vessel inspections (carried out by the ship inspection supervisors that regularly visit operating vessels). The results of inspections are reported to relevant departments. Should faults or concerns arise, we ask shipowners and ship management companies to rectify them to ensure that quality standards are maintained and improved.

### "K" Line-Drive to No Accident (K-DNA): Our Unique Safety Equipment Installation Guidelines

To realize our zero-accident commitment, we established "K" Line-Drive to No Accident (K-DNA), a set of unique safety equipment installation guidelines that go beyond legally mandated rules, and we are reinforcing the hardware aspects of all our operating vessels. Built on know-how accumulated on the front lines, K-DNA also reflects lessons learned from past accidents. The guidelines epitomize our Company's DNA with respect to safe vessel operation, as well as our hardware-based support for crew members aiming to become the world's best maritime technical personnel.

### Accident Information Management System (AIMS)

In 2015, we launched our new Accident Information Management System (AIMS), with the aim 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 others 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. During the COVID-19 pandemic, online meeting systems were used to facilitate two-way communication and brisk exchanges of opinions between onshore and maritime employees.

### 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 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.

### Preventing Recurrence by Issuing *Trouble News*

“We will not allow an unfortunate accident to happen again. Nor will we forget about it.” Driven by this strong commitment, we thoroughly investigate the causes of past accidents and establish countermeasures to prevent recurrences. This information is included in *Trouble News*, a report on accident-related matters that we issue to all ships under our operation.

### Emergency Response Drill

To ensure the timely and accurate responses that are crucial in the unfortunate event of an accident, we regularly conduct a drill based on worst-case scenarios involving ships under our operation. This drill 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 Activity

The number of piracy incidents off the coast of Somalia and the Gulf of Aden has remained low in recent years due to countermeasures undertaken by various national troops, 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 crew as our top priority. This includes avoiding problematic areas, maintaining high speeds, using high-pressure water nozzles for defense, installing razor wire to prevent unauthorized embarkation, and wearing bullet-proof vests and helmets.

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.

### Reinforcing the Securing and Training of Maritime Technical Personnel

Maritime technical personnel are responsible for ensuring safety in navigation at the “K” LINE Group. These include ship crews, in-house management company supervisors, and marine technical staff stationed at our head office. Through the KLMA system, which secures and trains marine personnel, we help establish career paths within the Group for our employees, irrespective of nationality, with the aim of fostering the world’s best maritime technical personnel. (For more details, please see Initiatives for Human Resource Development (At Sea) on page 40.)

## Related Data

### Number of Major Accidents\*

Fiscal year	2016	2017	2018	2019	2020
Cases	0	0	1	1	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 target range is our consolidated range, which corresponds to 100% of sales.

## Human Rights

### Approach

#### Basic Principle

As a basic principle of human rights, the “K” LINE Group stipulates at the start of its Charter of Conduct that it will consistently respect human rights and well consider personality, individuality, and diversity of its corporate members, and improve work safety and conditions to offer them comfort and affluence. Each Group company shares this principle and strives to enhance the awareness of human rights in its working environment and business activities. Furthermore, the

Company clearly states in the “K” Line Implementation Guideline for Charter of Conduct that it does not tolerate child labor or forced labor, and upholds the principle that it will eliminate any discrimination in employment or compensation based on nationality, gender, religion, social class, or other social status such as race, age, sexual orientation, and disabilities, etc., and ensure equal opportunity in the implementation of human resource management.

### “K” Line Implementation Guideline for Charter of Conduct

#### 1. Human rights

The “K” Line Group will consistently respect human rights and well consider personality, individuality and diversity of its corporate members and improve work safety and conditions to offer them comfort and affluence.

- 1-1 “K” Line fully recognizes that corporate sustainability is supported by its employees and will honor their rights, personality, individuality and diversity.
- 1-2 “K” Line will abide by labor laws and regulations, and hold dialogue and consult with employees directly or through their representatives in good faith.
- 1-3 “K” Line does not tolerate child labor or forced labor.
- 1-4 In order to assist each corporate employee maximize his/her potential to achieve self-actualization, “K” Line will improve necessary education, training and other systems to facilitate a balance between career planning and human resource utilization.
- 1-5 “K” Line will conduct objective and unbiased personal evaluation through due process of appraisal and fair and equal treatment of employees.
- 1-6 “K” Line will eliminate any discrimination in employment or compensation based on nationality, gender, religion, social class or other social status, and ensure equal opportunity in the implementation of the human resources management.
- 1-7 “K” Line will make every possible effort to prevent harassment at work and promptly and adequately respond as needed.
- 1-8 “K” Line will promote work–life balance by putting in place necessary systems such as work schedule flexibility and leave systems.
- 1-9 “K” Line will ensure safety of its corporate employees in the work environment by having sufficient security systems in place.
- 1-10 “K” Line will properly manage workplace health conditions, maintain a safe and appropriate work environment and support employees’ efforts to maintain their mental and physical health.
- 1-11 “K” Line will prepare a disaster manual and secure a crisis management system for its corporate employees and their families by reserving emergency supplies and building a safety confirmation system.

#### Supporting International Standards

In April 2020, we signed the UN Global Compact and declared our support for the principles related to human rights, “support and respect the protection of human rights” and “not be complicit in human rights abuses,” and the principles related to labor, “elimination of forced and compulsory labour,”

“effective abolition of child labour,” and “elimination of discrimination in respect of employment and occupation.”

Additionally, we are promoting initiatives for respecting human rights with the UN Guiding Principles on Business and Human Rights as guidelines.

**System**

**System for Implementing Human Rights Due Diligence**

Under the supervision of the officer in charge of sustainability promotion, the Corporate Sustainability, IR, and Communication Group has become responsible for implementing human rights due diligence in “K” LINE’s business activities. Additionally, the

Group is responsible for conducting risk analysis for “K” LINE’s business activities and supply chain and enacting prevention measures and countermeasures when necessary.

**Initiatives**

**Initiatives for Enhancing Human Rights Awareness**

Based on the above approach, we aim to establish awareness of respect for human rights across the entire “K” LINE Group through the following initiatives:

- Implementation of e-learning
- Publication of a newsletter

**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 Labor Practices / Occupational Health and Safety on page 30.)

**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, expecting that improved diversity may contribute to creation of new ideas that result in future business developments and the sustainable growth of the Company. It will continue to improve HR systems and work environments so that it can support and promote diversity further.

In addition, seafarers working on board 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 the safety in navigation and cargo operations of our fleet. (For more details, please see Diversity on page 41.)

**Preventing Harassment**

“K” LINE has established a dedicated consultation service to address 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**

	FY2017	FY2018	FY2019	FY2020
Regular employees	91%	88%	—*	87%
Managers	86%	61%	78%	

\* Postponed to prevent the spread of COVID-19

**Modern Slavery Act**

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



“K” Line Holding (Europe) Limited  
**Modern Slavery Act Transparency Statement**  
<https://klineinguk.com/pdf/ModernSlavery.pdf>



## 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 to the Purchasing Policy, we also formulated “K” Line Group Companies CSR Guidelines for Supply Chain to promote CSR across the entire supply chain and work together with our customers to realize a sustainable society.

#### “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 operation**  
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 the 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 Promoting CSR in the Supply Chain

We launched the following initiatives from fiscal 2021 to ensure awareness of the above “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
- Examination of implementing the Self-Assessment Questionnaire, a questionnaire for business partners that uses a checklist

## 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 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 community 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. 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

#### The Expense of Trade Association and Social Contribution

(millions of yen)

The expense of trade association and social contribution FY2020				
Political association	Economic association	Other association	Social contribution (donation)	Total
2.8	0.8	8.5	3.1 (3.1)	15.2

#### Results of Investor Relations (IR) Activities

Field	Item	Unit	Fiscal year		
			2018	2019	2020
IR activities	Domestic IR and SR (shareholder relations)*1	Companies (persons)	174 (204)	161 (210)	148 (179)
	Overseas IR and SR*1	Companies (persons)	36 (38)	11 (13)	15 (17)
	Small meetings	Companies (persons)	37 (37)	35 (35)	57 (57)
	Business briefings and site tours	Times	3	1	0
	IR for private investors*2	Times	4	3	2

\*1 Includes ESG Meeting as of FY2020

\*2 Includes an online session and a session for the person 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 the local community 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 transport of 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, and to support 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

##### ► Free Ocean Transportation of Fire Engines and Ambulances for 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 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 service. As a result, we have received a letter of appreciation from the country's ambassador extraordinary and plenipotentiary to Japan.

##### ► 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 to create working opportunities for people with disabilities by outsourcing a part of the recycling process of 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. Those materials need to be replaced with new ones due to deterioration over time. In the past, those materials had been treated as industrial waste, but since 2016, we have been recycling them with cooperation from Global Technos, Ltd., in Yokohama and Daito Corporation, one of our Group companies, in order to reduce the environmental burden. All the recycling process is completed in Kanagawa Prefecture to minimize running distance by truck that can 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 to create employment opportunities for people with disabilities.

\* A welfare service to offer workplaces with certain support that allows people who have difficulty in finding employment at general workplaces. 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 program consists 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.

## Volunteer Activities

### ▶ Volunteer Leave System

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

### ▶ Community Contribution 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.

### ▶ Raising Awareness of Social Contribution: "K" LINE's Intranet Portal

In order to raise awareness of social contribution 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 volunteering 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

### ▶ Sales Events Featuring Local Products from Disaster-Affected Areas

"K" LINE regularly holds internal sales events featuring local products from Tohoku to support the area's reconstruction.

### ▶ 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.

## Related Data

### Results of Social Contribution Activities

Field	Item	Unit	Fiscal year		
			2018	2019	2020
Social contribution	Disaster relief donations	¥10,000	1,000	583	0
	Lunchtime volunteers*	Persons	134	69	Postponed to prevent the spread of COVID-19
	Volunteer leave	Persons	3	1	0
	Free transportation	Times	3	3	0

\* Includes officers and employees of Group companies

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SECTION

**05**

| **Governance**

## Corporate Governance

### Approach to Corporate Governance


#### Basic Principle

“K” LINE is developing and strengthening its corporate governance and risk management structures to fulfill its social responsibility and its commitment to its shareholders and stakeholders, and to achieve sustainable growth. While

thoroughly enforcing its corporate ethics across the entire Group, “K” LINE will continue developing an organic and effective governance framework, strengthening its earning and financial structures, and enhancing its corporate value.

#### Kawasaki Kisen Kaisha, Ltd. CORPORATE GOVERNANCE GUIDELINES


Under Japan’s Corporate Governance Code formulated by Tokyo Stock Exchange, Inc., we are enhancing our corporate governance structure and formulating Kawasaki Kisen Kaisha, Ltd. CORPORATE GOVERNANCE GUIDELINES to clarify our approach and management policy.



**Kawasaki Kisen Kaisha, Ltd. CORPORATE GOVERNANCE GUIDELINES**  
[https://www.kline.co.jp/en/csr/governance/corporate\\_governance/main/00/teaserItems1/01/linkList/0/link/corporategovernance-guidelines.pdf](https://www.kline.co.jp/en/csr/governance/corporate_governance/main/00/teaserItems1/01/linkList/0/link/corporategovernance-guidelines.pdf)

#### Corporate Governance Report

Please refer to the “Corporate Governance Report” submitted to the Tokyo Stock Exchange where the Company’s stock is listed for details of corporate governance.

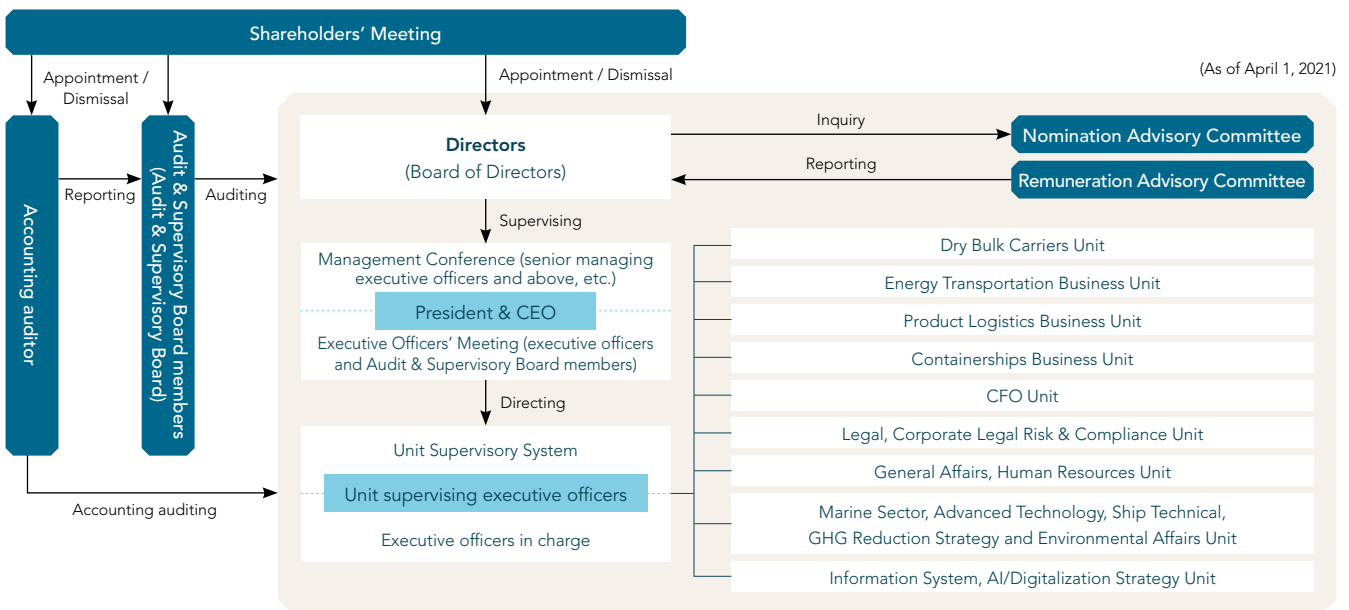


**Corporate Governance Report**  
[https://www.kline.co.jp/en/csr/governance/corporate\\_governance/main/06/teaserItems1/00/linkList/0/link/governance\\_20211227\\_E.pdf](https://www.kline.co.jp/en/csr/governance/corporate_governance/main/06/teaserItems1/00/linkList/0/link/governance_20211227_E.pdf)

### Corporate Governance Structure

#### Corporate Governance Structure Chart

The Board of Directors and the Audit & Supervisory Board construct, apply, and monitor the corporate governance system, and several committees and other offices contribute to enhancing the system.

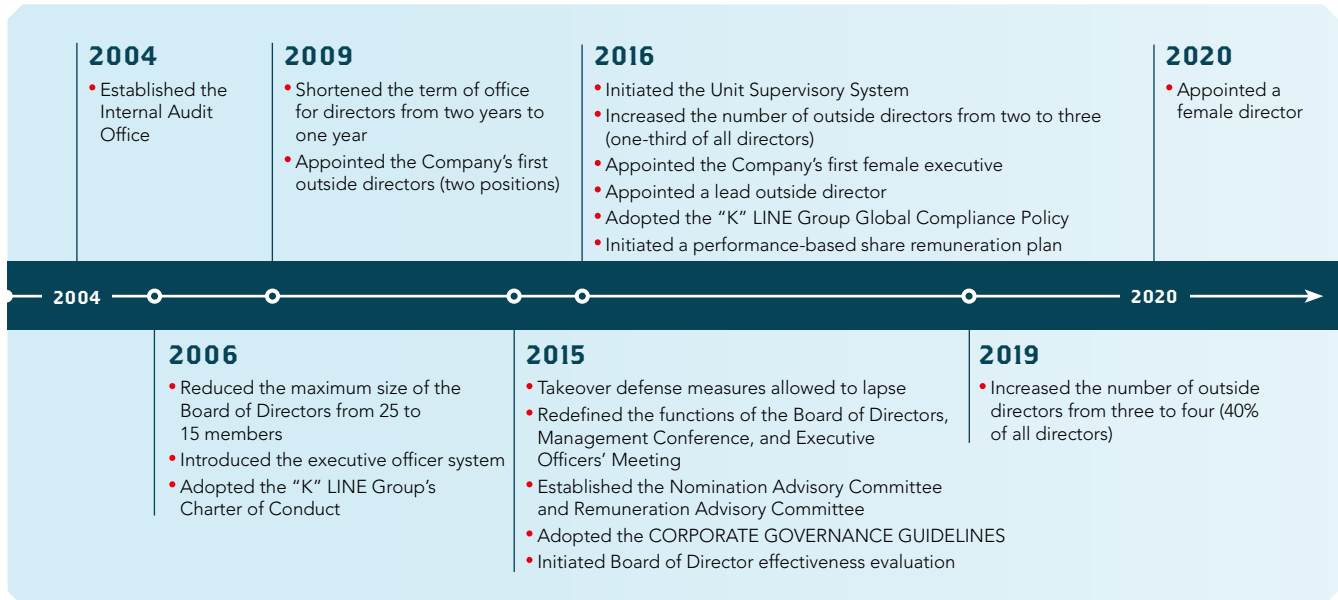




## Corporate Governance Reform

"K" LINE has promoted the active development of our governance structure by connecting the sustainable increase of corporate value with corporate governance reform, such as the appointment of several people as outside directors in 2009.

We will continue to enhance internal discussions regarding the governance structure and steadily deepen governance reforms.



## Board of Directors

The Board of Directors is an organ of the Company that meets at least once a month and determines fundamental management policies, matters required by laws and regulations, and other important management-related matters, as well as

supervises the execution of duties by directors. Four of the 10 directors are outside directors (of whom, three are independent outside directors). The Audit & Supervisory Board members also attend the Board of Directors' meetings.

### ▶ Board of Directors' Meetings Attended / Meetings Held (Fiscal 2020)

	Board of Directors
Eizo Murakami*1	5/5
Yukikazu Myochin	18/18
Harusato Nihei*1	5/5
Atsuo Asano	18/18
Yukio Toriyama	18/18
Kazuhiko Harigai	18/18

	Board of Directors
Yasunari Sonobe	13/13
Makoto Arai	13/13
Akira Okabe*1	5/5
Seiichi Tanaka	18/18
Keiji Yamada	17/18
Ryuhei Uchida	18/18

	Board of Directors
Kozue Shiga (Director/Audit & Supervisory Board member)	18/18*2
Tsuyoshi Yamauchi (Audit & Supervisory Board member)	18/18
Kunihiko Arai (Audit & Supervisory Board member)	18/18
Atsumi Harasawa (Audit & Supervisory Board member)	18/18
Shinsuke Kubo (Audit & Supervisory Board member)	13/13

\*1 Retired in June 2020

\*2 Includes meetings of the Board of Directors attended as an outside Audit & Supervisory Board member prior to June 2020

## Director Skill Matrix

To achieve the medium-term management plan, the Company's Board of Directors shall consist of a variety of individuals, including those with experience in managing corporations and other large organizations and those with expertise in the operational, technical, financial, and other aspects of the shipping industry. This is to ensure constructive discussions and supervision based

on diverse backgrounds and knowledge. The Company shall give extra consideration to such diversity when selecting candidates for directors and Audit & Supervisory Board members.

Please see the skill matrix below for a list of the expertise and knowledge of each director.

	Expertise and experience				
	Corporate management & strategy	Legal & risk management	Finance & accounting	Technology	Global
Yukikazu Myochin	●	●			●
Atsuo Asano	●			●	●
Yukio Toriyama	●	●	●		●
Kazuhiko Harigai	●				●
Yasunari Sonobe	●				●
Makoto Arai	●	●			●
Keiji Yamada		●			●
Ryuhei Uchida	●				●
Kozue Shiga		●			●
Tsuyoshi Kameoka	●				●

## Criteria for Independence of Outside Directors

The Company specifies the criteria for the independence of outside directors for the purpose of electing them. An overview is provided below.

None of the following criteria may apply to the respective outside director.

1. A person who has become an executive director or employee of the Company within the past 10 years.
2. A person who has been a business executor (meaning a business executor as provided for in Article 2, Paragraph 3, Item 6 of the Ordinance for Enforcement of the Companies Act; the same shall apply hereinafter) of a corporate group for whom the Company is a major client within the past three years.  
"A corporate group for whom the Company is a major client" refers to a corporate group that has received payment from the Company in each of the years in this three-year period accounting for over 2% of consolidated sales in each such year for that corporate group.
3. A person who has been a business executor of a corporate group that is a major client of the Company within the past three years. "A corporate group that is a major client of the Company" refers to a corporate group that made payment to the Company in each of the years in the three-year period accounting for over 2% of the Company's consolidated sales in each such year.
4. A person who has, within the past three years, been a business executor of a financial institution or another principal creditor, or its parent company or principal subsidiary that plays a critical role in the "K" LINE Group's financing to such a degree that it is irreplaceable for the Group.
5. A person who has been paid ¥10 million or more or has received other assets in an amount equivalent thereto other than officer's remuneration from the Group in the past three years; or a person who has, within the past three years, belonged to an audit firm, tax accounting firm, law firm, consulting firm, or other professional advisory firm that has been paid ¥10 million or more or other assets in an amount equivalent thereto by the Group in each of the years in the three-year period accounting for over 2% of the total revenues of such juridical person, etc. However, this shall not apply to a person who belongs to such juridical person in outline but has substantially no conflict of interest with the Group (a person who does not receive any compensation from such juridical person, for example).
6. A shareholder holding over 10% of the voting rights of the Company. If the shareholder is a juridical person, a person who has been a business executor of the shareholder, or its parent company or subsidiary within the past three years.
7. A person who is a relative of the second or less degree of a person falling under any of the above criteria.

## Board Evaluation

Article 22 of our CORPORATE GOVERNANCE GUIDELINES states: “Each director shall perform a self-evaluation on the validity of the Board of Directors, his/her performance as a director, etc., on an annual basis, and submit the results to the Board of Directors. Each year, the Board of Directors shall, based on the self-evaluation of each director, analyze and evaluate the effectiveness of the Board of Directors as a whole, and shall disclose

a summary of the results in a timely and proper manner.” The latest report of the overview of the results can be accessed via the following link.



### Board Evaluation Report

[https://www.kline.co.jp/en/csr/governance/corporate\\_governance/main/02/teaserItems1/017/linkList/0/link/210430EN3.pdf](https://www.kline.co.jp/en/csr/governance/corporate_governance/main/02/teaserItems1/017/linkList/0/link/210430EN3.pdf)

## Nomination Advisory Committee

The Nomination Advisory Committee is composed of all independent outside directors, the chair of the Board, and the President & CEO, while the chair is appointed from among the outside directors through mutual election among themselves.

The committee conducts deliberations on reasonableness of proposals for appointment or dismissal of the Company’s officers upon consultation from the Board of Directors.

## Succession Planning

Under Article 12 of “K” LINE’s CORPORATE GOVERNANCE GUIDELINES formulated in 2015, “the Board of Directors shall cause the Nomination Advisory Committee to deliberate on the draft version formulated each fiscal year by the incumbent President and CEO for the plan for his/her successor, receive the results of said deliberation, and confirm the reasonableness

of the draft version.” At the Nomination Advisory Committee, which focuses on independent outside directors and has an independent outside director as chairperson, we strive to sustainably increase corporate value by discussing the succession plan for the next President & CEO.

## Remuneration Advisory Committee

The Remuneration Advisory Committee is composed of all independent outside directors, the chair of the Board, and the President & CEO, while the chair is appointed from among the outside directors through mutual election among themselves.

The committee conducts deliberations on institutional design of the officers’ remuneration system and level of officers’ remuneration upon consultation from the Board of Directors.

## Officers’ Remuneration System

### ► Policy and Procedures for the Determination of Officers’ Remuneration

Remuneration for executive directors shall reflect “K” LINE’s medium- to long-term business performance and the latent risks borne by said executive directors and to further enhance their motivation to strengthen sustainable growth and maximize corporate value. Remuneration for non-executive directors shall reflect the amount of time devoted to business of “K” LINE and the responsibility borne by them. In line with this policy, the Remuneration Advisory Committee deliberates and determines the design of the remuneration system and level, etc., and reports back to the Board of Directors. The Board of Directors is responsible for determining the system/levels of remuneration based on this report.

## ► Remuneration System

The Company's Board of Directors determines remuneration levels for executives in consideration of the recommendations of the Remuneration Advisory Committee, which deliberates and determines the structure and level of compensation and reports its counsel to the Board. Director remuneration comprises a monthly salary, performance-based compensation, and the Board Benefit Trust (BBT) Performance-based Share Remuneration Plan. BBT compensation is linked to the Company's total shareholder return (TSR) to provide incentives for directors to contribute to the medium- and long-term growth in earnings and corporate value. See below for an overview of the remuneration system.

Classification	Type of remuneration	Nature of remuneration	Method of determination	Maximum limit of remuneration
Directors	(1) Monthly remuneration	Fixed remuneration	Remuneration is determined in accordance with position and performance rating	Within ¥600 million/year
	(2) Bonuses based on consolidated performance*	Variable remuneration	Linked to the degree of achievement of consolidated performance targets in single fiscal years	
	(3) Performance-based share remuneration (BBT)*		Linked to the Company's medium- to long-term total shareholder return (TSR) TSR = The rate of increase of the Company's shares over a fixed period + the dividend rate over the fixed period (total dividend ÷ initial share price)	Over the four fiscal years from FY ending March 31, 2022, up until FY ending March 31, 2025: (1) Amount contributed to the trust by the Company: ¥480 million (2) Maximum points awarded to directors in any one fiscal year: 62,000 points (equivalent to 62,000 shares)
Audit & Supervisory Board members	Monthly remuneration only	Fixed remuneration	Determined following deliberation among Audit & Supervisory Board members	Within ¥12 million/month

\* Limited to executive directors

## Memberships of Committees (As of July 2021)

The Nomination Advisory Committee and the Remuneration Advisory Committee are membered by a majority of outside directors designated as independent directors.

Nomination Advisory Committee		Remuneration Advisory Committee	
<b>Chairperson</b>	Kozue Shiga	<b>Chairperson</b>	Keiji Yamada
<b>Members</b>	Keiji Yamada, Kozue Shiga, Tsuyoshi Kameoka, Yukikazu Myochin	<b>Members</b>	Keiji Yamada, Kozue Shiga, Tsuyoshi Kameoka, Yukikazu Myochin

## ► Nomination Advisory Committee Meetings Attended / Meetings Held (Fiscal 2020)

	Nomination Advisory Committee	Remuneration Advisory Committee
Eizo Murakami*1	2/2	2/2
Yukikazu Myochin	7/7	4/4
Akira Okabe*1	2/2	2/2

\*1 Retired in June 2020

\*2 Appointed in June 2020

	Nomination Advisory Committee	Remuneration Advisory Committee
Seiichi Tanaka	7/7	4/4
Keiji Yamada	7/7	4/4
Kozue Shiga*2	5/5	2/2

## Audit & Supervisory Board

The Audit & Supervisory Board formulates and implements audit policies and plans, and undertakes to conduct efficient, expeditious auditing. Two of the four members of the Audit & Supervisory Board are outside members. As an independent organ, the Audit & Supervisory Board audits the execution of duties by the directors through attendance at meetings of the Board of Directors and other important meetings and the inspection of important decision-making documents. "K" LINE assigns dedicated staff as assistants to the Audit & Supervisory Board members.

## ► Audit & Supervisory Board Meetings Attended / Meetings Held (Fiscal 2020)

	Audit & Supervisory Board
Kozue Shiga*1	4/4
Tsuyoshi Yamauchi	16/16
Kunihiko Arai	16/16
Atsumi Harasawa	16/16
Shinsuke Kubo*2	12/12

\*1 Retired in June 2020

\*2 Appointed in June 2020

### Management Conference

The Management Conference functions as a system to help the President & CEO and/or his/her representatives make decisions, through lively discussion. The conferences are held every week, attended by the chairperson of the Board of

Directors, senior managing executive officers and above, unit supervising executive officers, the executive officers in charge of corporate planning, finance, and accounting, and members of the Audit & Supervisory Board.

### Executive Officers' Meeting

Executive Officers' Meetings are held once a month in principle, attended by all the executive officers, including those concurrently serving as directors, and Audit &

Supervisory Board members, where progress of business executions (including monthly performance) and decision matters are reported and discussed.

### Investment Committee

Meetings of the Investment Committee, consisting of executive officers in charge of corporate planning and finance, and other executive officers and general managers appointed by the President & CEO, are held periodically to deliberate on basic plans and important initiatives for maximizing investment

effects, while taking the Company's investment capacity into consideration. The committee also monitors past investment effects and considers the termination or cessation of such investments.

### Unit Supervisory System

From April 2016, we introduced the Unit Supervisory System and established unit supervising executive officers to further improve the efficiency of and reinforce the system for business execution.

Under the Unit Supervisory System, which falls under the direction of the President & CEO, as a head of business

execution, seven unit supervising executive officers who control and supervise multiple business departments or administration departments have been placed. Under the control of each unit supervising executive officer, executive officers in charge of each department have been placed. Each unit is as follows.

- Dry Bulk Carriers Unit
- Energy Transportation Business Unit
- Product Logistics Business Unit (Car Carriers, Port Business, Logistics, Affiliated Business Promotion)
- Containerships Business Unit
- CFO Unit
- General Affairs, Human Resources Unit
- Legal, Corporate Legal Risk & Compliance Unit
- Marine Sector, Advanced Technology, Ship Technical, GHG Reduction Strategy and Environmental Affairs Unit
- Information System, AI / Digitalization Strategy Unit

## Stock

### Basic Stock Information

Fiscal period	April 1–March 31
Ordinary General Meeting of Shareholders	June
Date of record for Ordinary General Meeting of Shareholders	March 31
Date of record for dividends	Year-end dividend: March 31 Interim dividend: September 30
Share trading unit	100 shares
Public notices	Public notices of the Company are made electronically and posted on the Company's website below. <a href="http://www.kline.co.jp">http://www.kline.co.jp</a> If the notice cannot be made electronically due to accident or other causes beyond the control of the Company, the notice will be posted in the <i>Nihon Keizai Shimbun</i> (the <i>Nikkei</i> ), published in Tokyo.

### Stock and Shareholders Data

#### ► Stock Data

(As of September 30, 2021)

Authorized	200,000,000 shares of common stock
Issued	93,938,229 shares of common stock
Number of shareholders	34,422

#### ► Principal Shareholders (10 Largest)

(As of September 30, 2021)

Shareholders	Number of shares held (thousands)	Ratio (%)
ECM MF	10,716	11.43
The Master Trust Bank of Japan, Ltd. (trust account)	8,113	8.67
GOLDMAN SACHS INTERNATIONAL	7,315	7.80
MLI FOR SEGREGATED PB CLIENT	5,651	6.02
BNY GCM CLIENT ACCOUNT JPRD ISG (FE-AC)	3,344	3.56
Custody Bank of Japan, Ltd. (trust account)	2,824	3.01
J.P. MORGAN SECURITIES PLC FOR AND ON BEHALF OF ITS CLIENTS JPMSP RE CLIENT ASSETS-SEGR ACCT	2,608	2.78
CGML PB CLIENT ACCOUNT/COLLATERAL	2,360	2.51
IMABARI SHIPBUILDING CO., LTD.	2,352	2.50
Custody Bank of Japan, Ltd. (Kawasaki Heavy Industries, Ltd. retirement benefit trust account re-entrusted by Mizuho Trust & Banking Co., Ltd.)	2,035	2.17

Note: The percentage of shares is calculated excluding treasury stock (197,064 shares).

## ► Share Breakdown by Owner Type

(As of September 30, 2021)

Classification	Number of shareholders	Ratio (%)	Number of shares held (thousands)	Ratio (%)
Japanese individuals and others	33,524	97.39	10,816	11.51
Government and local governments	0	0.00	0	0.00
Japanese financial institutions	47	0.13	23,309	24.81
Other Japanese corporations	341	0.99	6,108	6.50
Foreigners	439	1.27	50,112	53.34
Securities companies	70	0.20	3,394	3.61
Treasury shares	1	0.00	197	0.20

## ■ Conflicts of Interest and Related-Party Transactions

The Company has established the following procedures with respect to related-party transactions, and finds that management is capable of supervising such transactions based on such procedures.

- (1) The Regulations on Decision-Making Standards stipulate that the Company is to refer matters to be addressed by and seek prior approval from the Board of Directors with respect to certain matters irrespective of monetary amount, such as: transactions with major shareholders whose holdings account for more than 10% of the Company's voting rights or transactions between the Company and its directors; transactions conducted by a director with the Company for a third party; transactions involving a conflict of interest; and debt guarantees of directors made by the Company. The Regulations on Decision-Making Standards also stipulate that key developments must be reported to the Board of Directors subsequent to having carried out a transaction. As such, the Board of Directors supervises appropriateness of transactions.
- (2) The Company shall treat all of its shareholders impartially, and accordingly must not make special considerations for specific shareholders.
- (3) The Company shall determine the presence or absence of related-party transactions upon submission of confirmation documents for all of the Company's officers each fiscal term, and shall furthermore verify transaction details if related-party transactions have taken place.

## ■ Cross-Shareholding

### Cross-Shareholding Policy

The Board of Directors reviews cross-shareholdings of listed shares from an independent and objective perspective at least once a year to determine whether holdings should be continued based on a concrete assessment of the holding purpose and medium- to long-term economic rationale of individual holdings. Sales of holdings will be considered when assessments of the economic rationale reveal that returns from said

holdings have fallen below the cost of shareholders' equity in a given fiscal year. The sale of cross-shareholdings that have become applicable under the relevant criteria will be discussed each year at meetings of the Board of Directors to determine which holdings will be sold. The number of cross-shareholdings of listed shares at the end of fiscal 2020 was three.

## ■ Internal Control and Group Governance

### Overview

#### ► Establishment and Maintenance of the Internal Control System

The Board of Directors is responsible for establishing the internal control system, evaluating its effectiveness, and ensuring that it functions properly. In addition, through monitoring and verifying the status of the internal control system, the Internal Audit Group plays a role in supporting the Board of Directors in carrying out its responsibilities for the development, maintenance, and enhancement of the internal control system. The Audit & Supervisory Board members oversee the processes by which the directors establish the internal control system and confirm that it is functioning effectively.

Further, while respecting the autonomy of each of the Group companies, "K" LINE supports and supervises the establishment and effective management of internal control systems within each of these Group companies to ensure that activities conducted across all Group companies are appropriate.

### ▶ Group Governance

To ensure proper business operations of the "K" LINE Group companies, we have established the Charter of Conduct for "K" LINE Group Companies as a keystone for both corporate governance and compliance of the entire Group. Based on this Charter, each Group company has established its own Implementation Guideline for the Charter of Conduct.

## Accounting Audit and Internal Audit

### Status of Accounting Auditor

#### (1) Name of Accounting Auditor

Ernst & Young ShinNihon LLC

#### (2) Amount of Remuneration Payable to Accounting Auditor for the Fiscal Year under Review

Item	Amount
① Amount of remuneration to be paid to the accounting auditor by the Company	¥90 million
② Total amount of money and other financial benefits to be paid to the accounting auditor by the Company and its subsidiaries	¥167 million

Note: The audit contract between the Company and the accounting auditor does not classify the remuneration amounts separately for audits pursuant to the Companies Act and for audits pursuant to the Financial Instruments and Exchange Act, partially given the impracticality of deriving such classifications. Therefore, the amount listed in 1) is not classified in this way. Of the Company's principal subsidiaries, etc., accounting auditors other than the accounting auditor of the Company audit documents relating to accounts of "K" LINE BULK SHIPPING (UK) LIMITED, "K" LINE LNG SHIPPING (UK) LIMITED, "K" LINE OFFSHORE AS, "K" LINE PTE LTD., and OCEAN NETWORK EXPRESS PTE. LTD.

#### (3) Reason for the Consent to the Amounts of the Remuneration for the Accounting Auditor, etc.

The Audit & Supervisory Board obtained necessary materials and received reports from directors, the related internal departments, and the accounting auditor, and after conducting the necessary verification and deliberations on whether the content of audit plans conducted by the accounting auditor, the execution status of the accounting auditor's duty, and the basis for calculation of estimates for his or her remuneration, etc., are appropriate, the Board gave the consent provided for in Article 399, Paragraph 1 of the Companies Act.

#### (4) Details of Non-Audit Services (Services Other Than Those of Article 2, Paragraph 1 of the Certified Public Accountants Act) Performed by the Accounting Auditor

No items to report.

#### (5) Policy for Decisions on Dismissal or Non-Reappointment of Accounting Auditor

If deemed necessary by the Audit & Supervisory Board in cases such as where an accounting auditor has difficulty in the execution of his or her duties, the Audit & Supervisory Board shall determine the content of a proposition regarding the dismissal or non-reappointment of the accounting auditor to be submitted to a General Meeting of Shareholders. If circumstances involving an accounting auditor are deemed to fall under any of the items of Article 340, Paragraph 1 of the Companies Act, the accounting auditor shall be dismissed subject to unanimous approval by the Audit & Supervisory Board. In any such case, an Audit & Supervisory Board member designated by the Audit & Supervisory Board shall report the dismissal of the accounting auditor and the grounds for dismissal at the first General Meeting of Shareholders to be convened after the dismissal.

### Status of Internal Audit

The internal audit of "K" LINE is carried out by the Internal Audit Group, which has seven full-time employees. They audit the execution of duties for "K" LINE and the "K" LINE Group, in terms of internal control, such as enhancing the effectiveness and efficiency of operations, improving trustworthiness of financial information, and ensuring compliance. Audit & Supervisory Board members, the Audit & Supervisory Board,

and the Internal Audit Group regularly and irregularly exchange information regarding details of audits and auditing firms that act as accounting auditors. They maintain close contact and exchange opinions regarding the results of the audit, the status of internal control as understood by the auditing firm, and risk evaluations.



## Related Data

## Governance Data (This data applies to Kawasaki Kisen Kaisha, Ltd.)

Field	Item	Breakdown	Unit	Fiscal year		
				2018	2019	2020
Governance	Board of Directors	Number of directors	Persons	9	10	10
		Men	Persons	9	10	9
		Women	Persons	0	0	1
		Ratio of women	%	0	0	10
		Number of outside directors	Persons	3	4	4
		Ratio of outside directors	%	33	40	40
		Average age of directors	Years	63.7	61.6	61.7
		Age of youngest director	Years	58.0	42.4	43.5
		Age of oldest director	Years	71.5	72.5	72.4
		Number of meetings held	Times	14	14	18
		Average attendance ratio	%	97.1	98.9	99.6
	Audit & Supervisory Board	Number of members	Persons	3	4	4
		Men	Persons	2	2	3
		Women	Persons	1	2	1
		Ratio of women	%	33	50	25
		Number of outside members	Persons	2	2	2
		Ratio of outside members	%	66	50	50
		Number of meetings held	Times	15	14	16
	Nomination Advisory Committee	Number of members	Persons	5	5	4
		Number of outside members	Persons	3	3	3
		Ratio of outside members	%	60	60	75
		Number of meetings held	Times	10	13	7
	Remuneration Advisory Committee	Number of members	Persons	5	5	4
		Number of outside members	Persons	3	3	3
		Ratio of outside members	%	60	60	75
		Number of meetings held	Times	10	6	4
	Remuneration	Total remuneration paid to directors (number of payees)*	¥ million (persons)	299 (11)	312 (12)	319 (12)
		Total remuneration paid to Audit & Supervisory Board members (number of payees)*	¥ million (persons)	49 (3)	73 (6)	84 (5)

\* Total remuneration paid (number of payees) includes directors and Audit & Supervisory Board members who have resigned during the fiscal year (at the General Meeting of Shareholders).

## Governance Data (As of June 23, 2021)

	Title	Name	Gender	Independence	Tenure (years)	Board meeting attendance rate (FY2020)	Executive officer	Nomination Advisory Committee member	Remuneration Advisory Committee member	Important concurrent positions
Board of Directors	Representative Director, President & CEO	Yukikazu Myochin	Male	No	5	100%	●	●	●	
	Representative Director	Atsuo Asano	Male	No	3	100%	●			
	Representative Director	Yukio Toriyama	Male	No	2	100%	●			
	Representative Director	Kazuhiko Harigai	Male	No	2	100%	●			
	Director	Yasunari Sonobe	Male	No	1	100%	●			
	Director	Makoto Arai	Male	No	1	100%	●			
	Outside Director	Keiji Yamada	Male	Yes	2	94%		●	●	Yes
	Outside Director	Ryuhei Uchida	Male	No	2	100%				Yes
	Outside Director	Kozue Shiga	Female	Yes	1	100%		●	●	Yes
	Outside Director	Tsuyoshi Kameoka	Male	Yes	—	—		●	●	Yes
Audit & Supervisory Board	Audit & Supervisory Board Member	Kunihiko Arai	Male	No	2	100%				
	Audit & Supervisory Board Member	Yutaka Akutagawa	Male	No	—	—				
	Outside Audit & Supervisory Board Member	Atsumi Harasawa	Female	Yes	2	100%				Yes
	Outside Audit & Supervisory Board Member	Shinsuke Kubo	Male	Yes	1	100%				Yes

## Risk Management

### Approach

#### Risk Management Policy

The logistics business, including the shipping business, is exposed to various risks in its operations.

To strengthen the Group's risk resilience, the "K" LINE Group has established a risk and crisis management system for materiality based on our vision and values. We established this system so that we can recognize and prepare for various risks in management and fulfill our corporate social responsibility even if risks materialize.

Of the major risks listed from those on the right, risks associated with vessel operations, disaster risks, compliance risks, and other management-related risks are classified into four categories, and corresponding committees have been established.

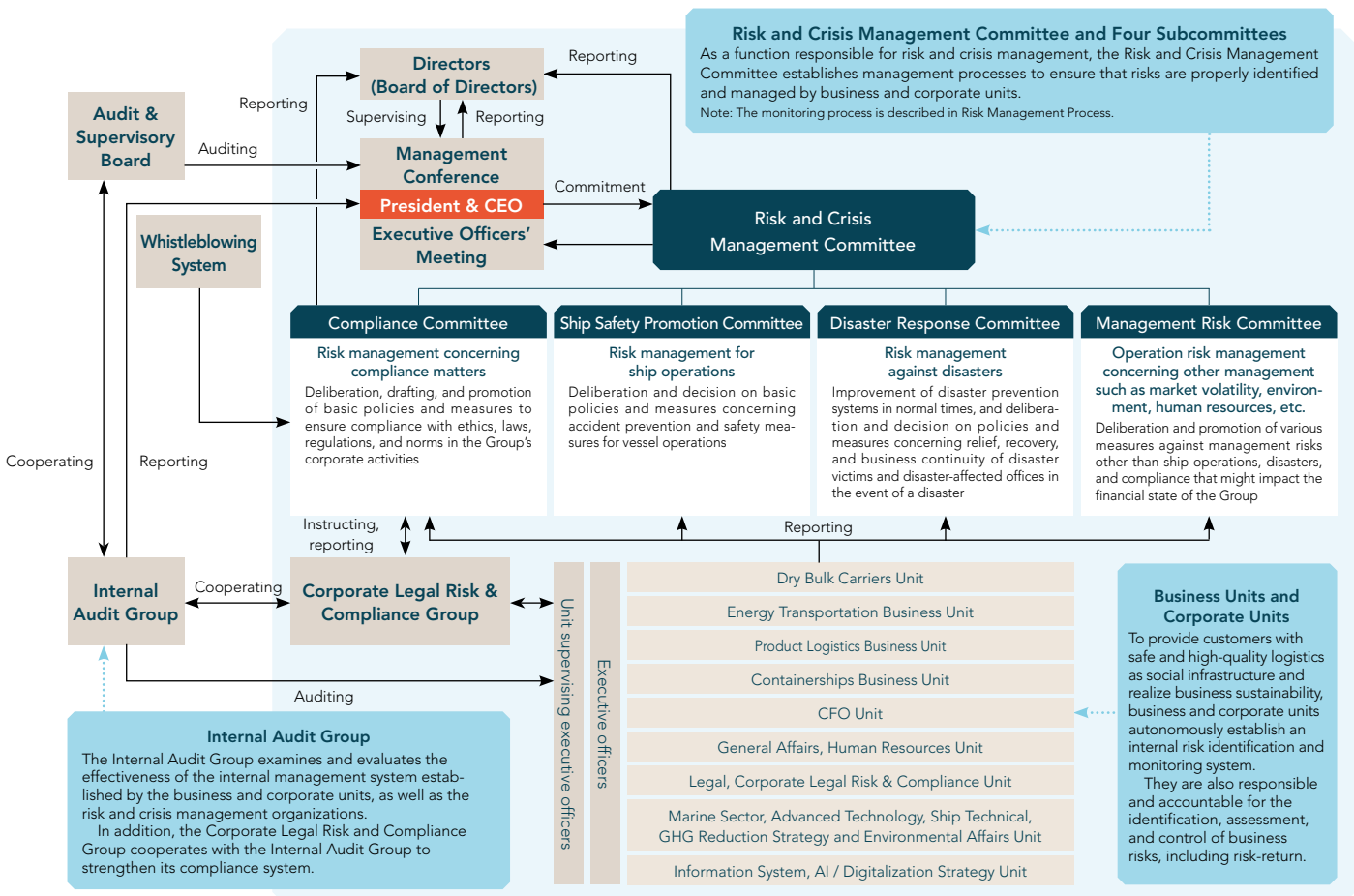
In addition, the Risk and Crisis Management Committee was established to unify these four committees and to control and promote overall risk management.

The CEO serves as the chair of all these committees and they are regularly held.

Major Risk			
Ship Operation	Legal and Compliance	Human Resource and Labor Management	Information Systems and Information Security
Disaster	Market Volatility	Environmental	Investment

### System

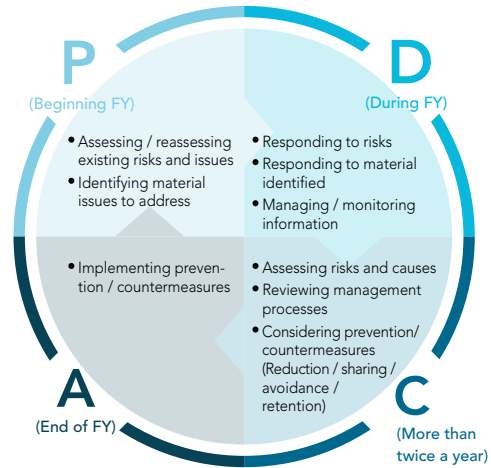
#### Risk Management System



### Risk Management Process

To ensure thorough risk management in the “K” LINE Group, we identify risks in the Group and respond to them by building information management and monitoring the state of the risks.

At the beginning of every fiscal year, by reassessing existing risks and issues, we determine which risks or issues we should address. The PDCA cycle is applied by periodical assessment followed by making countermeasures.



### Initiatives

#### Business Continuity Plans for Large-Scale Disasters and New Infectious Diseases

The “K” LINE Group has established a business continuity plan (BCP) to simulate malfunctions caused by natural disasters (earthquakes and floods in the Tokyo metropolitan area) and infectious diseases, including the new influenza. With respect for human life as the top priority, we continue to carry out important operations, such as transferring operations to our domestic and overseas offices and telecommuting, as part of the social infrastructure that supports lifelines.

Also, to avoid the loss of data in a disaster, we have set up a system in which backup data can be stored remotely. In particular, in the event of an earthquake occurring directly beneath the Tokyo metropolitan area, we conduct regular evacuation drills and strengthen BCPs based on simulations of the scale

and damage of the earthquake in advance, and are making Companywide efforts to improve disaster resilience. In response to the spread of the new coronavirus infection, we are expanding our telecommuting system and thoroughly implementing measures to prevent infection in offices (installation of splash prevention panels, establishment of internal guidelines for the prevention of the “Three Cs,” etc.). To ensure the safety of all crew members, we are taking measures on the crew side, such as controlling their physical condition before boarding the ship, conducting preboarding isolation, and conducting PCR tests, as well as securing and supplying necessary supplies (protective clothing, face guards, masks, disinfectant, etc.).

#### The Risk of Large-Scale Accidents and Our Measures in Response

As rigorously ensuring the safety of vessel operations is one of our highest priorities, we are maintaining and heightening operational safety levels and crisis management capabilities. However, an unexpected accident, particularly one involving an oil spill or other major accidents leading to environmental pollution, could occur and have a negative impact on the Group’s financial position and operating results. Furthermore, piracy losses, operation in areas affected by political unrest or military conflict, and the increased risk to vessels from terrorism could cause major damage to the Group’s vessels and jeopardize lives of the crews. This, in turn, could have a negative

impact on the Group’s safe operation of vessels, voyage planning, management, and overall marine transportation business. To counter the aforementioned risks, the Ship Safety Promotion Committee, chaired by the president, meets periodically to conduct multifaceted investigations and initiatives for all matters related to the safety of vessel operations. Also, we have prepared an Emergency Response Manual, which sets out the accident response measures to be taken in the event of an emergency, and we continually improve our accident responses by holding regular drills for responses to large-scale accidents.

#### Risks Associated with Information Security and Our Measures in Response

The “K” LINE Group is taking measures to ensure and improve information security in order to provide safe and secure marine transportation and logistics services as a logistics infrastructure supporting global economic activities.

Cyberattacks have become extremely diverse in recent years, and local responses and the introduction of countermeasure

software alone are not sufficient for complete protection, and there are increasing cases where information leaks due to unauthorized access and system outages due to virus infections have a significant impact on corporate activities.

As information security measures, we are working to strengthen our “response” and “recovery” to prevent attacks

and to quickly detect the occurrence of abnormalities in the event of a security incident. We are also working to minimize the impact of an incident by multilayering security measures without depending on one measure.

In addition, we have implemented information security measures from the following three perspectives: information management that aims to protect information; cybersecurity that focuses on the defense of system networks against cyberattacks; and physical security that prevents unauthorized access to facilities such as office terminals.

## Environmental Protection and Climate Change

The “K” LINE Group is keenly aware of the importance of sustainability as a lifeline infrastructure that supports human life and the economy, and formulated the “K” LINE Environmental Vision 2050 in response to risks and opportunities related to environmental protection and climate change.

We formulated the “K” LINE Environmental Vision 2050 in March 2015 and we set forth specific milestones to reach by 2019, the 100th anniversary of our founding, and we have achieved many of them.

Additionally, as the global movement toward net-zero GHG emissions by 2050 accelerates, we revised the goals set out in our 2050 vision in November and will take on the challenge of further increasing our goal to achieve net-zero GHG emissions by 2050.

As for our efforts for marine cyber risk management, in particular, we have acquired Cyber Security Management System (CSMS) certification from ClassNK for our ship management companies and vessels, and we are proceeding with the acquisition of certification for other vessels. Safety is the core competence of the “K” LINE Group’s maritime transport business. We will provide safer and more optimal transportation services by strengthening our response to cyber risks.

We also provide security education to raise awareness of information security among Group officers and employees.

Please refer to the following for scenario analysis of climate change.



### “K” LINE Environmental Vision 2050

[https://www.kline.co.jp/en/csr/environment/management/main/010/teaserItems2/01/linkList/0/link/K-LINE\\_E-vision\\_en\\_2020\\_v2.pdf](https://www.kline.co.jp/en/csr/environment/management/main/010/teaserItems2/01/linkList/0/link/K-LINE_E-vision_en_2020_v2.pdf)

Based on the above business plans and strategies, we are implementing various environmental preservation initiatives, including the introduction of the Seawing automated kite system (wind propulsion), which uses natural energy.

Please refer to the following for the Group’s environmental activities.



### Environmental Preservation Initiatives

<https://www.kline.co.jp/en/csr/environment/efforts.html>

## Information Regarding Risks

Please refer to the following for information regarding the risks faced by “K” LINE.



### Business Risk

<https://www.kline.co.jp/en/ir/management/risk.html>

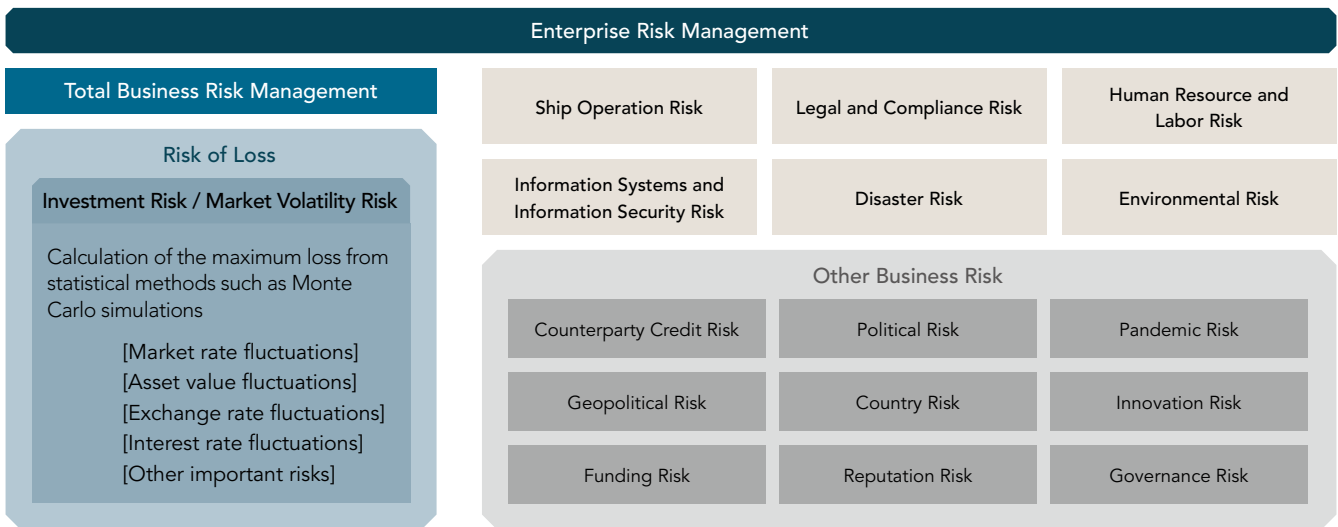
## Concept of Risk-Return and Business Portfolio Rebuilding

Aiming to realize business portfolio rebuilding through maintaining and expanding stable income businesses, strengthening the competitiveness of market-exposed businesses, and expanding investments in strategic growth areas, we announced “Advanced Business Management” focusing on the following two points.

### Total Business Risk Management

We control the estimated maximum losses within consolidated shareholders’ equity and pursue both stability and growth by maintaining the proper size of investments. We measure business risk as the estimated maximum loss for each business utilizing statistical methods such as Monte Carlo simulations.

The risks facing the Company’s businesses are varied and diverse. Total business risk management targets any “risk of loss” that would lead to capital impairment. The risks not subject to total business risk management shall be controlled by each business unit, and enterprise risk management shall be managed by the Risk and Crisis Management Committee and its subordinate organizations.



### New Performance Indicators

We introduce investment and business performance indicators that emphasize business risk-return (“K” VaCS / “K” RIC) and realize an optimal business portfolio by utilizing them.

**“K” VaCS –“K” LINE Value after Cost of Shareholders’ Equity–**

- ▶ A profit indicator that represents economic value corresponding to the cost of shareholders’ equity

**Formula**

“K” VaCS = net income after tax – (Volume of business risks x cost of shareholders’ equity)

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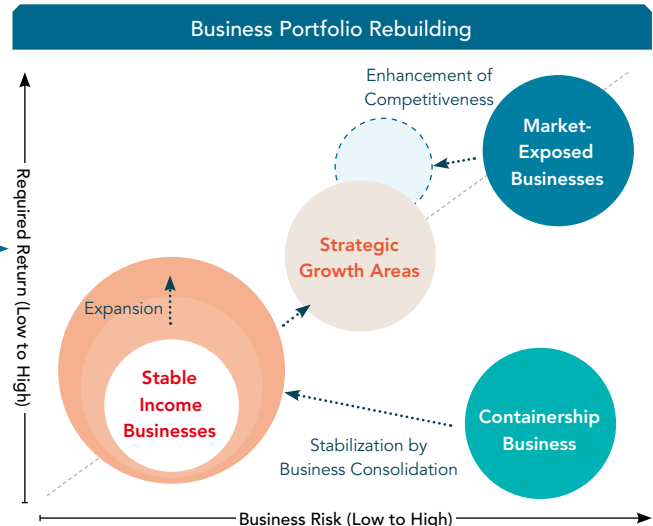
**“K” RIC –“K” LINE Return on Invested Capital–**

- ▶ An efficiency indicator promoting corporate value enhancement that factors in the cost of capital
- ▶ An indicator that accelerates return on invested capital by establishing a profitability baseline

**Formula**

“K” RIC = earnings before interest after taxes ÷ invested capital

Note: As a general rule, “K” RIC should be above the hurdle rate; among viable hurdle rate candidates is the weighted-average cost of capital (WACC) for each department, which is risk-based.



## Compliance

### Approach

#### Policy

We will comply with domestic and foreign laws and social norms, and carry out fair, transparent, and free competition, as well as appropriate business conduct.

We established the “K” LINE Group’s Charter of Conduct and under this Group charter we adopt compliance with laws,

regulations, and corporate ethics as principles for action for the “K” LINE Group. Additionally, we established the “K” LINE Group Global Compliance Policy (the Global Policy) as more specific guidelines, which all officers and employees must comply with.

### System

#### Strengthening the Group Compliance System

The Global Policy, which was established in January 2017, is to strengthen the Group compliance system on a global level. We oblige all executives and employees in “K” LINE and our Group companies to comply with the Global Policy. Through holding seminars by the dedicated department, distributing

guidebooks, and activities of dedicated committees, we put much effort into having the Global Policy be the guidepost of our daily business for all executives and employees in “K” LINE and our Group companies.



#### “K” LINE Group Global Compliance Policy

<https://www.kline.co.jp/en/csr/governance/compliance/main/0/teaserItems1/01/linkList/0/link/in%20English%20K%20Line%20Group%20Global%20Compliance%20Policy.pdf>



#### Individual Policy III Sanctions & Anti-Money Laundering

<https://www.kline.co.jp/en/csr/governance/compliance/main/0/teaserItems1/01/linkList/02/link/in%20English%20Individual%20Policy%20III%20Sanctions,Anti-Money%20Laundering.pdf>



#### Individual Policy I Competition Law

<https://www.kline.co.jp/en/csr/governance/compliance/main/0/teaserItems1/01/linkList/00/link/in%20English%20Individual%20Policy%20I%20Competition%20Law%20Policy.pdf>



#### Individual Policy IV Data Protection Law

[https://www.kline.co.jp/en/csr/governance/compliance/main/0/teaserItems1/01/linkList/03/link/in%20English%20Individual\\_Policy\\_IV\\_Data%20Protection%20Law%20.pdf](https://www.kline.co.jp/en/csr/governance/compliance/main/0/teaserItems1/01/linkList/03/link/in%20English%20Individual_Policy_IV_Data%20Protection%20Law%20.pdf)



#### Individual Policy II Anti-Corruption Law

<https://www.kline.co.jp/en/csr/governance/compliance/main/0/teaserItems1/01/linkList/01/link/in%20English%20Individual%20Policy%20II%20Anti-Corruption.pdf>

#### Compliance Promotion System

We discuss our policy for securing compliance throughout “K” LINE and its Group companies, as well as measures for compliance violations, through our Compliance Committee,

chaired by the President & CEO. Under the chief compliance officer (CCO), who has the ultimate responsibility for compliance, we are strengthening compliance throughout our organization.

## Initiatives

### Our Efforts to Ensure Compliance with the Antimonopoly Act

Regarding compliance with domestic and foreign competition laws, we ensure that executives and employees comply with Regulations for Compliance with the Antimonopoly Act. Furthermore, we are making efforts to ensure compliance awareness concerning competition laws by conducting training programs and promoting educational activities by the dedicated department. In addition, we conduct audits and monitor the state of implementation of compliance measures. With respect to contact with competing companies, we strictly enforce regulations on prior reporting and approval depending on the nature of the contact, as well as record and store details of each contact.

#### ► Main Efforts in Recent Years

- Established the Guidelines on Participation in Meetings and Gatherings Attended by Competing Companies (October 2012)
- Established Regulations for Compliance with the Antimonopoly Act (April 2014)
- Established Rules Regarding Contact with Competing Companies (April 2014)
- Set up the Fair Competition Promotion Committee (April 2014)
- Set up a course on the Antimonopoly Act as part of stratified personnel training (April 2014)
- Issued and distributed the Guidebook for Antimonopoly Act Compliance (Vol. 1) - Cartel Q&A - (first edition) (May 2014)
- Established Audit Procedures (Regulations for Compliance with the Antimonopoly Act) (January 2015)
- Established Individual Policy I Competition Law (January 2017)
- Issued and distributed the Guidebook for Antimonopoly Act Compliance (Vol. 2) (June 2021)

### Our Efforts to Prevent Bribery and Corruption

To effectively strengthen to prevent bribery and corruption, based on the Global Policy (which includes Individual Policy II Anti-Corruption Law), we put much effort into the prevention of corruption and bribery as a member of the Maritime Anti-Corruption Network (MACN), which is a global business network working toward the vision of a maritime industry free of corruption.



#### ► Main Efforts in Recent Years

- Established Regulations for Prevention of Bribery (November 2013)
- Established Regulations for Gifts (January 2014)
- Joined the MACN (June 2014)
- Established the General Policy against Bribery and Corruption (August 2014)
- Established Individual Policy II Anti-Corruption Law (January 2017)
- Issued and distributed the Guidebook for Prevention of Bribery (Vol. 1) (first edition) (May 2017)

### Our Efforts to Ensure Compliance with Economic Sanctions

In November 2019, we revised the Global Policy (i.e., Individual Policy III Sanctions & Anti-Money Laundering was added). We ensure that all executives and employees in "K" LINE and its Group companies comply with regulations regarding economic sanctions, as well as rules and measures for anti-money laundering and the counter financing of terrorism that are applicable to the business of the "K" LINE Group.

#### ► Main Efforts in Recent Years

- Established Individual Policy III Sanctions & Anti-Money Laundering (November 2019)
- Established Rules for Compliance with the Regulations Regarding Economic Sanctions (November 2019)



## Enhancement of Whistleblowing System

For prevention, early detection, and correction of compliance problems at “K” LINE and its Group companies, we established the Hotline System for K” LINE and its domestic Group companies and the Global Hotline System for its overseas Group companies. Both systems ensure thorough protection for the reporter and confidentiality of the report so that the reporter can safely consult and make a report. In July 2020, our hotline systems were registered in the “Whistleblowing System Certification (Self-Compliance Declaration Registration System)”\* under the jurisdiction of the Consumer Affairs Agency of Japan.

\* A system in which a business operator evaluates its whistleblowing system and, if it meets certification standards, registers the results of the confirmation by the designated registration organization based on the application from the business operator, and is granted the use of the WCMS (Whistleblowing Compliance Management System) mark.



## Protection of Personal Information

We revised the Global Policy (additional data protection laws) in October 2021, based on the recent strengthening of personal information protection laws and enforcement in each country, and are reinforcing our initiatives for appropriately protecting personal information.

### ► Main Efforts in Recent Years

- Established Rules for Management of Personal Data (April 2005)
- Established Rules for Management of Personal Data in Europe (April 2018)
- Established Individual Policy IV Data Protection Law (October 2021)
- Revised Rules for Management of Personal Data (October 2021)

## Our Efforts to Raise Compliance Awareness

We set every November as “compliance month” when we distribute the President & CEO’s message to executives and employees of “K” LINE and its Group companies to remind them of the importance of compliance. We also hold compliance e-learning training and compliance seminars featuring lecturers invited from outside the Company. As part of our

stratified personnel training system, we conduct compliance training and hold seminars on individual themes (such as rules for insider trading and harassment prevention), as appropriate. In addition, we distribute important compliance-related matters in a *Compliance Newsletter* that requires particular attention, as appropriate.

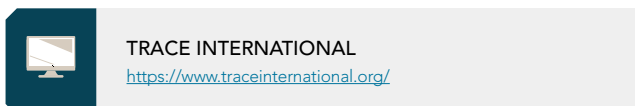
## TRACE Certification

TRACE successfully completed a certification due diligence review of Kawasaki Kisen Kaisha, Ltd., on February 1, 2017, and updates it annually. TRACE has granted Kawasaki Kisen Kaisha, Ltd., a certificate signifying that the Company has completed internationally accepted due diligence procedures and has been forthcoming and cooperative during the review process. TRACE certification underscores Kawasaki Kisen Kaisha, Ltd.’s commitment to transparency in international commercial transactions.

TRACE Certification ID: TC3172-6090

TRACE is a globally recognized anti-bribery business organization and leading provider of cost-effective third-party risk management solutions. Members and clients include hundreds of multinational companies headquartered worldwide.

For more details, please see the link below.



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SECTION

**06**

| Reference Table and Index

## GRI Guidelines Reference Table

This data book and our corporate website contain information on standard disclosure items under the GRI standards for sustainability reporting.

## General Disclosure

Disclosed information on	Content	Relevant information / Place of publication		
		ESG DATA BOOK 2021		Website and relevant media
<b>Organizational Profile</b>				
102-1	Name of the organization	—	—	<a href="#">Corporate Profile</a>
102-2	Activities, brands, products, and services	—	—	<a href="#">Services</a>
102-3	Location of headquarters	—	—	<a href="#">Corporate Profile</a>
102-4	Location of operations	—	—	<a href="#">Global Network and Group Companies</a>
102-5	Ownership and legal form	05 Governance > Corporate Governance > Stock > Stock and Shareholders Data	P.61	<a href="#">Corporate Profile</a>
102-6	Markets served	—	—	<a href="#">Securities reports (Japanese)</a>
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102-8	Information on employees and other workers	04 Social > Labor Practices / Occupational Health and Safety > Related Data	P.36	<a href="#">Securities reports (Japanese)</a>
		—	—	<a href="#">ESG Data &gt; Social Data</a>
102-9	Supply chain	04 Social > Supply Chain Management	P.48	<a href="#">Stakeholder Engagement</a>
102-10	Significant changes to the organization and its supply chain	—	—	—
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102-12	External initiatives	02 "K" LINE Group's Sustainability Management > Approach to Sustainability > The United Nations Global Compact	P.7	<a href="#">United Nations Global Compact (UNGC)</a>
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<b>Strategy</b>				
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102-19	Delegating authority	05 Governance > Corporate Governance > Corporate Governance Structure	P.55 <a href="#">Corporate Governance</a>
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102-21	Consulting stakeholders on economic, environmental, and social topics	—	—
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102-31	Review of economic, environmental, and social topics	—	— <a href="#">"K" LINE SUSTAINABILITY BOOKLET</a>
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102-42	Identifying and selecting stakeholders	04 Social > Stakeholder Engagement > Approach	P.51	<a href="#">Stakeholder Engagement</a>
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		ESG DATA BOOK 2021		Website and relevant media

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303-5	Water consumption	03 Environment > Support the Environmental Activities of Society > Related Data > Office Environmental Data	P.28	<a href="#">ESG Data &gt; Environmental Data</a>
<b>Biodiversity</b>				
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	—	—	<a href="#">Reduce "K" LINE impact on the sea and air</a>
304-2	Significant impacts of activities, products, and services on biodiversity	—	—	<a href="#">Reduce "K" LINE impact on the sea and air</a>
304-3	Habitats protected or restored	—	—	—
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	—	—	—

Disclosed information on	Content	Relevant information / Place of publication		
		ESG DATA BOOK 2021		Website and relevant media
<b>Emissions</b>				
305-1	Direct (Scope 1) GHG emissions	03 Environment > Climate Change > Related Data > CO <sub>2</sub> Emissions of "K" LINE Group	P.24	<a href="#">ESG Data &gt; Environmental Data &gt; Third-Party Verification of Greenhouse Gas (GHG) Emissions Data</a>
305-2	Energy indirect (Scope 2) GHG emissions	03 Environment > Climate Change > Related Data > CO <sub>2</sub> Emissions of "K" LINE Group	P.24	<a href="#">ESG Data &gt; Environmental Data &gt; Third-Party Verification of Greenhouse Gas (GHG) Emissions Data</a>
305-3	Other indirect (Scope 3) GHG emissions	03 Environment > Climate Change > Related Data > CO <sub>2</sub> Emissions of "K" LINE Group	P.24	<a href="#">ESG Data &gt; Environmental Data &gt; Third-Party Verification of Greenhouse Gas (GHG) Emissions Data</a>
305-4	GHG emissions intensity	03 Environment > Climate Change > Related Data > CO <sub>2</sub> Emissions of "K" LINE Group	P.24	<a href="#">ESG Data &gt; Environmental Data &gt; Third-Party Verification of Greenhouse Gas (GHG) Emissions Data</a>
305-5	Reduction of GHG emissions	03 Environment > Climate Change > Related Data > CO <sub>2</sub> Emissions of "K" LINE Group	P.24	<a href="#">ESG Data &gt; Environmental Data &gt; Third-Party Verification of Greenhouse Gas (GHG) Emissions Data</a>
305-6	Emissions of ozone-depleting substances (ODS)	—	—	—
305-7	Nitrogen oxide (NO <sub>x</sub> ), sulfur oxide (SO <sub>x</sub> ), and other significant air emissions	03 Environment > Reduce "K" LINE's Impact on the Sea and Air > Related Data > SO <sub>x</sub> and NO <sub>x</sub> Emissions from Vessels	P.26	<a href="#">ESG Data &gt; Environmental Data &gt; Environmental Load Data</a>
<b>Waste</b>				
306-1	Waste generation and significant waste-related impacts	03 Environment > Support the Environmental Activities of Society > Initiatives	P.27	<a href="#">Support the environmental activities of society</a>
306-2	Management of significant waste-related impacts	03 Environment > Support the Environmental Activities of Society > Initiatives	P.27	<a href="#">Support the environmental activities of society</a>
306-3	Waste generated	03 Environment > Support the Environmental Activities of Society > Related Data > Waste	P.28	<a href="#">ESG Data &gt; Environmental Data &gt; Environmental Load Data</a>
306-4	Waste diverted from disposal	—	—	—
306-5	Waste directed to disposal	03 Environment > Support the Environmental Activities of Society > Related Data > Waste	P.28	<a href="#">ESG Data &gt; Environmental Data &gt; Environmental Load Data</a>
<b>Environmental Compliance</b>				
307-1	Non-compliance with environmental laws and regulations	—	—	—
<b>Supplier Environmental Assessment</b>				
308-1	New suppliers that were screened using environmental criteria	—	—	—
308-2	Negative environmental impacts in the supply chain and actions taken	—	—	—



Disclosed information on	Content	Relevant information / Place of publication		
		ESG DATA BOOK 2021	Website and relevant media	
<b>400: Social</b>				
<b>Employment</b>				
401-1	New employee hires and employee turnover	04 Social > Labor Practices / Occupational Health and Safety > Related Data	P.36	<a href="#">ESG Data &gt; Social Data</a>
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	04 Social > Labor Practices / Occupational Health and Safety > Initiatives > Work-Life Balance (On Land) > Overview of Systems That Support a Work-Life Balance	P.32	<a href="#">Labor Practices &gt; Work-Life Balance</a>
401-3	Parental leave	04 Social > Labor Practices / Occupational Health and Safety > Initiatives > Work-Life Balance (On Land) > Overview of Systems That Support a Work-Life Balance	P.32	<a href="#">Labor Practices &gt; Work-Life Balance</a>
<b>Labor/Management Relations</b>				
402-1	Minimum notice periods regarding operational changes	—	—	—
<b>Occupational Health and Safety</b>				
403-1	Occupational health and safety management system	04 Social > Labor Practices / Occupational Health and Safety > System	P.30	<a href="#">Labor Practices (Onshore Workers)</a> <a href="#">Labor Practices (Maritime Technical Personnel)</a>
403-2	Hazard identification, risk assessment, and incident investigation	04 Social > Labor Practices / Occupational Health and Safety > Initiatives > Health and Safety Considerations (On Land)	P.33	<a href="#">Labor Practices (Onshore Workers)</a>
		04 Social > Labor Practices / Occupational Health and Safety > Initiatives > Health and Safety Considerations (At Sea)	P.34	<a href="#">Labor Practices (Maritime Technical Personnel)</a>
403-3	Occupational health services	04 Social > Labor Practices / Occupational Health and Safety > Initiatives > Health and Safety Considerations (On Land)	P.33	<a href="#">Labor Practices (Onshore Workers)</a>
		04 Social > Labor Practices / Occupational Health and Safety > Initiatives > Health and Safety Considerations (At Sea)	P.34	<a href="#">Labor Practices (Maritime Technical Personnel)</a>
403-4	Worker participation, consultation, and communication on occupational health and safety	04 Social > Labor Practices / Occupational Health and Safety > System	P.30	<a href="#">Labor Practices (Onshore Workers)</a> <a href="#">Labor Practices (Maritime Technical Personnel)</a>
403-5	Worker training on occupational health and safety	04 Social > Labor Practices / Occupational Health and Safety > Initiatives > Health and Safety Considerations (On Land)	P.33	<a href="#">Labor Practices (Onshore Workers)</a>
		04 Social > Labor Practices / Occupational Health and Safety > Initiatives > Health and Safety Considerations (At Sea)	P.34	<a href="#">Labor Practices (Maritime Technical Personnel)</a>
403-6	Promotion of worker health	04 Social > Labor Practices / Occupational Health and Safety > Initiatives > Health and Safety Considerations (On Land)	P.33	<a href="#">Labor Practices (Onshore Workers)</a>
		04 Social > Labor Practices / Occupational Health and Safety > Initiatives > Health and Safety Considerations (At Sea)	P.34	<a href="#">Labor Practices (Maritime Technical Personnel)</a>

Disclosed information on	Content	Relevant information / Place of publication		
		ESG DATA BOOK 2021		Website and relevant media
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	04 Social > Labor Practices / Occupational Health and Safety > Initiatives > Health and Safety Considerations (On Land)	P.33	<a href="#">Labor Practices (Onshore Workers)</a>
		04 Social > Labor Practices / Occupational Health and Safety > Initiatives > Health and Safety Considerations (At Sea)	P.34	<a href="#">Labor Practices (Maritime Technical Personnel)</a>
403-8	Workers covered by an occupational health and safety management system	04 Social > Labor Practices / Occupational Health and Safety > Related Data > Personnel Data	P.36	<a href="#">ESG Data &gt; Social Data</a>
403-9	Work-related injuries	04 Social > Labor Practices / Occupational Health and Safety > Related Data > Data Related to Occupational Accidents	P.37	<a href="#">ESG Data &gt; Social Data</a>
403-10	Work-related ill health	04 Social > Labor Practices / Occupational Health and Safety > Related Data > Data Related to Occupational Accidents	P.37	<a href="#">ESG Data &gt; Social Data</a>
<b>Training and Education</b>				
404-1	Average hours of training per year per employee	04 Social > Labor Practices / Occupational Health and Safety > Related Data > Personnel Data	P.36	<a href="#">ESG Data &gt; Social Data</a>
404-2	Programs for upgrading employee skills and transition assistance programs	04 Social > Human Resource Development > Initiatives	P.39	<a href="#">Recruit (Japanese)</a> <a href="#">"K" LINE REPORT</a>
404-3	Percentage of employees receiving regular performance and career development reviews	—	—	—
<b>Diversity and Equal Opportunity</b>				
405-1	Diversity of governance bodies and employees	04 Social > Labor Practices / Occupational Health and Safety > Related Data > Personnel Data	P.36	<a href="#">ESG Data</a>
		05 Governance > Corporate Governance > Related Data > Governance Data	P.64	
405-2	Ratio of basic salary and remuneration of women to men	—	—	—
<b>Non-Discrimination</b>				
406-1	Incidents of discrimination and corrective actions taken	—	—	—
<b>Freedom of Association and Collective Bargaining</b>				
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	—	—	—
<b>Child Labor</b>				
408-1	Operations and suppliers at significant risk for incidents of child labor	—	—	—
<b>Forced or Compulsory Labor</b>				
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	—	—	—
<b>Security Practices</b>				
410-1	Security personnel trained in human rights policies or procedures	—	—	—

Disclosed information on	Content	Relevant information / Place of publication		
		ESG DATA BOOK 2021	Website and relevant media	
<b>Rights of Indigenous Peoples</b>				
411-1	Incidents of violations involving rights of indigenous peoples	—	—	—
<b>Human Rights Assessment</b>				
412-1	Operations that have been subject to human rights reviews or impact assessments	—	—	—
412-2	Employee training on human rights policies or procedures	04 Social > Human Rights > Initiatives	P.47	<a href="#">Business and Human Rights</a>
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	—	—	—
<b>Local Communities</b>				
413-1	Operations with local community engagement, impact assessments, and development programs	—	—	—
413-2	Operations with significant actual and potential negative impacts on local communities	—	—	—
<b>Supplier Social Assessment</b>				
414-1	New suppliers that were screened using social criteria	—	—	—
414-2	Negative social impacts in the supply chain and actions taken	—	—	—
<b>Public Policy</b>				
415-1	Political contributions	04 Social > Stakeholder Engagement > Related Data > The Expense of Trade Association and Social Contribution	P.51	<a href="#">Stakeholder Engagement</a>
<b>Customer Health and Safety</b>				
416-1	Assessment of the health and safety impacts of product and service categories	—	—	—
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	04 Social > Safety in Navigation and Cargo Operations > Related Data	P.45	—
<b>Marketing and Labeling</b>				
417-1	Requirements for product and service information and labeling	—	—	—
417-2	Incidents of non-compliance concerning product and service information and labeling	—	—	—
417-3	Incidents of non-compliance concerning marketing communications	—	—	—

Disclosed information on	Content	Relevant information / Place of publication	
		ESG DATA BOOK 2021	Website and relevant media
<b>Customer Privacy</b>			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	—	—
<b>Socioeconomic Compliance</b>			
419-1	Non-compliance with laws and regulations in the social and economic area	—	—

## ISO 26000 Comparison Table

This data book and our corporate website show items corresponding to the seven core subjects of ISO 26000: Guidance on social responsibility.

Core subjects	Relevant information / Place of publication		Website
	ESG DATA BOOK 2021		
<b>Organizational Governance</b>			
1. Organizational governance	02 "K" LINE Group's Sustainability Management	P.5	<a href="#">Message from the President</a>
	03 Environment > Climate Change > Environmental Governance	P.19	<a href="#">Sustainability Promotion System</a>
	05 Governance > Corporate Governance	P.55	<a href="#">Corporate Governance</a>
	05 Governance > Risk Management	P.66	<a href="#">Risk Management</a>
	—	—	<a href="#">Top Management</a>
	—	—	<a href="#">ESG Data &gt; Governance Data</a>
<b>Human Rights</b>			
1. Due diligence	04 Social > Human Rights > System	P.47	<a href="#">Business and Human Rights</a>
2. Human rights risk situations	—	—	—
3. Avoidance of complicity	04 Social > Human Rights > Approach	P.46	<a href="#">Business and Human Rights</a>
4. Resolving grievances	04 Social > Human Rights > Initiatives	P.47	<a href="#">Business and Human Rights</a>
	05 Governance > Compliance > Initiatives > Enhancement of Whistleblowing System	P.72	<a href="#">Compliance</a>
5. Discrimination and vulnerable groups	04 Social > Human Rights > Approach	P.46	<a href="#">Business and Human Rights</a>
6. Civil and political rights	04 Social > Human Rights > Approach	P.46	<a href="#">Business and Human Rights</a>
7. Economic, social, and cultural rights	04 Social > Human Rights > Approach	P.46	<a href="#">Business and Human Rights</a>
8. Fundamental principles and rights at work	04 Social > Human Rights > Approach	P.46	<a href="#">Business and Human Rights</a>
<b>Labor Practices</b>			
1. Employment and employment relationships	04 Social > Labor Practices / Occupational Health and Safety	P.30	<a href="#">Labor Practices (Onshore Workers)</a>
	04 Social > Diversity	P.41	<a href="#">Business and Human Rights</a>
2. Conditions of work and social protection	04 Social > Labor Practices / Occupational Health and Safety	P.30	<a href="#">Labor Practices (Onshore Workers)</a>
	04 Social > Diversity	P.41	<a href="#">Business and Human Rights</a>
3. Social dialogue	04 Social > Labor Practices / Occupational Health and Safety	P.30	<a href="#">Labor Practices (Onshore Workers)</a>
	04 Social > Diversity	P.41	<a href="#">Business and Human Rights</a>
4. Health and safety at work	04 Social > Labor Practices / Occupational Health and Safety	P.30	<a href="#">Labor Practices (Onshore Workers)</a>
			<a href="#">Labor Practices (Maritime Technical Personnel)</a>

Core subjects	Relevant information / Place of publication	
	ESG DATA BOOK 2021	Website
5. Human development and training in the workplace	04 Social > Human Resource Development	P.38 <a href="#">Human Resource Development (Onshore Workers)</a> <a href="#">Human Resource Development (Maritime Technical Personnel)</a>
<b>The Environment</b>		
1. Prevention of pollution	03 Environment > Reduce "K" LINE's Impact on the Sea and Air	P.25 <a href="#">Environmental Management System</a> <a href="#">Environmental Preservation</a>
2. Sustainable resource use	03 Environment > Support the Environmental Activities of Society	P.27 <a href="#">Support the environmental activities of society</a>
3. Climate change mitigation and adaptation	03 Environment > Climate Change	P.19 <a href="#">"K" LINE low-carbonization</a> <a href="#">Support development of a low-carbon society</a>
4. Protection of the environment, biodiversity, and restoration of natural habitats	03 Environment > Reduce "K" LINE's Impact on the Sea and Air	P.25 <a href="#">Reduce "K" LINE impact on the sea and air</a>
<b>Fair Operating Practices</b>		
1. Anti-corruption	05 Governance > Compliance	P.70 <a href="#">Compliance</a>
2. Responsible political involvement	04 Social > Stakeholder Engagement	P.51 <a href="#">Stakeholder Engagement</a>
3. Fair competition	05 Governance > Compliance	P.70 <a href="#">Compliance</a>
4. Promoting social responsibility in the value chain	04 Social > Supply Chain Management	P.48 <a href="#">Purchasing Policy and CSR Guidelines for Supply Chain (PDF)</a>
5. Respect for property rights	02 "K" LINE Group's Sustainability Management > Approach to Sustainability	P.5 <a href="#">"K" Line Implementation Guideline for Charter of Conduct (PDF)</a>
<b>Consumer Issues</b>		
1. Fair marketing, factual and unbiased information, and fair contractual practices	04 Social > Stakeholder Engagement	P.51 <a href="#">Stakeholder Engagement</a>
2. Protecting consumers' health and safety	04 Social > Safety in Navigation and Cargo Operations	P.43 <a href="#">Safety in Navigation and Cargo Operations</a>
3. Sustainable consumption	03 Environment	P.16 <a href="#">Environment</a>
4. Consumer service, support, and complaint and dispute resolution	04 Social > Stakeholder Engagement	P.51 <a href="#">Stakeholder Engagement</a> <a href="#">Contact Us</a>
5. Consumer data protection and privacy	05 Governance > Compliance > Initiatives > Protection of Personal Information	P.72 <a href="#">Global Compliance Policy &gt; Individual Policy IV Data Protection Law</a>
6. Access to essential services	04 Social > Safety in Navigation and Cargo Operations	P.43 <a href="#">Safety in Navigation and Cargo Operations</a>
7. Education and awareness	04 Social > Relationship with the Community	P.52 <a href="#">Social Contribution Activities</a>

Core subjects	Relevant information / Place of publication		
	ESG DATA BOOK 2021		Website
<b>Community Involvement and Development</b>			
1. Community involvement	04 Social > Relationship with the Community	P.52	<a href="#">Social Contribution Activities</a>
2. Education and culture	04 Social > Relationship with the Community	P.52	<a href="#">Social Contribution Activities</a>
3. Employment creation and skills development	04 Social > Relationship with the Community	P.52	<a href="#">Social Contribution Activities</a>
4. Technology development and access	04 Social > Relationship with the Community	P.52	<a href="#">Social Contribution Activities</a>
5. Wealth and income creation	04 Social > Relationship with the Community	P.52	<a href="#">Social Contribution Activities</a>
6. Health	04 Social > Relationship with the Community	P.52	<a href="#">Social Contribution Activities</a>
7. Social investment	04 Social > Relationship with the Community	P.52	<a href="#">Social Contribution Activities</a>



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