

“K” Line Implementation Guideline for Charter of Conduct

Kawasaki Kisen Kaisha, Ltd. (hereinafter referred to as “K” Line) has set the following items as an implementation guideline in order to put the spirit of “Charter of Conduct: “K” Line Group Companies” into practice.

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 care.
- 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.

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.

- 2-1 “K” Line promises to comply with applicable laws and ordinances, conventions, rules of the international community and social values such as ethical and moral codes.
- 2-2 “K” Line recognizes that anti-trust regulations in each respective country are the basic rule for fair, transparent and free competition, and promises not to enter into any agreement in breach of these nor abuse its dominant position.

- 2-3 “K” Line will always transact business based on appropriate purchasing policies outlined below and maintain fair and sound relationships with its business partners.
 - 1 Make purchasing decisions by providing fair opportunities and through impartial evaluation.
 - 2 Comply with laws, ordinances and social norms and build mutually trusting and cooperative relationships with business partners.
 - 3 Give due consideration to social responsibilities such as respect for human rights and safety, conservation of natural resources and environmental preservation.
 - 4 Pursue achievement of best quality with reasonable cost.
- 2-4 “K” Line will maintain transparent and sound relationships with governments and regulatory authorities.
- 2-5 “K” Line will neither offer nor receive any excessive entertainment, gifts or other favors beyond commonly accepted business courtesies.
- 2-6 “K” Line will neither offer nor receive a bribe, and it will not give or accept entertainment, gifts or other favors with the aim of unfair gain and preferential treatment.
- 2-7 “K” Line will seek to protect and fully utilize its intellectual property and respect intellectual property rights of others.
- 2-8 “K” Line will lay down strict internal rules and procedures to prevent any insider trading or suspicious activities from occurring and keep every member of the “K” Line Group duly informed and conform to such rules and procedures.
- 2-9 “K” Line will establish an internal reporting system and necessary measures for constantly monitoring compliance status and will respond timely and effectively if any problem arises.
- 2-10 “K” Line will set up a mechanism to ensure compliance with laws and regulations concerning security trade control policy.

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.

- 3-1 “K” Line recognizes safety in navigation and operations as its immediate top priority and ensures safety and quality of its services centering on international maritime transport.
- 3-2 “K” Line recognizes that its good relations with customers, business partners, shareholders, local communities and other stakeholders are imperative to its corporate activities, and will provide safe and valuable services.
- 3-3 “K” Line will give due consideration to harmony with public interest in recognition of the public nature of international maritime transport.
- 3-4 “K” Line will provide customers with adequate information concerning its services and will respond to inquiries in good faith.

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.

- 4-1 “K” Line will promote efforts to build a low-carbon society on a global scale.
- 4-2 “K” Line will promote efforts to build a material-cycle society.
- 4-3 “K” Line will endeavor to develop technology and establish new business models that will help

reduce adverse effects to environment caused by its business activities.

4-4 “K” Line will consider all the environmental risks contingent to its business activities and take measures against them.

4-5 “K” Line will promote efforts to conserve biodiversity and sustainable utilization of resources.

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.

5-1 To promote extensive communication with stakeholders such as shareholders and investors, “K” Line will disclose all facts and company information timely and appropriately with full respect for securities exchange policies.

5-2 “K” Line will promote communication with shareholders and investors through general shareholders meetings and investor-relations activities.

5-3 “K” Line will promote two-way communication with a broad range of stakeholders through publicity, dialogue and other activities.

5-4 “K” Line will protect and manage not only its own confidential information but also various types of information it has obtained such as personal and customer data in an appropriate and strict manner.

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 employee’s voluntary participation in such activities.

6-1 As a responsible and good corporate citizen, “K” Line will actively engage in social action programs, and set up an in-house structure.

6-2 “K” Line will identify priority issues in light of its management philosophy and promote community involvement activities by making use of its resources.

6-3 “K” Line will further and proactively contribute to society through cooperation and collaboration with a broad range of stakeholders, including NPO/NGO, local communities, government agencies and international organizations.

6-4 “K” Line will support its employees’ voluntary participation in social activities such as volunteer work.

6-5 “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.

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.

7-1 “K” Line will contribute to the development of each nation by offering know-how, cooperating in human resources development and deepening the friendship with related companies and organizations.

7-2 “K” Line will ask local business partners in each nation to understand the spirit of its “Charter

of Conduct” and its CSR approach and to improve their activities as needed.

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.

8-1 In cooperation with authorities and organizations concerned, “K” Line will endeavor in eliminating anti-social forces.

8-2 “K” Line will mobilize the entire corporation to act in accordance with the law and prevent anti-social forces and organizations from inflicting damage on it.

The management 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 will demonstrate decisiveness to resolve the problem, conduct a thorough investigation to determine the cause and take preventative measures. Additionally, the management will expeditiously and accurately release information and fulfill its accountability to society.

Adopted December, 2006

Revised August, 2012