

KPIs Related to Material Issues

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Category	Material Issues	Medium- to Long-term Goals (Aspirations)	Themes	KPIs	Medium- to Long-term Targets	FY2024 Targets	Achievement Status in FY2023	
Management base	Respect for human rights	To establish systems to respect the human rights of all stakeholders associated with the business activities of the "K" LINE Group as well as to prevent human rights violations.	Respect for human rights in the supply chain	Raising supplier awareness	Percentage of supplier surveys conducted	Covering the top 80% of transaction value by 2026	Covering the top 50% of transaction value	Not implemented
			Human rights awareness	Raising internal awareness	Percentage of participants taking e-learning courses on human rights	Overall participation rate:100%	Overall participation rate:90% or higher	Participation rate: in-house: 89.2%, Group companies in Japan: 85.4%, Group companies overseas: 83.1%
	Reinforcement of corporate governance	To exercise functions of the Board of Directors to make decision-making and supervision of management policies, and to carry out business execution based on those policies in a timely and appropriate manner, in order to increase medium- to long-term corporate value.	Compliance with the Principles of Japan's Corporate Governance Code (CG Code)	Principles of CG Code	Compliance rate of CG Code principles required for listed companies on Prime Market of Tokyo Stock Exchange	Continuous 100% compliance	Continues 100% compliance	Continued 100% compliance
			Continuous improvement of the board of directors effectiveness	Board of directors effectiveness	Implementation and disclosure of the board of directors effectiveness evaluation	Ongoing implementation on an annual basis	Conducting effectiveness evaluation through interviews	Conducted effectiveness evaluation by questionnaire method and released the results to the press
			Board of directors effectiveness	Periodic review of issues set out in the board of directors effectiveness evaluation	Ongoing quarterly reviews and feedback to the Board of Directors	Conduct quarterly reviews and provide feedback to the Board of Directors	Conducted 4 reviews (July and October 2023, February and April 2024)	
	Promotion and reinforcement of compliance	To conduct business activities with integrity, with executives and employees of the "K" LINE Group having a high awareness of compliance.	Thorough compliance with laws and regulations	Result indicators	Number of serious compliance violations	0 cases	0 cases	0 cases
Raising awareness on compliance			Raising internal awareness	Percentage of participants attending compliance training	Overall participation rate:100%	Overall participation rate:90% or higher	Achieved 90% or more	
Safety/Ship quality management	Promotion of safety in navigation and cargo operations	To establish both the global monitoring system and the region-based support and to prevent accidents by continuously strengthening its safe operation management system with both "human power" and "advanced / digital technology".	Accidents	Serious maritime accidents	0 cases	0 cases	0 cases	
			Delay	Delay time due to mechanical failure	15h per vessel p.a.	15h per vessel p.a.	520h per vessel p.a.	
Advancement of environmental technologies	"K" LINE low-carbon and carbon-free transition	To implement initiatives to promote "K" LINE decarbonization as well as to support the decarbonization of society in order to meet the challenge of achieving net zero GHG emissions by 2050 as defined in "K" LINE environmental vision.	"K" LINE decarbonization	Result indicators	CO2 emission efficiency (vs 2008)	50% reduction by 2030	Improved by 44%	
				Fuel conversion	Total CO2 emission volume (vs 2008)	Achieve net zero by 2050	Proceed with initiatives based on medium- to long-term targets	Reduced by 52%
				Number of LNG-fueled vessels introduced	2030: 35, 2040: 35, 2050:10	3 vessels		
	Supporting the development of a low-carbon and carbon-free society	Decarbonization of society	Environmental preservation activities	Number of forest conservation activities conducted	Once per year	Once per year	Once per year	
			Number of ammonia- / hydrogen-fueled vessels introduced	2050:200-250	0 vessels			
	Reducing "K" LINE's impact on the sea and air to zero	To minimize the environmental impact on the sea and air through biodiversity conservation initiatives such as prevention of oil pollution accidents and air pollution as well as the installation of ballast water treatment system.	Biodiversity	Marine pollution	Oil spill accidents	0 cases	0 cases	0 cases
Reduce impact				Installation of ballast water treatment systems	100% by June 2024	100%	99%	
Introduction of new state-of-the-art vessels				EEDI regulation value for new vessels ordered by the end of the year	EEDI Phase 3 and more	Aim to achieve 100% of EEDI Phase 3 or higher for new vessels ordered by the end of the year.	100%	
Promotion of innovation	To materialize reduction of the environmental impacts by introduction of fuel-efficient vessels with advanced energy-saving technology.	Low-carbonization	Wind power and others	Installation of "Saverwing"	2030: 50 vessels	Proceed with initiatives based on medium- to long-term targets	0 vessels	
			Operation efficiency	Installation of Kawasaki Integrated Maritime Solutions to owned / medium- to long term charter vessels	100%	90%		
			Human resource development	Number of certified DX utilizers	100 personnel by the end of FY2025	46 personnel	Started during the period	
Human resources	Diversity & inclusion	To conduct group and mid-career hiring of employees of diverse nationalities, educational backgrounds, genders, and work areas (administrative or technical), and to respect diversity generated as a result. In addition, to further promote diversity by encouraging male employees to participate in childcare, and by fostering and integrating a sense of unity with staff at overseas subsidiaries through "K" LINE UNIVERSITY.	Active participation by diverse personnel	Gender	Female employees comprising of managerial positions	15% (by FY2026)	-	6.8%
				Recruitment format	Ratio of mid-career hires among managers	-	-	16.5%
					Ratio of mid-career hires among employees in service	-	-	14.9%
	Shaping of working environment and promotion of health management	To positively consider personality, individuality and diversity of members of the "K" LINE Group and to improve work safety and conditions to offer them comfort and affluence.	Occupational safety	Health management	Stress check examination rate	90%	90.0%	92.1%(Onshore Personnel)/ 74.2%(Seafarers)
				Recruitment format	Ratio of mid-career hires among managers	-	-	16.5%
					Ratio of mid-career hires among employees in service	-	-	14.9%
The securing & development of human resources	To engage in the quantitative and qualitative acquisition and development of human resources in line with the needs of each business portfolio in order to improve corporate value, social and economic value, and to hire mid-career professionals throughout the year in addition to recruiting new graduates. To develop human resources from the perspectives of "human resources who can lead sustainable growth and transformation of the business" and "human resources who can flexibly respond to changes in the business environment."	Human resource development	Training cost per employee/Onshore personnel	-	199 thousand yen	171 thousand yen		

\* As of April 1, 2022, the target was set in the Action Plan to Promote the Active Participation of Women and Support the Development of the Next Generation Children, but has been achieved ahead of schedule. Currently considering setting targets for FY2025 and beyond.