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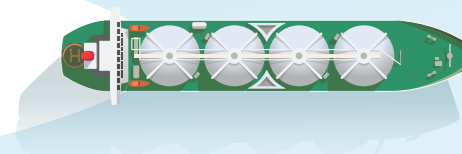
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### Editorial Policy

The “K” LINE Group is a logistics company rooted in the shipping industry 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  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. We produce this 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 data with our stakeholders, who have a particularly high awareness of the “K” LINE Group’s ESG initiatives.

### Reporting Period

Fiscal 2023 (April 1, 2023–March 31, 2024)

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

- Integrated Reporting Framework, The IFRS Foundation
- GRI Standards
- ISO 26000
- SASB Standards
- 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.

# At a Glance

The "K" LINE Group in Numbers (for Fiscal 2023)

## Environment

### Promotion of Innovation ▶ P.14

Installation rate of Kawasaki Integrated Maritime Solutions (integrated vessel operation and performance management system) on owned vessels and medium- to long-term chartered vessels

**90%**

### Response to Climate Change / TCFD Framework-Based Information Disclosure ▶ P.28

CO<sub>2</sub> emissions efficiency per deadweight ton-mile (vs. 2008)

Improved by  
**44%**

### ESG Performance ▶ P.17

CDP Climate Change and Supplier Engagement Assessment

**A** rated

### Supporting the Environmental Activities of Society ▶ P.58

Coastal cleanups, forest conservation efforts, and cleanups of areas around offices

Total **5** times

### Environmental Management ▶ P.25

Net sales from companies that have acquired ISO 14001 certification

Approximately  
**79%**

### Reducing "K" LINE's Impact on the Sea and Air ▶ P.39

Installation of ballast water treatment systems

**99%**

## Social

### Diversity & Inclusion ▶ P.73

Female employees comprising of managerial positions

**6.8%**

### The Securing and Development of Human Resources ▶ P.68

Training cost per employee (Onshore personnel)

**199**  
thousand yen

### Promotion of Safety in Navigation and Cargo Operations ▶ P.75

Number of Major Accidents

**0** cases

### Supply Chain Management ▶ P.82

Distribution of newsletters on initiatives for sustainable procurement

**4** times

(information sharing and awareness raising in the Group)

### Stakeholder Engagement ▶ P.87

IR activities

**130** companies  
(domestic IR and SR)

### Stakeholder Engagement ▶ P.87

IR activities

**175** companies  
(international IR and SR)

### Shaping of Working Environment and Promotion of Health Management ▶ P.61

Ratio of male employees taking childcare leave

**77.8%**

### Relationship with the Community ▶ P.89

Amount of disaster relief donations

**¥ 10** million

## Governance

### Reinforcement of Corporate Governance ▶ P.92

Ratio of outside directors

**62.5%**  
(5 of 8 directors are outside directors)  
(As of June 21, 2024)

### Risk Management ▶ P.103

Number of Ship Safety Promotion Committee meetings

**4** times  
(quarterly)

Number of Compliance Committee meetings

**2** times

### Promotion and Reinforcement of Compliance ▶ P.110

Number of serious compliance violations

**0** cases

### Digital Transformation (DX) ▶ P.113

Number of DX utilizer certification program participants

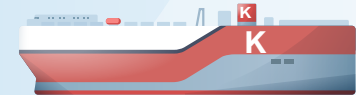
(December 2024)  
**107**

**K**

Section

01

## Corporate Principle



## Management Policy | Corporate Principle and Vision of the "K" LINE Group

### Corporate Principle

~  **Trust from all over the world** ~  
As a logistics company rooted in the shipping industry, we help make the lives of people more affluent.

### Vision

As a partner trusted by all its stakeholders, we aim for sustainable growth and greater corporate value by supporting the infrastructure of the global community.

### Values the "K" LINE Group Prizes

Providing safe and optimized services  
that put the customer first

Tireless attitude toward  
problem solving

Providing the value only "K" LINE  
can in pursuit of expertise

Relentless efforts to achieve  
innovation

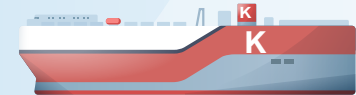
Contributing to the global  
environment and a sustainable society

Respecting individuals and ensuring  
fair business activities by embracing  
diverse values

Section

02

## The “K” LINE Group’s Materiality



## The "K" LINE Group's Materiality

### Materiality

As a part of identifying, evaluating, and managing sustainability-related risks and opportunities, we review and re-assess Materiality (key sustainability issues) as necessary. Our Group's most recent review in fiscal 2022 identified 12 new material issues. These are categorized into five areas, including safety / ship quality management, advancement of environmental technologies, digital transformation, and human resources—the four pillars of our functional strategy for a solid business foundation to realize the business strategies set forth in our medium-term management

plan—and management base, which serves as the foundation of the four pillars. The Group positions materiality as a set of key issues to be addressed in order to realize its corporate principle and vision, contribute to solutions for social issues, and achieve sustained growth and improve corporate value under the medium-term management plan.

Our basic principle, approach, and initiatives for each material issue are described on the relevant pages for each theme in this ESG Data Book.

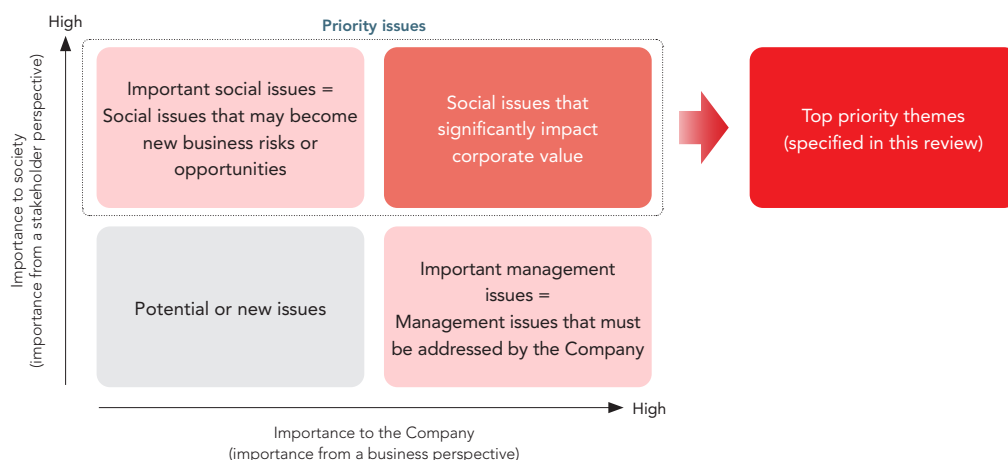
Category	Material Issues (Actions for Resolving Social Issues)	Related SDGs
Management base	Respect for human rights <a href="#">▶ P.79</a>	
	Reinforcement of corporate governance <a href="#">▶ P.92</a>	
	Promotion and reinforcement of compliance <a href="#">▶ P.110</a>	
Safety / Ship quality management	Promotion of safety in navigation and cargo operations <a href="#">▶ P.75</a>	
Advancement of environmental technologies	"K" LINE low-carbon and carbon-free transition <a href="#">▶ P.35</a>	
	Supporting the development of a low-carbon and carbon-free society <a href="#">▶ P.36</a>	
	Reducing "K" LINE's impact on the sea and air to zero <a href="#">▶ P.39</a>	
Digital transformation	Promotion of innovation <a href="#">▶ P.14</a>	
	Reinforcement of response to digital transformation (DX) <a href="#">▶ P.113</a>	
Human resources	Diversity & inclusion <a href="#">▶ P.73</a>	
	Shaping of working environment and promotion of health management <a href="#">▶ P.61</a>	
	The securing and development of human resources <a href="#">▶ P.68</a>	

## The "K" LINE Group's Materiality

### Process to Identify Materiality

#### Process to Identify Materiality

When identifying materialities, the Group referred to various sources of guidance related primarily to corporate social responsibility (CSR), including ISO 26000 and the OECD Guidelines for Multinational Enterprises. While considering Sustainable Development Goals (SDGs) and other social issues, we analyzed and evaluated materiality from the two perspectives of importance to the Company (importance from a business perspective) and importance to society (importance from a stakeholder perspective), in addition to factors such as their alignment with our business strategy and their impact on value creation.



#### Steps for Analyzing Materiality

We conducted materiality analysis using the following three steps:

##### STEP 1

###### Create a list of social issues

- Create a list of social issues with a focus on the SDGs (extensive list of 115 items in total)
- Narrow down the list of social issues, taking into consideration their relevance to the Company's businesses and their uniqueness to the maritime industry (short list of 50 items in total)

##### STEP 2

###### Evaluate the social issues (on their importance to the Company and their importance to society)

- From the following perspectives, evaluate the importance of the 50 social issues shortlisted in Step 1:
  - **Importance to the Company**  
We evaluated the impact of each social issue on the Company's corporate value from the perspective of risks and opportunities. We also administered a survey to our Group executives and employees to gather their opinions on social issues to be addressed by the Group on a priority basis.
  - **Importance to society**  
We analyzed the impact of each social issue on key stakeholders of the Group (customers, investors, employees, local communities, and global society) from the standpoint of each stakeholder.

##### STEP 3

###### Identify materiality

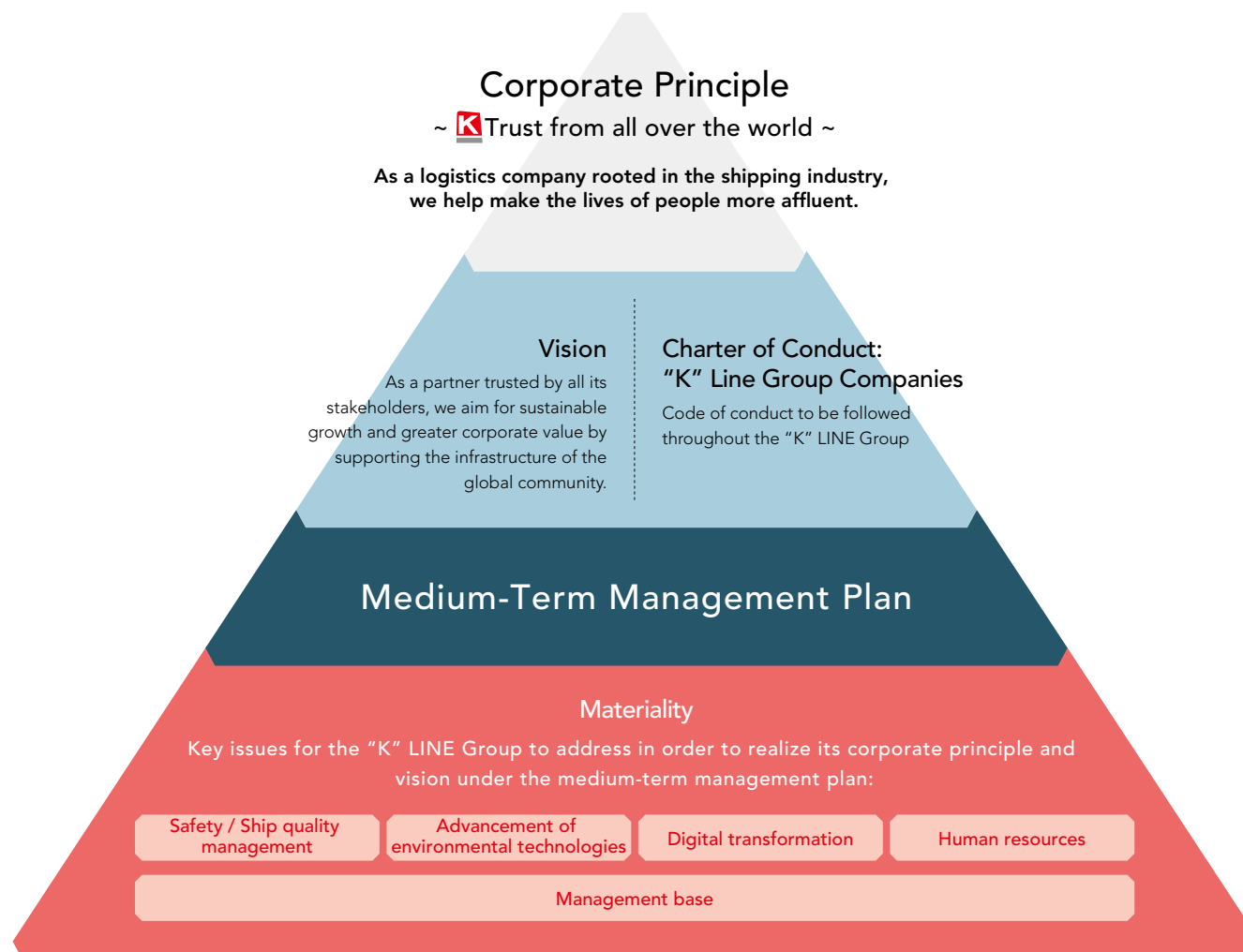
- In Step 2, we positioned items of high importance to both the Company and its stakeholders as social issues that have a high impact on the Company's corporate value. These have been further consolidated into a total of 12 actions for resolving social issues in order to create a materiality proposal.
- A dialogue is held between outside experts and the Company's management to exchange opinions on the materiality proposal.
- The materiality proposal is finalized based on the aforementioned dialogue. This proposal is then discussed by the Corporate Sustainability Management Committee, and a final decision is made at the Management Conference, after which it is reported to the Board of Directors.



## The "K" LINE Group's Materiality

### Connection between Materiality and Corporate Principle, Vision, and Medium-Term Management Plan

"K" LINE's materiality is positioned as key issues to address in order to realize its corporate principle and vision based on the medium-term management plan, achieve sustainable growth, enhance corporate value, and contribute to overcoming social issues. Namely, we aim to ensure the sustainability of the "K" LINE Group, society, and the environment.



Section  
**03**

The “K” LINE Group’s  
Sustainability Management



## The "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 "K" LINE Group's Sustainability Management

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](#)

## Promotion System for Sustainability

### Sustainability Governance

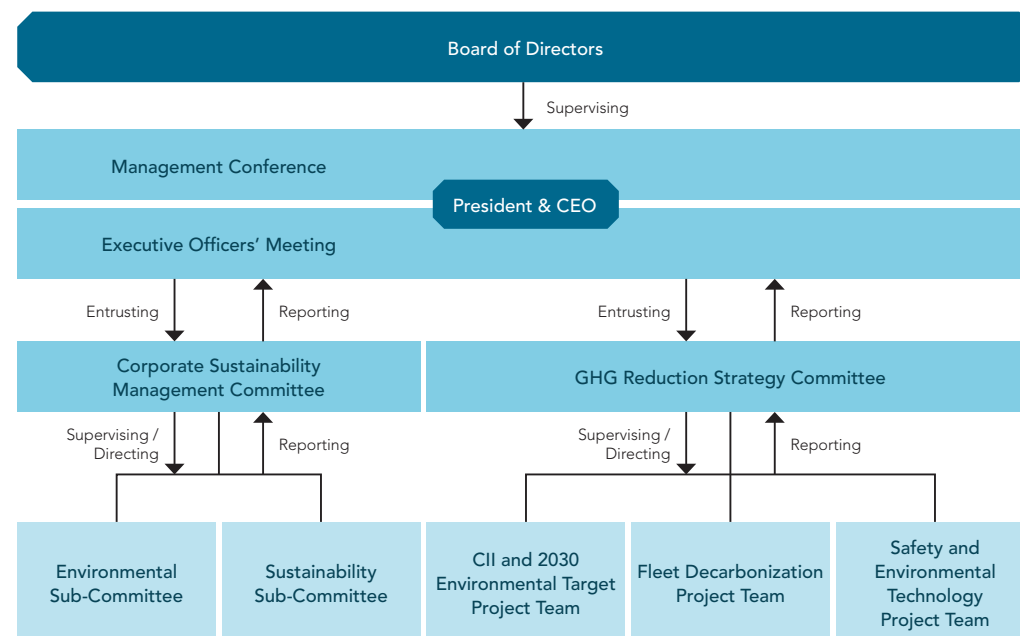
Amid global changes in values and behavior, as well as increasing awareness of the need to reduce the burden of climate change on the environment, "K" LINE considers sustainability management a priority issue for enhancing corporate value over the medium- to long-term and discusses the issue as necessary at Board of Directors' meetings. To strengthen our management focus on these issues, we have established the Corporate Sustainability Management Committee and the GHG Reduction Strategy Committee, chaired by the President & CEO.

The Corporate Sustainability Management Committee is enhancing corporate value by reviewing and formulating a promotion system for the "K" LINE Group's sustainability management.

The general managers of each business group are members of the Sustainability Sub-Committee, a subcommittee under the Corporate Sustainability Management Committee that addresses materialities identified by the Group. The Sustainability Sub-Committee monitors the implementation of initiatives related to materialities and regularly reports on their progress to the Corporate Sustainability Management Committee.

The second committee, the Environmental Sub-Committee is responsible for operating the environmental management system formulated in accordance with the "K" LINE Group Environmental Policy and the standards of the International Organization for Standardization (ISO), and engaging in other environmental activities.

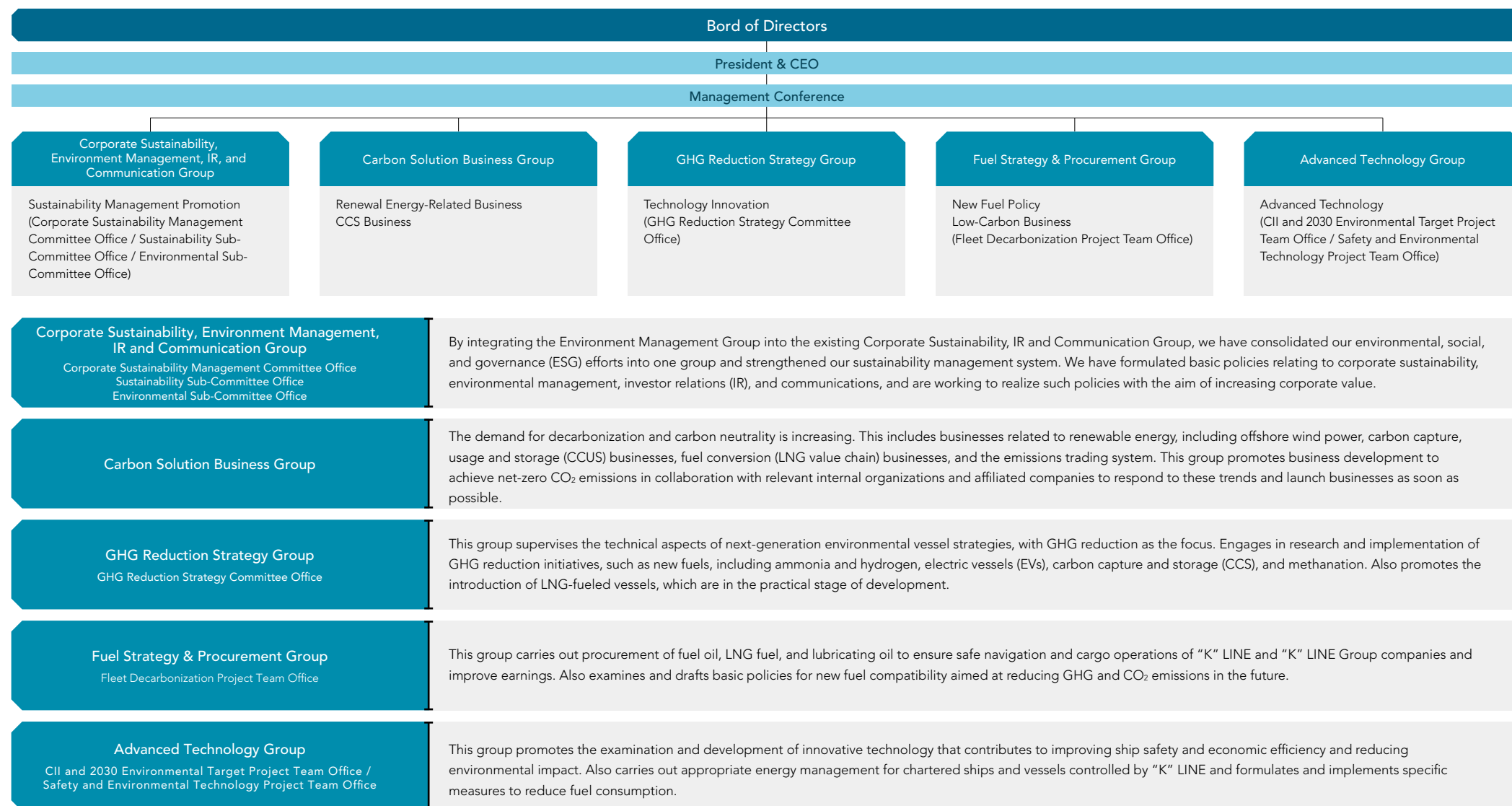
Meanwhile, the GHG Reduction Strategy Committee formulates GHG reduction strategies, primarily focusing on fuel conversion, for the Group in response to the urgent need for various environmental countermeasures. The committee is also responsible for formulating policies for, and overseeing the implementation of, comprehensive response strategies, technical measures such as equipment selection, and preparations for smooth operations. Specifically, 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.



## The "K" LINE Group's Sustainability Management

### Sustainability Management Structure

As an organization responsible for promoting sustainable management, we are accelerating sustainability efforts through the activities of the Corporate Sustainability, Environment Management, IR and Communication Group, the Carbon Solution Business Group, the GHG Reduction Strategy Group, the Fuel Strategy & Procurement Group, and the Advanced Technology Group.



## Promotion of Innovation

### Approach

For the "K" LINE Group, refining our unique strengths of safety, environmental performance, and quality to provide new value to customers and society is an important issue.

In addition to the expertise accumulated over many years, we will work together with our business partners to introduce new hardware and software technology, develop innovative customer-oriented technology, provide technical support for new businesses, and carry out appropriate energy management, including performance management, for all of "K" LINE's

vessels in operation. As a result, we promote "K" LINE's differentiation strategy and increase in profitability by improving the Group's added value and environmental preservation by reducing fuel costs and CO<sub>2</sub> emissions.

Furthermore, we will refine the Group's core values and boost competitiveness through initiatives for both the pursuit of new technology and the strengthening of our response from study and demonstration to implementation.

### Promotion System

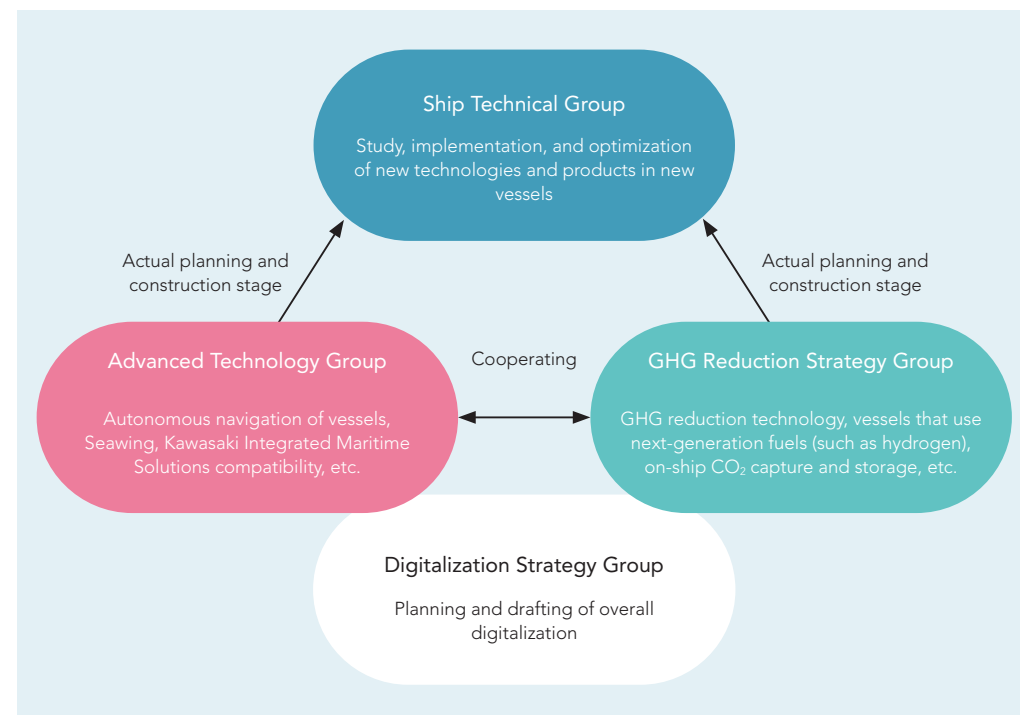
"K" LINE is engaged in technological research and development that contributes to strengthening competitiveness and enhancing corporate value to promote innovation, which is the central focus of the Advanced Technology Group, the GHG Reduction Strategy Group, and the Ship Technical Group.

The Advanced Technology Group carries out initiatives related to new technology that has not been commercialized or generalized and technology that utilizes big data, such as the development of autonomous vessels, and AI analysis of navigation data gathered from its fleet of ships.

The GHG Reduction Strategy Group carries out research and development on maritime transportation services that use GHG reduction technology, such as CO<sub>2</sub> capture technology, and alternative fuel technologies, such as ammonia and hydrogen. The GHG Reduction Strategy Group also carries out research and development on services that support the reduction of GHG emissions in society, such as CO<sub>2</sub> and hydrogen transportation.

The Ship Technical Group is responsible for all aspects of the study and implementation of new technologies and products in new vessels.

These groups work in collaboration with the Digitalization Strategy Group, which plans and drafts strategies for digitalization, and promote innovation that contributes to enhancing "K" LINE's corporate value.



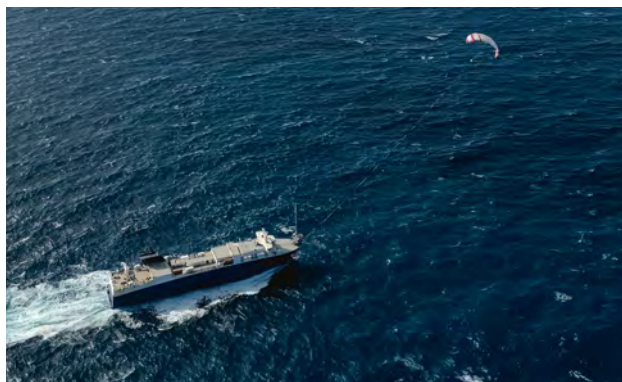
Promotion of Innovation

## Initiatives

### Introduction of Seawing, the Automated Kite System That Harnesses Natural Energy

Seawing is a wind power propulsion system that utilizes wind force to gain traction by letting out a large kite that is attached to the bow of a vessel. Seawing flies at 300 meters, where the wind is stronger than at sea level and much more stable. The aim of Seawing is to reduce the GHG emissions associated with ship operations by using wind. The first Seawing for "K" LINE was retrofitted on our cape-size bulk carrier. After conducting commissioning and several flight tests onboard, we will start normal operation of the first Seawing unit. We have also established a land-based test site in Western Sahara to advance technology development for larger kites. A feature of Seawing is that its operation is fully automated, from deployment of the kite and flight management to storage after use. Furthermore, since the kite is operated with a simple button on the bridge, there is no additional burden on ship crew members for operating the kite except maintenance work. Another feature is the Seawing's high flexibility in terms of the types of vessels it can be installed on, which even extends to existing ships.

Compared with vessels only fueled by heavy oil, we expect to reduce GHG emissions by more than 10% on average on JPN-AUS routes for large bulk carriers, though this depends on the route and speed of the vessel. The maritime shipping business as a whole is currently exploring a conversion from heavy oil to alternative fuels, with the aim of achieving the targets set by the International Maritime Organization for reducing the volume of GHG emissions to zero by around 2050. However, to expand the use of alternative fuels, a worldwide supply

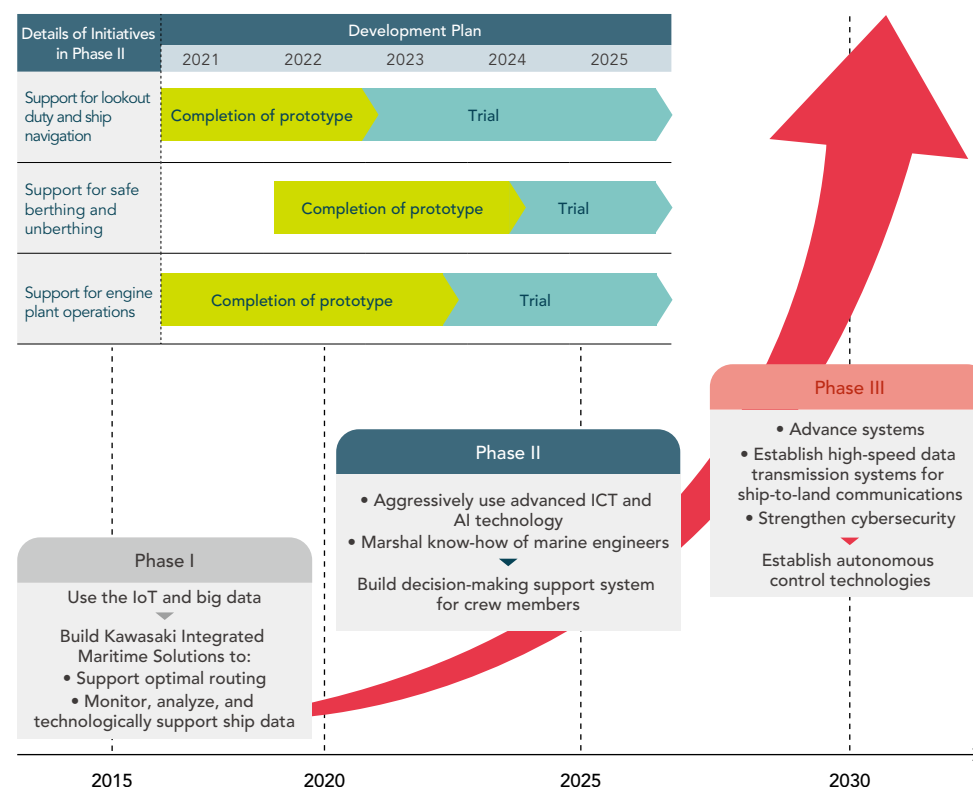


network needs to be developed. Meanwhile, the advantage of Seawing is that "K" LINE can independently and proactively advance initiatives for reducing GHG emissions without waiting for the realization of such circumstances. Lowering GHG emissions naturally means that less fuel is used for that purpose, which leads to a reduction in fuel costs. The use of alternative fuels

instead of heavy oil is expected to expand in the future, but the price of these new fuels would be higher than that of heavy oil. In this light, the installation of Seawing also has value.

### "K"-Assist Project

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





## Promotion of Innovation

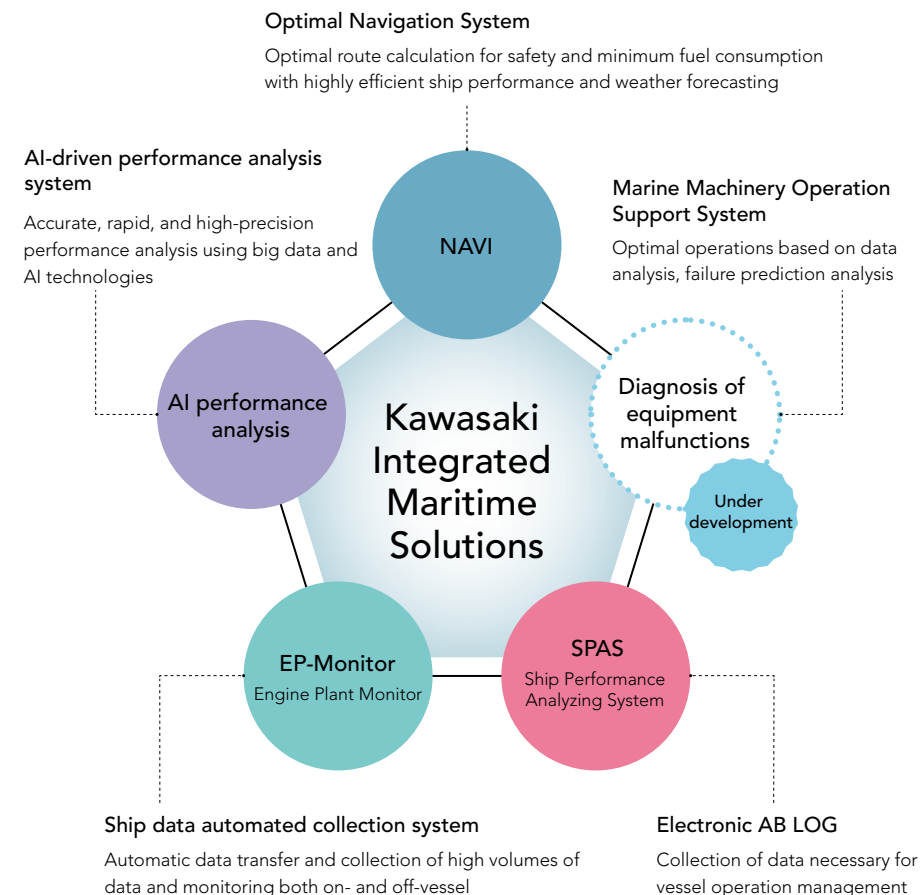
### Kawasaki Integrated Maritime Solutions

"K" LINE utilizes Kawasaki Integrated Maritime Solutions (an integrated vessel operation and performance management system) to implement and improve safe and economic navigation of vessels in operation and to observe environmental preservation. This comprehensive system, which was developed in association with the Kawasaki Heavy Industries Group, integrates a ship performance analysis system that evaluates the performance degradation of individual and fleet of vessels, and an optimal navigation system that calculates and recommends safe and fuel-efficient routes based on the latest meteorological data and actual ocean performance analysis models for each vessel, with a data collection and monitoring system at the core.

Furthermore, from 2021 we have been expanding installation on medium- to long-term charter vessels. Kawasaki Integrated Maritime Solutions have been installed on approximately 200 vessels, including owned vessels and charter vessels. The navigation data collected from each vessel is shared through a common platform on the cloud, with the vessel owner, management companies and related departments within "K" LINE, with the aim of grasping the operating conditions in real time and further advancing the operational management of the vessel.

By combining operational data with AI, propulsion performance can now be evaluated with high precision for each vessel, in response to the CII rating system that began in 2023, fuel efficiency ratings can also be predicted, enabling efficient vessel deployment and operation while maintaining optimal ratings.

### Kawasaki Integrated Maritime Solutions (Integrated Vessel Operation and Performance Management System) Structure



## ESG Performance

### KPIs Related to Material Issues

The Group sets goals and indicators (KPIs) that are aligned with each materiality theme and monitors progress.

As in the previous years, for fiscal 2024, we have set single-year targets after evaluating the progress made in the previous fiscal year. We will continue our efforts to achieve the medium- to long-term targets.

Category	Material Issues	KPIs related to 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: 86.4% Group companies overseas: 93.1%
	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 ratio of CG Code principles required for listed companies on Prime Market of Tokyo Stock Exchange	Continue 100% compliance	100% compliance	Achieved 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	Conduct 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 officers 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 capabilities” and “advanced / digital technology”.	Accidents		Serious maritime accidents	0 cases	0 cases
Delay					Delay time due to mechanical failure	10h per vessel p.a.	10h per vessel p.a.	5.92h per vessel p.a.
Advancement of environmental technologies	“K” LINE low-carbon and carbon-free transition	To Implement initiatives to promote “K” LINE decarbonation 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	CO <sub>2</sub> emission efficiency (vs 2008)	50% reduction by 2030	Proceed with initiatives based on medium- to long-term targets	Improved by 44%
				Total CO <sub>2</sub> emission volume (vs 2008)	Achieve net zero by 2050	Reduced by 52%		
				Fuel conversion	Number of LNG-fueled vessels introduced	2030: 35, 2040: 35, 2050: 10 vessels		3 vessels
					Number of ammonia- / hydrogen-fueled vessels introduced	2050: 200–250 vessels		0 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	
	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 incidents 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%	
Digital transformation	Promotion of innovation	To materialize reduction of the environmental impacts by introduction of fuel-efficient vessels with advanced energy-saving technology.	Low-carbonization	Introduction of new state-of-the-art vessels	EEDI regulation values for new vessels ordered by the end of the year	EEDI Phase 3 or higher	Aim to achieve 100% of EEDI Phase 3 or higher for new vessels ordered by the end of the year.	100%
				Wind power and others	Installation of “Seawing”	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%
	Reinforcement of response to digital transformation (DX)	To establish systems in which all officers and employees have a sense of ownership in DX so as to take the initiative in promoting DX led in the front lines.	Development of DX human resources	Human resource development	Number of certified DX utilizers	100 personnel by the end of FY2025	40 personnel	Started during the period

## ESG Performance

Category	Material Issues	KPIs related to Material Issues						
		Medium- to Long-term Goals (Aspirations)	Themes	KPIs	Medium- to Long-term Targets	FY2024 Targets	Achievement Status in FY2023	
Human resources	Diversity & inclusion	To conduct group and mid-carrier 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	Labor	Average monthly overtime working hours	Within 40 hours*	–	7.4 hrs
				Flexible workstyle	Ratio of male employees taking childcare leave	20%*	–	77.8%
			Health management	Mental well-being	Stress check examination rate	90%	90.0%	92.1% (Onshore Personnel)/ 74.3% (Seafarers)
	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.”	Active participation by diverse personnel	Recruitment format	Ratio of mid-career hires among managers	–	–	16.5%
					Ratio of mid-career hires among employees in service	–	–	14.9%
				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.

## ESG Performance

### Latest Major Initiatives

#### Delivery of CAPE HAYATE, Our First LNG-Fueled Cape-Size Bulk Carrier

On May 30, 2024, our first LNG-powered 210,000 dwt cape-size bulk carrier CAPE HAYATE was delivered.

CAPE HAYATE is the first cape-size bulk carrier in "K" LINE to be equipped with a dual-fuel diesel engine that utilizes LNG as its primary fuel. LNG fuel is expected to reduce emissions of carbon dioxide (CO<sub>2</sub>), a greenhouse gas (GHG), by 25% to 30%; emissions of sulfur oxide (SO<sub>x</sub>), which causes air pollution, by almost 100%; and emissions of nitrogen oxide (NO<sub>x</sub>) by approximately 75%, which meets the International Maritime Organization (IMO) Tier III NO<sub>x</sub> regulations, as compared to conventional vessels using heavy fuel oil. CAPE HAYATE is equipped with the latest dual-fuel electronic control engine, 7X62DF-2.1 iCER by WinGD, with plans to install Seawing—an automated kite system utilizing wind power—to further reduce GHG emissions. Please turn to page 15 for information on Seawing.

"K" LINE Environmental Vision 2050 sets a goal of a 50% improvement in CO<sub>2</sub> emissions efficiency by 2030 (compared to 2008), exceeding the International Maritime Organization's (IMO) goal of a 40% improvement, and attempts to achieve net-zero GHG emissions as a goal for 2050. We will continue promoting carbon-free of our own operations as well as support the carbon-free of society at large.



CAPE HAYATE, our first LNG-fueled cape-size bulk carrier

#### Delivery of a Liquefied CO<sub>2</sub> Vessel for Northern Lights

Between November and December 2024, two new liquefied CO<sub>2</sub> carriers, NORTHERN PIONEER and NORTHERN PATHFINDER, were delivered for Northern Lights JV DA (Northern Lights). These two vessels, which will serve in the world's first full-scale carbon dioxide capture and storage (CCS) value chain project led by Northern Lights, a joint venture between Equinor, Shell, and TotalEnergies, will be managed by our London-based subsidiary "K" LINE LNG Shipping (UK) Ltd., transporting liquefied CO<sub>2</sub> from CO<sub>2</sub> capture facilities in Norway to the Northern Lights receiving terminal in Øygarden, western Norway. We signed Bare Boat Charter and Time Charter contracts for three liquefied CO<sub>2</sub> vessels of the four vessels ordered by Northern Lights, including the two mentioned here.

The "K" LINE Group is promoting a variety of initiatives to accelerate our own low-carbon and carbon-free while supporting the low-carbon and carbon-free of society based on the "K" LINE Environmental Vision 2050. We aim to achieve a sustainable society and increase corporate value by applying the knowledge gained from pioneering liquefied CO<sub>2</sub> transportation projects to future business development.



Liquefied CO<sub>2</sub> carriers "NORTHERN PIONEER"

#### Establishment of Marine Geological Survey Business Company and Delivery of Survey Vessel EK HAYATE

"K" Line Wind Service, Ltd., a joint venture between "K" LINE and its subsidiary Kawasaki Kinkai Kisen Kaisha, Ltd., together with EGS Survey Pte Ltd (EGS), a marine geological survey company established in 1974 with offices worldwide including Europe, Americas, Asia, and Australia, established EK Geotechnical Survey LLC (EKGS) to conduct a marine geological survey business. EKGS provides a variety of marine survey services such as offshore drilling to meet demand for offshore ground surveying, which is expected to grow with the development of offshore wind power.

In September 2024, the geotechnical survey vessel, EK HAYATE, owned by EKGS, commenced service as a Japanese-flagged vessel capable of providing offshore drilling services. As the Japanese-flagged geotechnical survey vessel, this is equipped with a dynamic positioning system (DPS) for maintaining the vessel's planned position and an advanced rig featuring motion compensation to conduct soil sampling, offshore drilling, and more. The deck has a laboratory with a variety of measuring instruments, enabling immediate offshore lab testing and facilitating safe and efficient surveys, even under tight time constraints.

EKGS will contribute to the development of the offshore wind power industry to support the shift to carbon neutrality using this vessel and assets from both the "K" LINE and EGS groups.



Survey vessel EK HAYATE

## ESG Performance

### Donations to Support Seaweed Bed Regeneration Project in Minami Town, Tokushima Prefecture

"K" LINE has resolved to support a seaweed bed regeneration project implemented by the "Moaiibu," a general incorporated association in Minami Town, Tokushima Prefecture, and donated ¥2 million to the town on June 12, 2024.

The presentation ceremony held in Minami Town on June 18, 2024, was attended by Mayor Nobuyoshi Kageji, the General Manager of the "K" LINE Kansai Branch, and other stakeholders.

Moaiibu is the primary organization behind a seaweed bed regeneration project launched by Minami Town, Tokushima Prefecture, and other local stakeholders to address the issue of sea desertification (loss of seaweed beds) in the town, which is famous as a site where loggerhead sea turtles lay their eggs. Through initiatives centered on seaweed bed regeneration, such as the development of local products made with mottled spinefoot, one of the causes of sea desertification, and materials for regenerating seaweed beds and fishing grounds, Moaiibu aims to build a virtuous cycle model for regional development and the future of the Earth.

#### Seaweed Bed Regeneration Cycle



### Seminar on Female Marine Engineers in Conjunction with the International Day for Women in Maritime

On May 20, 2024, "K" LINE held an online seminar focused on female in maritime, for approximately 60 female students in maritime colleges in conjunction with the International Day for Women in Maritime on May 18.

The seminar aimed to provide an opportunity to resolve anxiety and questions for women who are considering becoming seafarers. In addition to explaining life onboard for female seafarers and career paths that consider various milestones in life, the seminar also featured a Q&A session for the students hosted by six female seafarers at "K" LINE and based on their real-life experiences.

Female seafarers at "K" LINE work in various fields and build up their careers as they adapt to work at sea and on land (including international posts), maternity leave, and other aspects of life. At sea, the first female "K" LINE's captain has taken command of an LNG carrier (LAGENDA SURIA) since May 2024.

"K" LINE supports the philosophy of the International Day for Women in Maritime. We will continue our efforts to maintain and improve a safe and comfortable environment where onshore and offshore personnel with diverse values and different nationality, gender can make full use of their skills.





## ESG Performance

## External Recognition

"K" LINE has received recognition for its efforts in non-financial areas such as CSR and ESG activities, including inclusion in major global ESG investment indices and the receipt of various awards.

## Inclusion in ESG Investment Indices

### Overview

#### ► Dow Jones Sustainability Asia/Pacific Index

Provided by U.S.-based S&P Dow Jones Indices LLC, this ESG index evaluates the sustainability of the world's leading companies based on economic, environmental, and social criteria. As of September 19, 2024, our company ranked in the 86th percentile in the Transportation industry in the S&P Global Corporate Sustainability Assessment.

<https://www.spglobal.com/esg/csa/>



#### ► FTSE4Good Index

This investment index was developed by FTSE Russell, which is wholly owned by the London Stock Exchange Group, and its constituents are selected from companies around the world that have demonstrated outstanding performance in their environmental, social, and governance (ESG) efforts. It is also widely used to create and evaluate sustainable investment funds and other financial instruments.

<https://www.lseg.com/en/ftse-russell/indices/ftse4good>



#### FTSE Blossom Japan Index

#### ► FTSE Blossom Japan Index

Using FTSE Russell's ESG rating methodology, this index is designed to measure the performance of Japanese companies that demonstrate outstanding responses from an ESG perspective and is widely used to create and evaluate sustainable investment funds and other financial instruments.

<https://www.lseg.com/en/ftse-russell/indices/blossom-japan>



#### FTSE Blossom Japan Sector Relative Index

#### ► FTSE Blossom Japan Sector Relative Index

Created by FTSE Russell, this index is designed to be sector neutral as, in addition to ESG assessments, it screens eligible companies using an assessment of the size of a company's environmental footprint and its management of corporate climate change risks.

<https://www.lseg.com/en/ftse-russell/indices/blossom-japan>

#### ► MSCI Japan Empowering Women Index (WIN)

Developed by U.S.-based Morgan Stanley Capital International Inc. (MSCI), this is a stock price index that was created to classify companies with outstanding gender diversity based on MSCI's unique Gender Diversity Score.

<https://www.msci.com/our-solutions/indices/japan-empowering-women-select-index>

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2024 CONSTITUENT MSCI JAPAN  
EMPOWERING WOMEN INDEX (WIN)

### Overview



#### ► S&P/JPX Carbon Efficient Index

One of the ESG indices adopted by the 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.

<https://www.jpjx.co.jp/english/markets/indices/carbon-efficient/index.html>

2024



Sompo Sustainability Index

#### ► Sompo Sustainability Index

This ESG-focused management product, which Sompo Asset Management Co., Ltd. began operating in August 2012, consists of approximately 300 stocks that have outstanding ESG performance and is used to build a sustainable management portfolio.

<https://www.sompo-am.co.jp/institutional/product/06/> (in Japanese only)

## ESG Performance

## Major Awards and Recognition

### Contents



"K" LINE has been selected for the eighth consecutive year to be on the Climate Change A List, achieving an A, the highest score in the CDP's Climate category. CDP is an international non-profit organization (NGO) headquartered in London, which conducts a survey on climate change risks and opportunities and the responses of companies and other entities.

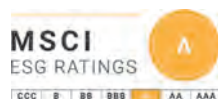
The results of the survey are used as a universal indicator to measure corporate value.

<https://www.cdp.net/en>



"K" LINE has been recognized for the sixth consecutive year as a Supplier Engagement Leader, the top rating on the Supplier Engagement Rating from the CDP. Supplier Engagement Rating evaluates the companies' initiatives for climate change and greenhouse gas emissions throughout the supply chain and ranks the companies in line with their efforts.

<https://www.cdp.net/en>



Morgan Stanley Capital International (MSCI) is a U.S. finance company headquartered in New York City. It is an investment research firm that provides stock indexes and portfolio analytics. In 2024, "K" LINE received a rating of A in the MSCI ESG Ratings assessment.

<https://www.msci.com/sustainable-investing/esg-ratings>

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Sustainalytics is a part of the Morningstar group, which provides high-quality analytical ESG research, ratings, and data to institutional investors and companies. In July 2024, "K" LINE received an ESG Risk Rating of 18.7 and was assessed by Morningstar Sustainalytics to be at Low risk of experiencing material financial impacts from ESG factors.

<https://www.sustainalytics.com/esg-ratings>

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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/) (in Japanese only)

### Contents



"K" LINE was granted Kurumin certification for the third 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) (in Japanese only)



"K" LINE has been recognized for the sixth time in five consecutive years under the 2024 Health & Productivity Management Organization Recognition Program (large enterprise category), which is jointly hosted by the Ministry of Economy, Trade and Industry and the Japan Health Council. The program recognizes companies for their outstanding health and productivity management efforts.

[https://www.meti.go.jp/policy/mono\\_info\\_service/healthcare/kenkoukeiei\\_yuryouhouzin.html](https://www.meti.go.jp/policy/mono_info_service/healthcare/kenkoukeiei_yuryouhouzin.html) (in Japanese only)



"K" LINE was selected as a "DX Certified Business Operator" under the Digital Transformation (DX) Certification established by the Ministry of Economy, Trade and Industry in April 2022.

[https://www.meti.go.jp/policy/it\\_policy/investment/dx-nintei/dx-nintei.html](https://www.meti.go.jp/policy/it_policy/investment/dx-nintei/dx-nintei.html) (in Japanese only)

<https://www.kline.co.jp/ja/news/other/other-20220404.html> (in Japanese only)



"K" LINE was selected as the excellent company for '2024 Awards for Excellence in Corporate Disclosure' by The Securities Analysts Association of Japan in the category of transportation companies.

<https://www.saa.or.jp/english/advocacy/disclosure.html>



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. In 2024, "K" LINE was granted the Commendation Award for seven consecutive years.

[https://www.daiwair.co.jp/news/internet\\_IR2024.html](https://www.daiwair.co.jp/news/internet_IR2024.html) (in Japanese only)



"K" LINE has been selected as one of the best corporate websites in Japan for 4 consecutive years since 2021 in "comprehensive ranking of all Japanese listed companies' website 2024" by Nikko Investor Relations Co., Ltd. Also, it has been selected as the best corporate website in sector ranking in Japan (Shipping) for the second consecutive year following last year.

<https://www.nikkoir.co.jp/english/>

ESG Performance

## Participation in External Initiatives

"K" LINE aims to strengthen its sustainability efforts by deepening its partnerships with various institutions, companies, and organizations by participating in external initiatives.

Initiative / Name of Organization	Overview
	<p><b>United Nations Global Compact</b></p> <p>The United Nations Global Compact (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. The signatory companies and organizations are required to support and practice the Ten Principles of the UNGC in the four areas of human rights, labor, environment, and anti-corruption.</p> <p>"K" LINE endorses this initiative and has been a participant since April 2020.</p> <p>We are also a member of the Global Compact Network Japan (GCNJ), and actively participate in its subcommittees in which member companies and organizations engage in theme-based discussions and information exchanges on how to proceed with relevant efforts.</p> <p><a href="https://www.unglobalcompact.org/">https://www.unglobalcompact.org/</a></p>
	<p><b>GX League</b></p> <p>The GX (Green Transformation) League Basic Concept, announced by the Ministry of Economy, Trade and Industry in February 2022, is a platform for supporting companies in collaborating with industry, government, and academia to discuss visions for a sustainable future, market creation and rule-making, and voluntary emissions trading with the aim of achieving carbon neutrality and social change by 2050. "K" LINE has participated since 2023 and continues to hold discussions and pilot initiatives in collaboration with other companies.</p> <p><a href="https://gx-league.go.jp/en/">https://gx-league.go.jp/en/</a></p>
	<p><b>TCFD Consortium</b></p> <p>The Task Force on Climate-related Financial Disclosures (TCFD) Consortium was established as a platform for companies that endorse the recommendations of the TCFD to discuss effective information disclosure and initiatives for linking disclosed information to facilitate appropriate investment decisions by financial and other institutions. "K" LINE has been a member of this consortium since May 2019 and will take proactive steps to enhance our autonomous disclosure of information.</p> <p><a href="https://tcfd-consortium.jp/en">https://tcfd-consortium.jp/en</a></p>
	<p><b>TNFD Forum</b></p> <p>The Taskforce on Nature-related Financial Disclosures (TNFD) is an international initiative that aims to create an appropriate evaluation and disclosure framework for risks and opportunities related to natural capital and biodiversity.</p> <p>The TNFD Forum is a gathering of stakeholders, composing companies, financial institutions, and research organizations, that have organized for the purpose of advancing discussions and the creation of frameworks for the TNFD.</p> <p>"K" LINE has been a member of this forum since November 2023 and is taking initiatives to preserve the environment and proactively disclose information.</p> <p><a href="https://tnfd.global/engage/tnfd-forum/">https://tnfd.global/engage/tnfd-forum/</a></p>
	<p><b>Global Maritime Forum</b></p> <p>Founded in 2017, the Global Maritime Forum is an international non-profit organization that unites maritime industry leaders and experts to drive sustainable economic growth and enhance workforce well-being through collaboration and collective action. "K" LINE joined the forum in 2025 and actively engages in discussions with members from various industries.</p> <p><a href="https://globalmaritimeforum.org/">https://globalmaritimeforum.org/</a></p>

Initiative / Name of Organization	Overview
	<p><b>Japan Climate Initiative</b></p> <p>The Japan Climate Initiative (JCI) is a network established in July 2018 with the aim of improving the dissemination of ideas and exchange of opinions among corporations, municipalities, NGOs, and other institutions that are actively working to implement climate change countermeasures. "K" LINE has participated in the initiative since 2020 and is working together with participating members to achieve the target of net-zero emissions.</p> <p><a href="https://japanclimate.org/english/">https://japanclimate.org/english/</a></p>
	<p><b>Getting to Zero Coalition</b></p> <p>The Getting to Zero Coalition is a business alliance established with the aim of promoting decarbonization in the maritime industry and comprises key stakeholders from across the maritime sector, including shippers, ship classification societies, financial institutions, and shipbuilders. "K" LINE has been a member since 2019, and the organization has set a goal to realize zero-emissions fuel operations for vessels on a commercial basis by 2030 in order to meet the 2050 target of zero GHG (greenhouse gas) emissions.</p> <p><a href="https://globalmaritimeforum.org/getting-to-zero-coalition/">https://globalmaritimeforum.org/getting-to-zero-coalition/</a></p>
	<p><b>Plastics Smart</b></p> <p>The Ministry of the Environment has launched a campaign called Plastics Smart—for Sustainable Oceans to encourage a wide range of entities, including individuals, municipalities, NGOs, corporations, and research institutions, to work together to solve the problem of plastics in the world's oceans. "K" LINE participates in this initiative through efforts such as collecting and recycling plastic bottle caps and conducting joint research on microplastics with Tokyo University of Marine Science and Technology.</p> <p><a href="http://plastics-smart.env.go.jp/">http://plastics-smart.env.go.jp/</a> (in Japanese only)</p>
	<p><b>Keidanren Initiative for Biodiversity Conservation</b></p> <p>This is a compilation of future-oriented policies and concrete examples of initiatives submitted by companies and organizations that endorse the Keidanren Declaration for Biodiversity and Guideline, a declaration formulated by Keidanren (the Japanese Business Federation) and the Keidanren Committee on Nature Conservation.</p> <p>"K" LINE has endorsed this initiative since 2020 and will continue to promote efforts to conserve biodiversity under the guidelines set forth in the "K" LINE Environmental Vision 2050.</p> <p><a href="https://www.keidanren-biodiversity.jp/logo_en.php">https://www.keidanren-biodiversity.jp/logo_en.php</a></p>
	<p><b>Challenge Zero</b></p> <p>Challenge Zero is an initiative in which Keidanren works in partnership with the Japanese government to strongly communicate both within Japan and overseas the innovative initiatives that companies and organizations are pursuing to realize a carbon-free society. The initiative also encourages collaboration among industry, academia, and government to attract ESG investment and spur innovation. Since endorsing the initiative in June 2020, "K" LINE has announced several specific initiatives such as demonstration tests of Seawing, an automated kite system that uses natural energy, and a liquefied hydrogen carrier.</p> <p><a href="https://www.challenge-zero.jp/en/">https://www.challenge-zero.jp/en/</a></p>

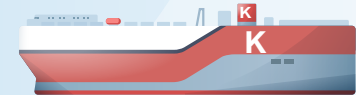


Section

04



## Environmental



## Environmental Management

### "K" LINE Group Environmental Policy

#### "K" LINE Group Environmental Policy

The "K" LINE Group is aware that our business activities can have an 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, environmental managers, and 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 humankind. 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 the 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 are working to protect those ecosystems.
5. We are contributing to establishing a recycle-based society by promoting the 3Rs (reduce, reuse, and recycle) and the effective re-use of resources, including ship recycling.
6. The entire "K" LINE Group 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)

## Environmental Management

### "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 the aim for zero environmental impact. This vision shows the formulation of new 2050 goals and 2030 interim milestones.



["K" LINE Environmental Vision 2050](#)

#### 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 greenhouse gas (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 its target even further to net-zero GHG emissions by 2050.



[The Challenge of Achieving Net-Zero GHG Emissions](#)

## System

### Environmental Management System

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

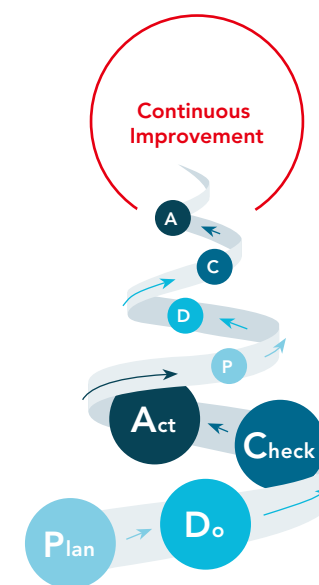
We have established an EMS based on ISO 14001\*<sup>1</sup> and operate it to make constant improvements by identifying environmental impacts and minimizing them. We implemented the EMS in February 2002, after obtaining certification from a third-party organization. Since then, we have been striving 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\*<sup>2</sup>, 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 (PDCA). Following this cycle is one management method to continuously improve business activities.



[ISO 14001 Certification](#)



## Environmental Management

### ► 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](#)

## DRIVE GREEN NETWORK

Guided by "K" LINE Environmental Vision 2050, our long-term environmental management vision, we are building and operating DRIVE GREEN NETWORK, a framework to promote environmental management for the entire Group.

We are using DRIVE GREEN NETWORK to centrally control our environmental management initiatives (such as setting environmental policies and targets and working to achieve them) through internal audits and the like. We aim to continuously pursue environmental protection activities by actively using the PDCA cycle while ensuring environmental compliance across the entire Group.

The name DRIVE GREEN NETWORK reflects our desire of inheriting the spirit put into the construction of the DRIVE GREEN HIGHWAY, our environmentally friendly next-generation flagship completed in 2016 under the concept of getting one step ahead for the future.

## Environmental Targets and Results

### Action Plan / Environmental Targets

Based on our EMS, we continuously run our PDCA cycle. We have set our environmental targets 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 targets 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 2024](#)

### Results of Our Environmental Activities



[2023 Results](#)

## Response to Climate Change / TCFD Framework-Based Information Disclosure

### Approach

#### Environmental Initiatives and Response to the TCFD

Climate change is expected to expose humankind to major physical risks, such as serious natural disasters.

In June 2020, we reviewed our "K" LINE Environmental Vision 2050, and based on the results of the scenario analysis proposed by the Task Force on Climate-related Financial Disclosures (TCFD), we identified issues to be addressed and revised some targets. Furthermore, in November 2021, we recognized global climate change countermeasures as an issue that must be strengthened by the entire international community, and we therefore set a higher challenge of net-zero GHG emissions by 2050. In addition, as a long-term vision in our medium-term management plan announced in May 2022, we are committed to smoothly switching to other forms of energy for our company and society. We will promote the realization of a low-carbon and carbon-free society.

In August 2024, to reflect the ever-changing latest circumstances, we have reviewed our scenario analysis recommended by TCFD and conducted trial calculations of the financial impact of climate change risks and opportunities in the four areas - governance, strategy, risk management, and metrics and targets - to expand the content of our disclosure.



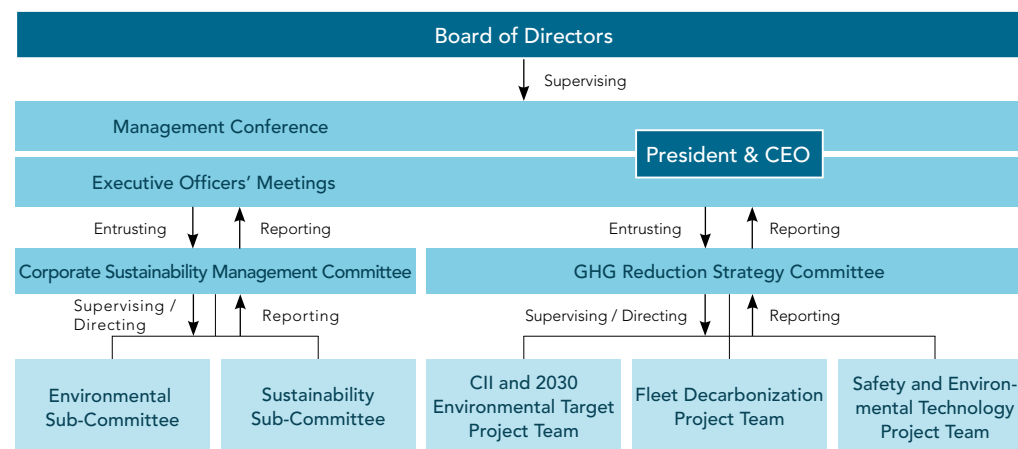
[TCFD Framework-Based Information Disclosure](#)

### 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, meets approximately once every two months, and works to enhance corporate value by reviewing and formulating a promotion system for the "K" LINE Group's sustainability management. Another function of the committee is to identify climate-related risks and opportunities and monitor the progress of responses to them.

Additionally, in October 2021, we established the GHG Reduction Strategy Committee by integrating the Alternative Fuel Project Committee, which is in charge of accelerating initiatives for conventional vessels fueled by liquefied natural gas (LNG) 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. These two committees, the Corporate Sustainability Management Committee and the GHG Reduction Strategy Committee, function as forums for strategic discussions.



## Overview of Strategy

### Risks and Opportunities

#### ► Responses to Major Risks and Opportunities

Through internal surveys and interviews with relevant departments, we organized the likelihood, time of occurrence, and financial impact of risks and opportunities related to climate change, and analyzed their degree of importance for our business. After that, we identified each risk and opportunity, considered the implications for the businesses, and determined responses.

Risks and opportunities arising from changes in policies and regulations, reputation change among stakeholders, and changes in technology			Implications for business				
Types (root causes)	Events (qualitative factors)	Specific examples (quantitative factors)	Likelihood	Timing of occurrence	Financial impacts	Degree of importance for our business	Consideration of implications for business and responses (examples)
Changes in policies and regulations	Tougher EEDJ and EEXI regulations Introduction of carbon taxes and emission trading, etc.	Transition Risks: Increased carbon tax costs, increased operational costs, and increased shipbuilding costs	High	Short to medium term	Medium	High	Aim to secure environmental superiority by enhancing operational efficiency through digital transformation (DX), expanding the use of LNG-fueled vessels and marine biofuels, and exploring the deployment of alternative fuel vessels using ammonia, methanol, hydrogen, etc. Consider accounting for the costs of carbon taxes and investments in alternative fuel vessels in revenue.
Reputation change among stakeholders	Reputation among customers	Transition Risks / opportunities: Reputation change due to delayed decarbonization efforts	Medium	Short to medium term	High	High	Disclose our various advanced environmental initiatives, including efforts to reduce GHG emissions, in a timely manner in our Integrated Report and on our website to showcase our low-carbon and decarbonization efforts.
Changes in technology	Adoption of new technologies on ships	Opportunities: Demand from decarbonization-related businesses	High	Short to medium term	Medium	High	In January 2024, we established OCEANICWING S.A.S. in France. This company, which has taken over the business of Airseas following its spinoff from Airbus, is focused on further enhancing and accelerating the development and commercialization of Seawing technology. Seawing is a new technology that can be installed on any type of vessel, including retrofitting existing ships, and we are considering deploying it on every kind of vessel.
Changes in market principles	Provision of low-carbon services	Opportunities: Demand from decarbonization-related businesses, increased cargo transportation volume	High	Short to medium term	High	High	Regarding the LCO <sub>2</sub> Transportation Business, we are taking part in a pilot project in Norway (contract for three vessels for Northern Lights), and two of the vessels are scheduled to participate in the world's first full-scale CCS value chain project from 2024. Build expertise and know-how, mainly in Europe.
Chronic or acute climate change including temperature rise, sea level rise, and extreme weather	Disruption of transportation routes, changes in transportation routes, load shifting or seawater exposure of cargo	Physical Risks: Increased risk of vessel damage, increased operational costs, elevated litigation risk, increased compensation payments	Low	Long term	Low	Low	Reduce risk of entering high-wave areas, ship rolling, and load shifting by using Kawasaki Integrated Maritime Solutions / NAVI to select the optimal route based on weather and sea-condition forecasts. Currently deploying an app for predicting specific rolling motions that could cause load shifting on container ships. Introduce a fleet monitoring system to enhance management for safe operations, such as avoidance of encounters with extreme weather.

\* Transition Risks (Policies and regulations, Reputation, Technology, Market principles), Physical Risks (Chronic or acute)

### Scenario Analysis

#### ► Assumptions for Scenario Analysis

To assess the sustainability and resilience of our management strategy with respect to the long-term and uncertain issue of climate change, we consider three scenarios: 2.4°C Scenario, 1.7°C Scenario, and 1.4°C Scenario. We assess the quantitative financial impacts of risks and opportunities stemming from climate change in the event that they should actually materialize, and consider responses to them. Additionally, for physical risks, we analyze them under a scenario with an even higher temperature rise than 2.4°C (3.0°C or more, equivalent to RCP 8.0).

#### 2.4°C Scenario (STEPS)

This scenario assumes that measures currently being implemented to achieve the goals and objectives set by governments will remain in place, and that current policy stances will be maintained going forward (aligned with the IEA's "World Energy Outlook 2023 (WEO2023)" Stated Policies Scenario (STEPS))  
**(financial impact assessment: Under 2.5°C Scenario)**

#### 1.7°C Scenario (APS)

This scenario takes into account all climate-related commitments of governments, including NDCs and long-term net-zero targets, and assumes that they will be fully achieved by the deadlines that have been set, such that all countries that have pledged to attain net zero will indeed do so (aligned with the IEA's "World Energy Outlook 2023 (WEO2023)" Announced Pledges Scenario (APS))  
**(financial impact assessment: Under 2.0°C Scenario)**

#### 1.4°C Scenario (NZE)

This scenario assumes that universal access to energy will be available by 2030, that air quality will be significantly improved, and that the key components of the United Nations Sustainable Development Goals related to energy will be accomplished, such that net zero will be achieved by 2050 (aligned with the IEA's "World Energy Outlook 2023 (WEO2023)" Net Zero Emission by 2050 Scenario (NZE))  
**(financial impact assessment described later: Under 1.5°C Scenario)**

## Response to Climate Change / TCFD Framework-Based Information Disclosure

### ► Assumptions / conditions for financial impact calculation

Financial impact calculations are based on the IEA's "World Energy Outlook 2023 (WEO2023)," and where data was inadequate, assumptions have been made with reference to data from external information providers.

	Scenario	Unit	FY2030	FY2040	FY2050
Carbon price for each scenario	1.4°C (NZE)	USD/tCO <sub>2</sub>	140	205	250
	1.7°C (APS)	USD/tCO <sub>2</sub>	135	175	175
	2.4°C (STEPS)	USD/tCO <sub>2</sub>	42	67	67

Source: IEA World Energy Outlook 2023

**Exchange rate** To eliminate the impact of currency fluctuations across different decades and scenarios, a uniform exchange rate of 1 USD = 120 JPY was used

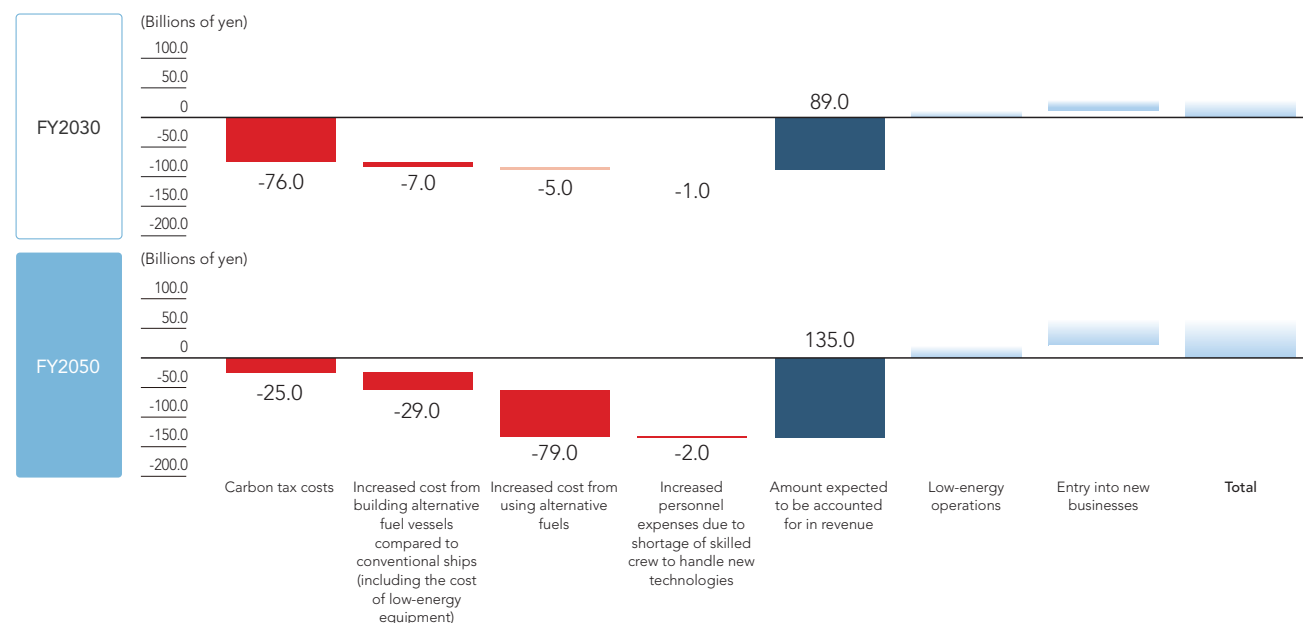
**Fleet plan transition** Our policy is to shift to alternative fuel vessels regardless of the scenario, thus fleet transition is the same for each scenario.

	Vessel type by fuel type	Unit	FY2030	FY2040	FY2050
Fleet plan transition	FO	Vessel	187	71	4
	LNG	Vessel	35	35	10
	NH3	Vessel	14	133	234

### ► Results of the Financial Impact Assessment

We identified the following four factors as influences. The results of our estimation of financial impacts reiterated to us that regardless of the temperature scenario, if no action is taken to reduce and eliminate carbon use, negative impacts on our company will continuously occur over the long term. They also led us to recognize the quantitative impact of increased costs associated with low-carbon and decarbonization measures that we will incur under every scenario, and we realized that if we are to continue to develop the company's business and contribute to making people's lives more comfortable, we will need to get society as a whole to bear the increased costs of low-carbon and decarbonization measures that cannot be covered through in-house efforts alone by accounting for them in revenue.

#### Under 1.5°C Scenario



The "K" LINE Group is taking steps to reduce GHG emissions in order to achieve low-carbon and carbon-free itself and throughout society and will invest a total of ¥380 billion by 2026 in fuel conversion, installation of technology such as Seawing, and transport of liquified CO<sub>2</sub>, etc., to establish competitive advantages while meeting needs for low-carbon and carbon-free operations.

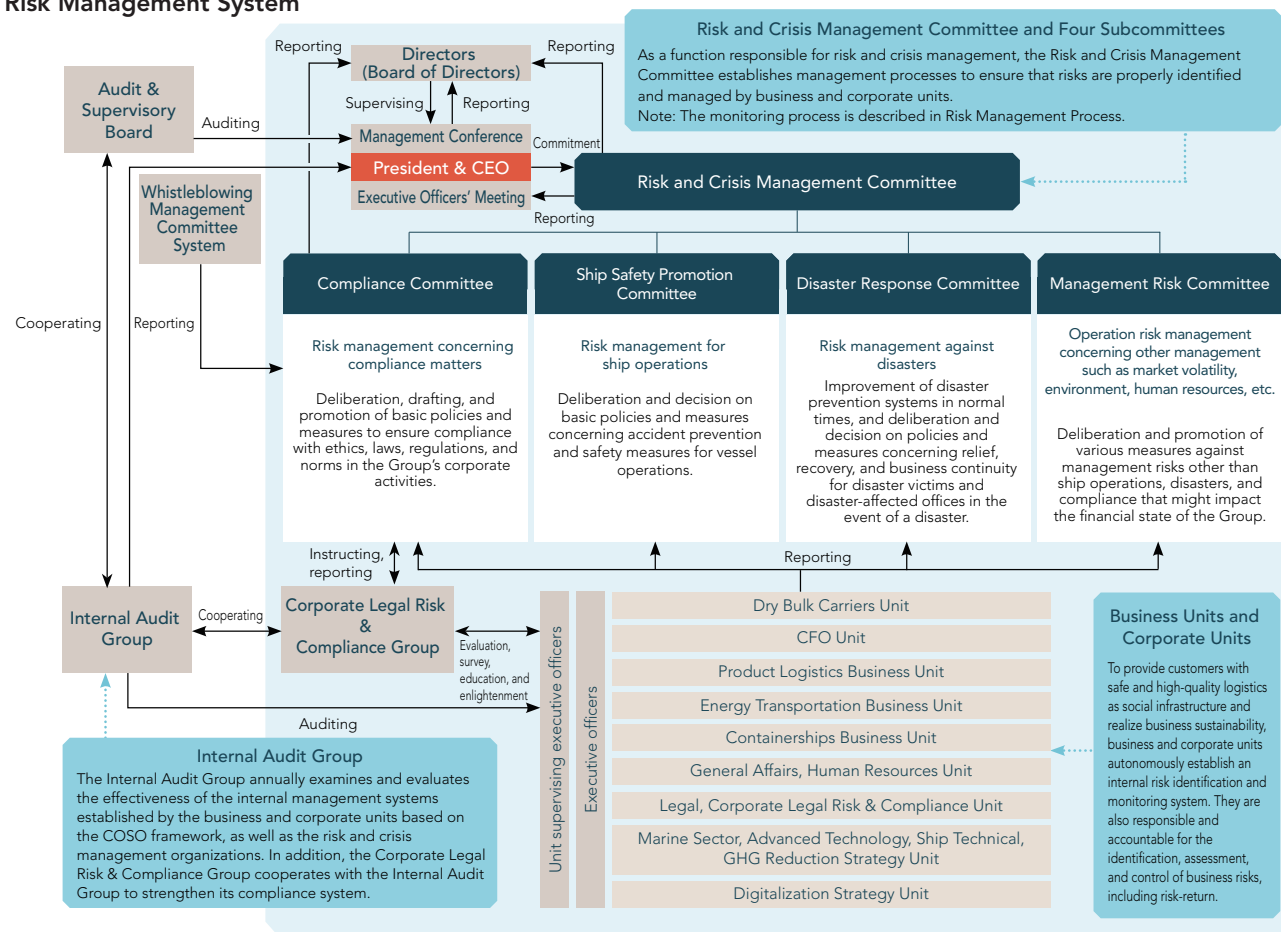
## Risk Management

### Risk Management Policy

We recognize the impact of external changes and the various risks our operations are exposed to, and we have established a risk management system that will enable us to fulfill our corporate social responsibilities even when risks materialize.

- We classify major risks into four categories: risks associated with ship operations, disaster risks, compliance-related risks, and other business-related risks, and we set up committees to address the risks in each category.
- Additionally, we have established a Risk and Crisis Management Committee as an organization that brings together these four committees and oversees and promotes overall risk management.
- The president serves as the chair of all these committees, with meetings held quarterly even during normal times to strengthen risk management.
- The four committees for major risks provide training for risk management at regular intervals and on an ongoing basis. For example, we build up readiness by organizing largescale accident drills and having personnel participate in risk management workshops with other companies. Each year, November is designated as Compliance Month, during which the importance of compliance is thoroughly communicated.
- The Group is acutely aware of the importance of sustainability as essential infrastructure that supports people's lives and the economy. To address risks and leverage opportunities related to environmental conservation and climate change, we conduct scenario analysis on climate change and have formulated the "K" LINE Environmental Vision 2050.

### Risk Management System





## Metrics and Targets

As we move closer to 2030, we will be steadily executing an action plan to achieve the interim milestone goals set forth in the "K" LINE Environmental Vision 2050. Our new goal for 2050 is to achieve net-zero GHG emissions. Furthermore, we will be providing support for the decarbonization of society, with the aim of "contributing to the well-being and prosperous lifestyles of people around the world."

## GHG Emission Reduction Targets

### 2030 interim milestones

"K" LINE low-carbon transition:

Improve CO<sub>2</sub> emission efficiency by 50% by 2030 (compared with 2008 levels)

Support development of a low-carbon society:

Transport and supply new energy for a low-carbon society

### 2050 targets

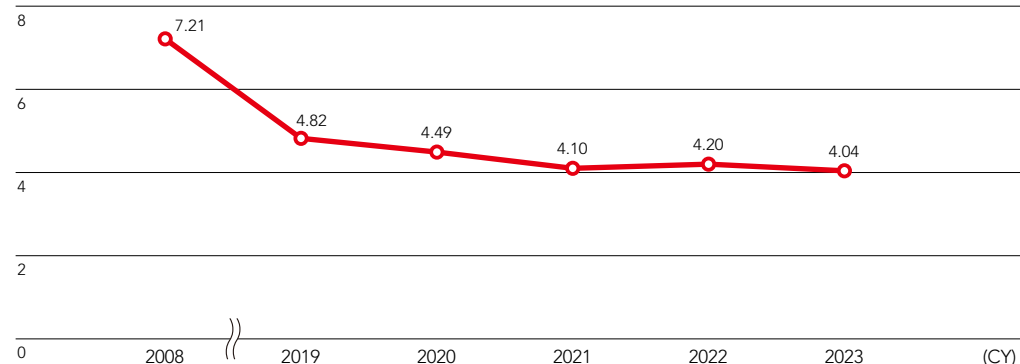
"K" LINE decarbonization: Take on the challenge of net-zero GHG emissions

Support the decarbonization of society: Be a transporter and supplier of new energy

### ▶ GHG Emission Result

Greenhouse Gas (GHG) Emissions per Deadweight Ton-Mile

(Annual efficiency ratio and g-CO<sub>2</sub> per ton-mile)

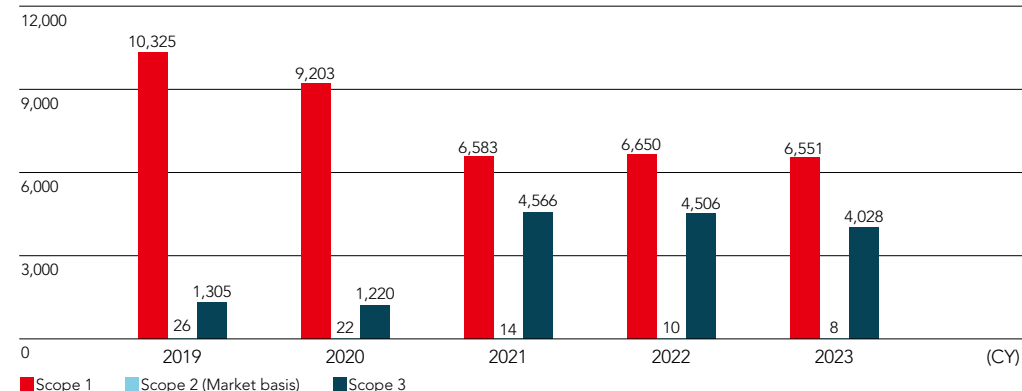


In 2020, we formulated a revised version of "K" LINE Environmental Vision 2050. We have aligned our CO<sub>2</sub> emission efficiency indicators with the targets of the International Maritime Organization (IMO) by setting 2008 as a base year and calculating AER\*<sup>1</sup>. The scope of aggregation has been revised from 2021. Vessels not under our operations are excluded. In 2023, our GHG emissions per deadweight ton-mile were 44.0% lower than those of 2008.

\*1 The average CO<sub>2</sub> emissions from a vessel per deadweight ton-mile (1,852 meters)

Greenhouse Gas (GHG) Emissions\*<sup>2</sup> (Scopes 1, 2, 3)

(Thousands of tons)



CO<sub>2</sub> emissions are calculated based on the "K" LINE Group's fuel and electricity consumption, and third-party certification is obtained for these calculations. The scope of aggregation has been revised from 2021. Vessels not under our operations are excluded for Scope 1 and container vessels are included for Scope 3.

\*2 The scope of calculation is "K" LINE's scope of consolidation, which corresponds to almost 100% of sales.

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## "K" Line Low-Carbon and Carbon-Free Targets and Progress

We are examining specific issues, such as vessel fleet management, with an eye on 2050, while verifying road maps and progress toward the attainment of 2030 interim milestones in the "K" LINE Environmental Vision 2050.



Response to Climate Change / TCFD Framework-Based Information Disclosure

## Summary of Low-Carbon and Carbon-Free Initiatives

The "K" LINE Group is taking steps to reduce GHG emissions in order to achieve low-carbon and carbon-free itself and throughout society and will invest a total of ¥380 billion by 2026 to establish competitive advantages while meeting needs for low-carbon and carbon-free operations.

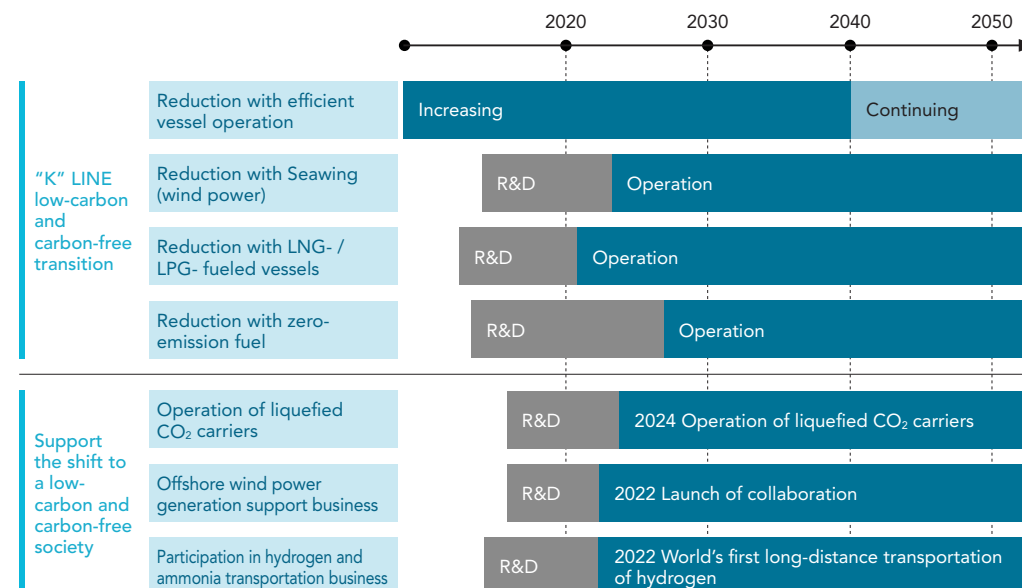
			Investment amount (2022 to 2026)	GHG emissions reduction effect	KPI for measuring progress
"K" LINE low-carbon and carbon-free transition	Fuel conversion (use of clean energy)	LNG- / LPG- fueled vessels	¥267.5 billion	20 to 30% reduction vs. previous vessels	Number of LNG- / LPG- fueled vessels
		Zero-emission vessels		Zero emission	Number of zero-emission vessels
	Environmentally friendly equipment (use of wind power, etc.)	Seawing, etc.	¥21.0 billion	Up to 20% reduction vs. previous vessels Note: this depends on the speed of the vessel, the route, and season.	Number of ships with Seawing (around 50 vessels by 2030)
		Installation of Kawasaki Integrated Maritime Solutions (operation efficiency)		3 to 5% or more reduction vs. previous vessels	100%*1 installation of Kawasaki Integrated Maritime Solutions on owned / medium- to long-term chartered vessels
	Development and demonstration of environmental technology	Hybrid EV tug boats, etc.	¥5.5 billion	—	—
		—		—	—
Support the shift to a low-carbon and carbon-free society	New business that promotes low- carbon achievement	Liquefied CO <sub>2</sub> transport	¥72.0 billion	—	Consider based on business characteristics (three liquefied CO <sub>2</sub> vessels are scheduled to begin operations as of December 2024)
		Support for wind power generation installations, etc.			
Other environmental investments	—	—	¥14.0 billion	—	—

\*1 Kawasaki Integrated Maritime Solutions will be installed as standard on newly built vessels, and has already been installed on vessels we own that are currently in operation.

By the end of fiscal 2024, installation of Kawasaki Integrated Maritime Solutions will be completed on all medium- to long-term chartered vessels for which installation is planned (excluding short-term chartered vessels). To expand our fleet of vessels equipped with the system, we will continue, on an ad hoc basis, to add more ships to the list of vessels on which the system is to be installed.

Note: KPIs are based on "K" LINE's assumption on the development of related technology and infrastructure, related regulation, and economics as of today and are subject to change depending on future trends.

## Road Map for "K" LINE Low-Carbon and Carbon-Free Initiatives



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## Low-Carbon and Carbon-Free Initiatives at "K" LINE

We are making the shift toward ships fueled by LNG, LPG, and new zero-emission fuels such as ammonia and hydrogen from the perspective of achieving a low-carbon and carbon-free transition at "K" LINE.

### ▶ 1. New Fuels (Fuel Conversion)

#### Expand introduction of LNG- / LPG-fueled vessels

- During the 2020s, we are expanding the introduction of LNG- / LPG-fueled ships, and are planning to have approximately 35 such vessels deployed by 2030

#### Introduce LNG-fueled vessels

- Delivered "K" LINE's first LNG-fueled car carrier, CENTURY HIGHWAY GREEN, in March 2021
- In May 2024, our first LNG-powered 210,000 dwt cape-size bulk carrier CAPE HAYATE was delivered
- We are planning to add 13 LNG-fueled car carriers to our fleet deployed by 2026



CAPE HAYATE



Car Carrier POSEIDON HIGHWAY with a capacity of 7,000 vehicles

**LNG vessels have a CO<sub>2</sub> emission reduction effect of approximately 25 to 30% compared to conventional heavy oil vessels**

#### Introduction of zero-emission vessels, including ammonia-fueled vessels, and carbon-neutral fuels such as biofuels

- Considering the introduction of zero-carbon-emission fuels such as ammonia/hydrogen as well as synthetic and other carbon-neutral fuels
- Planning to have approximately 20 such zero-carbon-emission vessels deployed by the mid-2030s
- In November 2022, Kawasaki Kisen Kaisha, Ltd. ("K" LINE), together with ITOCHU Corporation, Nihon Shipyard Co., Ltd., MITSUI E&S Co., Ltd., and NS United Kaiun Kaisha, Ltd., obtained an Approval in Principle (AiP) from Nippon Kaiji Kyokai (ClassNK) for the design of an ammonia-fueled vessel (200,000 deadweight ton class bulk carrier). Then in April 2024, we signed a memorandum of understanding with MAN Energy Solutions on joint development to commercialize ammonia-fueled vessels.

- Operated pilot voyage using B100 biofuel (marine biofuel made of 100% biodiesel) in May 2024
- In November 2024, Group company Daito Corporation decided to build an electric tugboat powered by large-capacity lithium-ion batteries

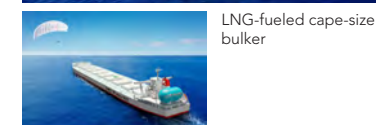
#### Zero CO<sub>2</sub> emissions



Image of ammonia-fueled ship

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

- Seawing is a wind power propulsion system that utilizes wind force to gain traction by letting out a large kite that is attached to the bow of a vessel.
- In January 2024, we established OCEANICWING S.A.S. in France. This company, which has taken over the business of Airseas following its spinoff from Airbus, is focused on further enhancing and accelerating the development and commercialization of Seawing technology.
- Seawing is a new technology that can be installed on any type of vessel, including retrofitting existing ships, and we are considering deploying it on every kind of vessel.
- One of the features of Seawing is that it is a fully automatic system, with automation of everything from kite deployment to flight control and storage after use. The additional workload for crew members from kite operation is minimal, as the system can be controlled with simple button operations from the bridge. Another notable feature is its versatility, as it can be used with any type of ship, and can also be retrofitted onto existing vessels.
- Looking ahead, it is expected that use of alternative fuels in place of heavy oil will expand. The prices of these fuels are anticipated to be higher compared to heavy oil, but Seawing will demonstrate energy-saving effects even with these expensive fuels. Seawing installation thus offers value from the twin perspectives of energy conservation and fuel cost reduction.



LNG-fueled cape-size bulk carrier

**Expecting a reduction in CO<sub>2</sub> emissions of up to 20% over conventional vessels (\* depends on the speed of the vessel, the route, and season).**

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

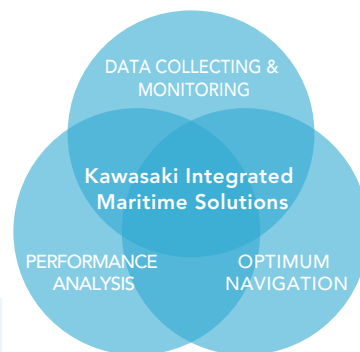
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### ▶ 3. Improvement of Operational Efficiency

Through Kawasaki Integrated Maritime Solutions (integrated vessel operation and performance management system), we collect navigation data from each vessel and use this to improve fuel consumption and reduce greenhouse gas emissions through AI analysis of big data. This system also features functions that assist with ship navigation optimization based on weather and maritime conditions and performance analysis models for each vessel to support safe, economical operations.

#### 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 optimal navigation system that calculates safe and fuel-efficient recommended routes
- Recently, AI-driven data analytics technology has visualized performance degradation and external disturbances for each ship, allowing operational efficiency to be maintained and enhanced



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

- In October 2024, we decided to conduct a trial of a new satellite network service announced by Inmarsat Maritime, a Viasat group company, on our vessels. This service enables high-speed, always-on ship-to-shore communication to digitalize vessel operations and environmental response as well as improve crew welfare

### ▶ 4. Other Energy-Efficient and Decarbonization Technology and Equipment CO<sub>2</sub> capture plant on a vessel

- World's first CO<sub>2</sub> capture plant on a vessel installed on coal carrier CORONA UTILITY as part of demonstration projects for Carbon Capture on the Ocean (CC-OCEAN), an offshore CO<sub>2</sub> capture and storage plant, together with Mitsubishi Shipbuilding Co., Ltd., and Nippon Kaiji Kyokai (ClassNK)
- CC-OCEAN project wins Marine Engineering of the Year (Doko Memorial Award) 2021



### ▶ 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. From fiscal 2023, this has been calculated with reference to an economic index that takes into account a future earnings contribution of ¥14,000 per ton of CO<sub>2</sub>.
- Promote low-carbon transition and decarbonization projects by using this as an indicator for the evaluation of investment projects

## Support the Development of a Low-Carbon and Carbon-Free 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 low-carbon and carbon-free 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

- Establishment of "K" Line Wind Service, Ltd., together with Kawasaki Kinkai Kisen Kaisha, Ltd., and provision of offshore support vessels and transport vessels for offshore wind farm businesses
- Supporting of 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
- In February 2024, KWS together with Japan Marine United Corporation, and Nihon Shipyard Co., Ltd. have been jointly granted Approval in Principle (AiP) from Nippon Kaiji Kyokai (ClassNK) for the design concept of the multi-functional floating offshore windfarm support vessel (MFSV).
- "K" Line, KWS, and EGS Survey Pte Ltd (EGS) established EK Geotechnical Survey LLC (EKGS) to service the offshore marine geo-survey sector. EKGS provides a variety of marine survey services such as offshore boring to meet demand for offshore ground surveying, which is expected to grow with the development of offshore wind power. In September 2024, EK HAYATE, an EKGS survey vessel, entered into service as a Japanese-flagged vessel capable of providing offshore drilling.



EK HAYATE



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

- Acquired basic authorization for fuel supply ships and advance studies to make ammonia fuel supply for ships a reality in Singapore in May 2022
- Three Japanese shipping companies—Kawasaki Kisen Kaisha, Ltd., Mitsui O.S.K. Lines, Ltd., and Nippon Yusen Kabushiki Kaisha—along with Japan Suiso Energy, Ltd. (JSE)\*1, agreed on capital participation through a third-party capital increase\*2 in JSE Ocean, Ltd., a subsidiary of JSE. They will collaborate on the establishment of marine transportation of liquefied hydrogen (LH2) in a commercial-scale global hydrogen supply chain.



Concept image of a 160,000 m3 liquefied hydrogen carrier provided by Kawasaki Heavy Industries, Ltd. All rights reserved.

\*1 JSE was established in June 2021 with the main objectives of research, planning, management, and investment in the international supply chain of LH2.

\*2 A method of raising capital by issuing new shares to a specific third party

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

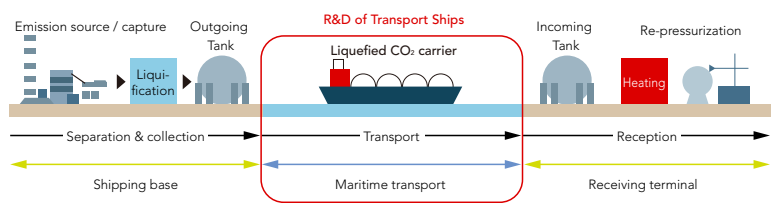
### Demonstration Test Ship for Liquefied CO<sub>2</sub> Transportation Launched in March 2023

- The "K" LINE Group is participating in the CCUS\*1 R&D and Demonstration Related Project / Large-scale CCUS Demonstration in Tomakomai / Demonstration Project on CO<sub>2</sub> Transportation, which NEDO\*2 opened to applications in fiscal 2021. The "K" LINE Group, along with ENAA, NGL, and Ochanomizu University, will engage in research and development and prepare to carry out transportation tests.
- Using its extensive experience in ocean-going liquefied gas vessels, and experience in the demonstration testing of liquefied hydrogen transportation ships, "K" LINE carried out a safety assessment of transportation and loading for the liquefied CO<sub>2</sub> demonstration test ship and created an operation manual. By analyzing this test data, "K" LINE will contribute to the establishment of technologies for the safe operation of liquefied CO<sub>2</sub> ships.
- The vessel EXCOOL was delivered in November 2023.

\*1 CCUS is an abbreviation for carbon capture, utilization, and storage. It refers to technologies for capturing, effectively utilizing, and storing emitted CO<sub>2</sub>.

\*2 NEDO is an abbreviation for the New Energy and Industrial Technology Development Organization. It is a national R&D institution that creates innovations through the development of technologies needed for a sustainable society.

In the NEDO demonstration test, we aim to systematize transportation know-how for low-temperature, low-pressure conditions



Note: The above diagram is from Ministry of Economy, Trade and Industry materials.

## In December 2022, "K" LINE entered into long-term contracts with Northern Lights for two liquefied CO<sub>2</sub> vessels.

### —World's First Full-Scale CCS Project—

- Kawasaki Kisen Kaisha, Ltd. ("K" LINE) and Northern Lights JV DA have signed Bare Boat Charter and Time Charter contracts for two 7,500 m<sup>3</sup> liquefied CO<sub>2</sub> ships. The ships will be contribute to the world's first full-scale carbon dioxide capture and storage (CCS)\*3 value chain.

\*3 Capture and storage of CO<sub>2</sub> emitted from industrial activities

- In February 2024, we signed Bare Boat Charter and Time Charter contracts for the third of four liquefied CO<sub>2</sub> vessels commissioned by Northern Lights.
- In November 2024, a ceremony was held at Dalian Shipbuilding Industry Co., Ltd. for the delivery of the newly built liquefied CO<sub>2</sub> vessel NORTHERN PIONEER to Northern Lights.
- The London-based subsidiary "K" LINE LNG Shipping (UK) Ltd. will undertake the management of these vessels, transporting liquefied CO<sub>2</sub> from CO<sub>2</sub> capture facilities in Norway to the Northern Lights receiving terminal in Øygarden, western Norway.



NORTHERN PIONEER

Northern Lights Project is dedicated to systematizing its know-how for medium-temperature, medium-pressure transportation.

## ▶ 4. Other Initiatives


- Looking into carbon credits, carbon offsets, etc.
- In September 2023, "K" LINE, along with Japan Petroleum Exploration Co., Ltd., and JGC Holdings Corporation, signed a basic agreement with PETRONAS CCS Ventures Sdn. Bhd., a subsidiary of Petroliaam Nasional Berhad, the state-run energy company in Malaysia, to examine the commercialization of CCS in Malaysia.
- In September 2023, "K" LINE, Sumitomo Corporation, Toho Gas Co., Ltd., and Woodside Energy Ltd signed an agreement to conduct a feasibility study to establish a CCS value chain between Australia and Japan.
- In March 2024, "K" Line and NIPPON GAS LINE Co., Ltd. signed a joint venture agreement to establish a company that will offer liquefied CO<sub>2</sub> marine transportation, aimed at providing smooth, efficient marine transport services by offering integrated domestic and international liquefied CO<sub>2</sub> marine transportation for CCS.
- To achieve large-scale international liquefied CO<sub>2</sub> marine transportation starting in 2028, we obtained Approval in Principle (AiP) from the American Bureau of Shipping (ABS) and ClassNK for the basic design of two types of low-pressure type liquefied CO<sub>2</sub> (LCO<sub>2</sub>) carriers in September 2024, together with domestic shipyards, trading companies, and shipping companies.

Related Data

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

		(Tons)				
Category		2019	2020	2021	2022	2023
Scope 1		10,325,224	9,202,613	6,583,464	6,649,847	6,550,995
Scope 2	Location basis	26,397	25,191	13,769	11,556	9,519
	Market basis	26,220	21,780	13,515	10,472	8,093
Scope 3		1,304,803	1,219,525	4,566,051	4,506,111	4,027,532

Notes: 1. The scope of aggregation has been revised from 2021. Vessels not under our operations are excluded from Scope 1 and container vessels are included for Scope 3.  
2. In 2023, we reported 1,783 tons of biogenic CO<sub>2</sub> emissions from biofuel categorized in Outside of Scopes.



[Third-Party Verification Statement of Greenhouse Gas \(GHG\) Emissions Data](#)

Fuel Oil Consumption

		(Tons)				
Category		2019	2020	2021	2022	2023
Fuel oil		3,140,039	2,809,074	1,980,630	1,923,950	1,897,864

Note: The scope of aggregation has been revised from 2021. Vessels not under our operation are excluded.

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

		(g-CO <sub>2</sub> / ton-mile)				
Category		2019	2020	2021	2022	2023
All types of vessels		4.82	4.49	4.10	4.20	4.04

\* Index for transporting one ton of cargo one nautical mile (1,852 meters), based on deadweight tonnage (DWT)  
Note: The scope of aggregation has been revised from 2021. Vessels not under our operation are excluded.

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

### Approach

#### Basic Approach

Establishing and maintaining safe navigation is an unalterable mission in the marine transportation business. The "K" LINE Group states in its corporate principle and vision its aims "to provide safe and optimal services" and to contribute to society through safe vessel operations. At the same time, this means contributing to the reduction of the environmental impact on the oceans and atmosphere, and efforts to preserve biodiversity, especially in the

oceans, is an important theme for our business activities. We will continue to strive to reduce the environmental impact of our vessel operations on the oceans and atmosphere by promoting initiatives, such as to eliminate oil pollution incidents, ballast water management, and SOx and NOx emissions reduction measures, and reducing the impact of vessel operations on marine mammals.

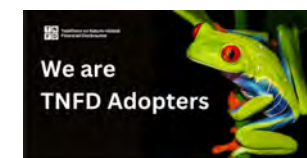
### Disclosure Based on the TNFD Framework

#### Implementation of the LEAP Approach

As our business is dependent on natural capital, mainly from the ocean, not only climate change issues, but also biodiversity conservation efforts, especially in the ocean, are important themes for our business activities. Therefore, in order to assess and address environmental risks and nature-related economic impacts, we have adopted the LEAP approach based on TNFD guidance. By adopting the LEAP approach, we aim to strengthen our risk and opportunity management based on a more comprehensive understanding of climate change and natural capital related to our business, promote coexistence with nature, and proactively work towards building a sustainable future.

In November 2023, "K" LINE joined the Taskforce on Nature-related Financial Disclosures (TNFD) Forum<sup>\*1</sup>.

Additionally in March 2024, we also registered as a "TNFD Adopter"<sup>\*2</sup>.



<sup>\*1</sup> The TNFD is an international initiative aimed at building a framework for appropriate assessments and disclosure of risks and opportunities related to natural capital and biodiversity. The TNFD Forum is a group of stakeholders consisting of business enterprises, financial institution, research organization, and other entities. It was set up for the purpose of supporting discussion at the TNFD to help build a framework.  
<https://tnfd.global/engage/tnfd-forum>

<sup>\*2</sup> TNFD Adopters are companies and organizations that have registered on the TNFD website their intention to disclose information in accordance with the TNFD recommendations and are required to do so for either FY2024 or FY2025.  
<https://tnfd.global/engage/tnfd-adopters/>



[Disclosure in accordance with TNFD Framework](#)



Reducing "K" LINE's Impact on the Sea and Air

## Governance

### Supervision by the Board of Directors and the Role of Management

#### ▶ Board of Directors

Amid global changes in values and behavior, as well as increasing awareness of the need to reduce the burden of climate change on the environment, "K" Line considers sustainability management a priority issue for enhancing corporate value over the medium- to long-term and discusses the issue as necessary at Board of Directors' meetings.

#### ▶ President & CEO

To strengthen management focused on the issue of reducing environmental impact, we have established the Corporate Sustainability Management Committee and the GHG Reduction Strategy Committee, chaired by the president & CEO.

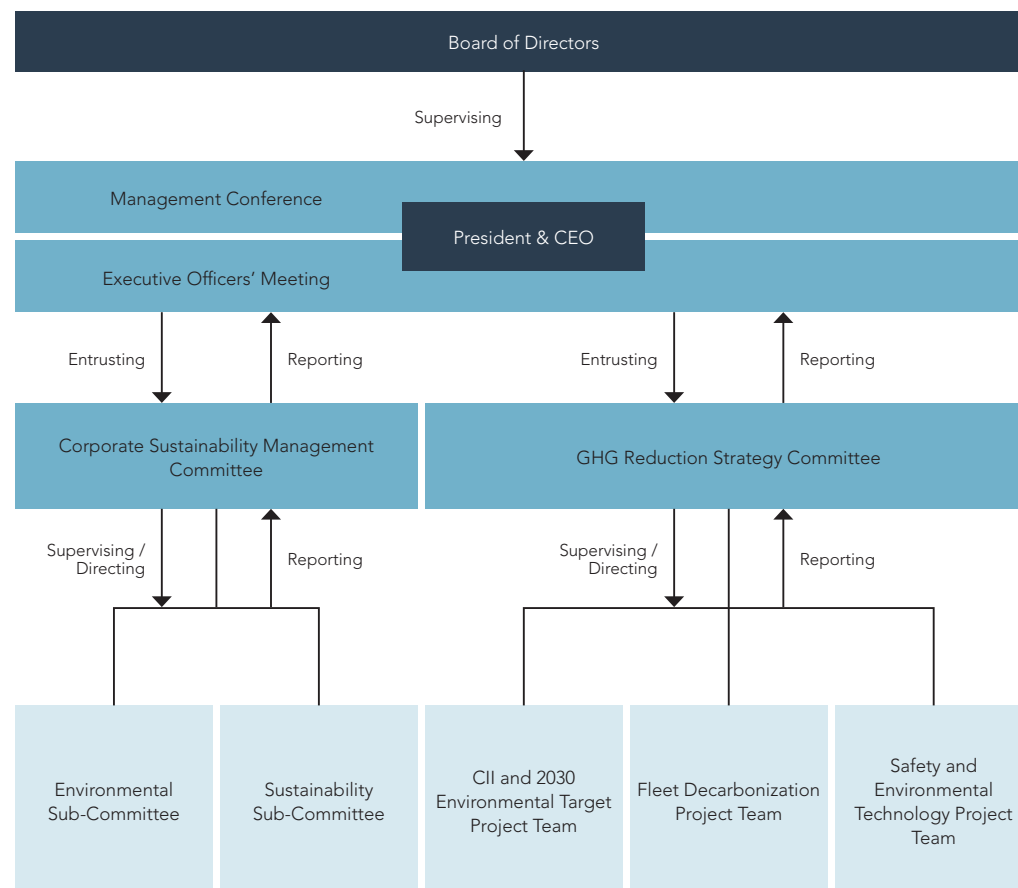
#### Corporate Sustainability Management Committee

The Corporate Sustainability Management Committee is enhancing corporate value by reviewing and formulating a promotion system for the "K" LINE Group's sustainability management. The general managers of each business group, who are heads of the relevant departments responsible for the material issues identified by the Group, are members of the Sustainability Sub-Committee, a subcommittee under the Corporate Sustainability Management Committee. The Sustainability Sub Committee monitors the implementation of initiatives related to materialities and regularly reports on their progress to the Corporate Sustainability Management Committee. Assessment and management of dependencies, impacts, risks and opportunities for ecosystem services are carried out under this structure, with final reporting of significant matters to the Board of Directors.

#### GHG Reduction Strategy Committee

The GHG Reduction Strategy Committee formulates strategies for reducing GHG emissions, with a focus on fuel conversion for the Group among urgent environmental issues. It also creates and implements comprehensive response strategies, as well as policies related to adopting technologies, such as equipment selection, and preparations for smooth operations. Under this governance structure, the "K" LINE Group advances effective sustainability management.

Sustainability Governance Structure



Reducing "K" LINE's Impact on the Sea and Air

## Respect for human rights with regard to stakeholders

"K" The LINE Group has stated 'Respect for Human Rights' at the beginning of its 'Group Charter of Corporate Behavior' and signed the United Nations Global Compact in 2020, stating "to support and respect the protection of human rights" and "to make sure that we are not complicit in human rights abuses." We also expressed our support for labor principles such as "the elimination of forced and compulsory labor," "the effective abolition of child labor," and "the elimination of discrimination in respect of employment and occupation."

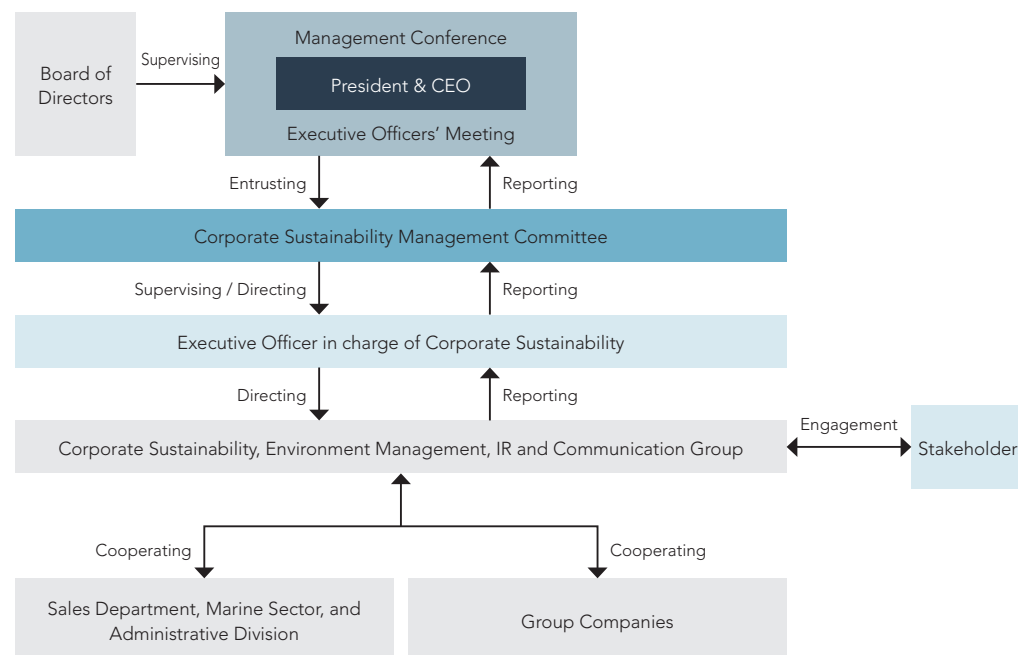
Based on the "K" LINE Group Basic Policy on Human Rights formulated in 2022, under the supervision of the Corporate Sustainability Management Committee and the direction of the executive officer responsible for corporate sustainability, the Corporate Sustainability, Environment Management, IR and Communication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

The Kawasaki Kisen Kaisha Group Basic Policy on Human Rights declares in section "3. Human Rights Due Diligence and Remedy" that the Group will establish a system to minimize negative impacts on human rights that encompasses all stakeholders inside and outside the Group.



[The Kawasaki Kisen Kaisha Group Basic Policy on Human Rights](#)

### Human Rights Due Diligence System



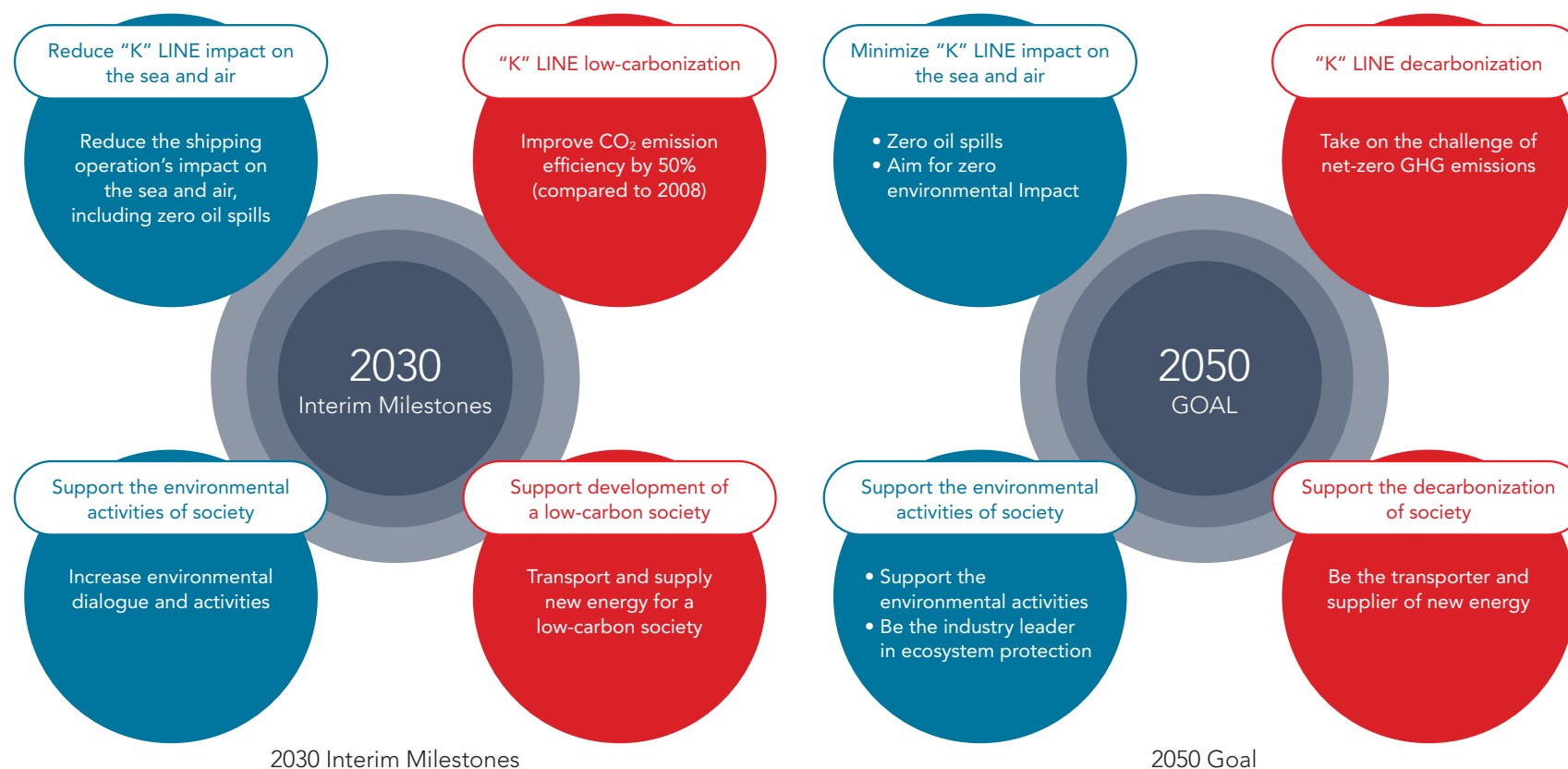
Reducing "K" LINE's Impact on the Sea and Air

## Strategy

### Sustainability Policy

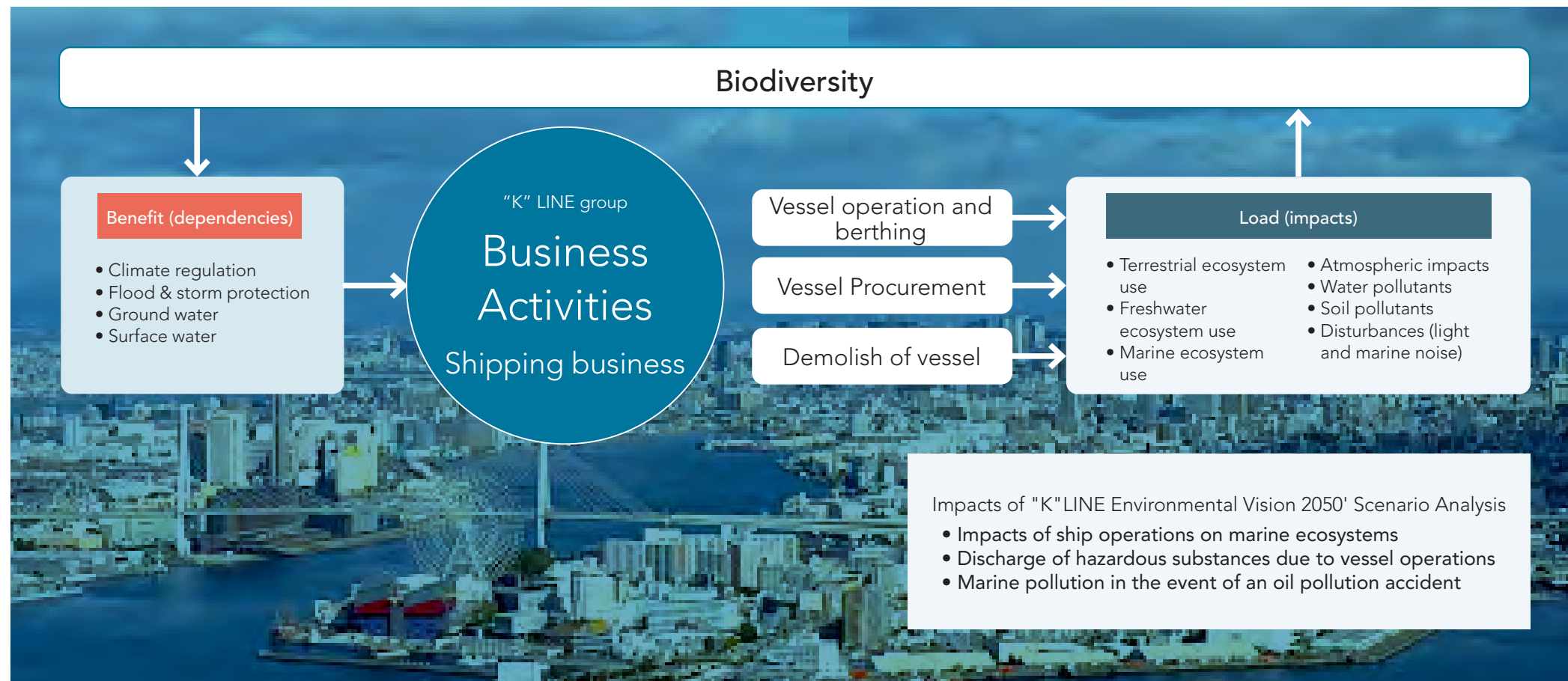
"K" LINE Group has earned the trust of its customers by providing safe and reliable marine transportation and logistics services in the marine transportation industry, which is the foundation of the logistics infrastructure that supports global economic activities.

Among the various businesses that we operate, we focus on our main business, marine transportation, and furthermore, as part of our "K" LINE Environmental Vision 2050, we have disclosed our "2030 Interim Milestones" and "2050 Goals" to our stakeholders. Based on these goals, we have examined the issues to be analyzed.



Reducing "K" LINE's Impact on the Sea and Air

## Business Activities and Relationship with Nature



Based on the TNFD approach, the analysis focuses on "Locate" (region). Considering the characteristics of the marine transportation business, which covers all marine areas navigated by vessels, we evaluated that marine centered biodiversity measures without specifying marine areas would be the basic response.

Reducing "K" LINE's Impact on the Sea and Air

Nature-related dependencies and impacts -1

► Overview of LEAP Approach

Our steps to disclosure in accordance with the LEAP approach are as follows.

In the Locate phase, priority areas were identified in terms of ecosystem integrity, biodiversity importance, and water stress (mainly marine pollution), taking into account the footprint of our operations and its relationship to nature. In the Evaluate phase, we analyzed the impact of the items identified in ENCORE\* as having high dependency/impact in the priority areas identified in the Locate phase. We then identify and evaluate the risks and opportunities in the Assess and Prepare phases, and revise our goals and strategies.

\* ENCORE

A tool to help financial institutions better understand, assess, and integrate natural capital risk into their activities. Also used in LEAP analysis, as it can illustrate the degree of dependence and impact on ecosystems by sector.

► Heatmap on dependence and impact

First, we used ENCORE to create heat maps to screen nature-related risks and opportunities in our shipping and port operations to understand dependencies and impacts in the sector.

Sector	Dependence (ecosystem services)							Impact (Key Factors of Impact)							
	Climate control	Protection from floods and storms	Underground water	Surface water	Water quality	Maintaining water flow	Mass stabilization and erosion control	Utilization			Pollution			Obstruction (noise, light)	Solid waste
								Marine ecosystem	Freshwater ecosystem	Terrestrial ecosystem	Atmosphere	Soil	Water quality		
Marine transport	H	H			L			H			H		H	H	
Ports, Ship recycling yards and services	M	M	L	H	L	M	M	H	H	H	H	H	H	H	M

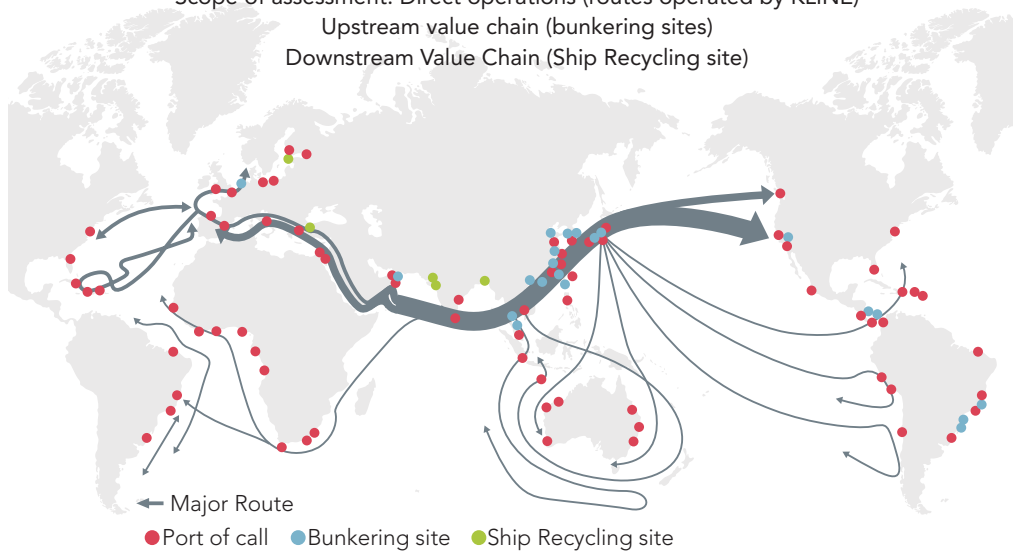
H: High Impact  
M: Middle Impact  
L: Low Impact

Reducing "K" LINE's Impact on the Sea and Air

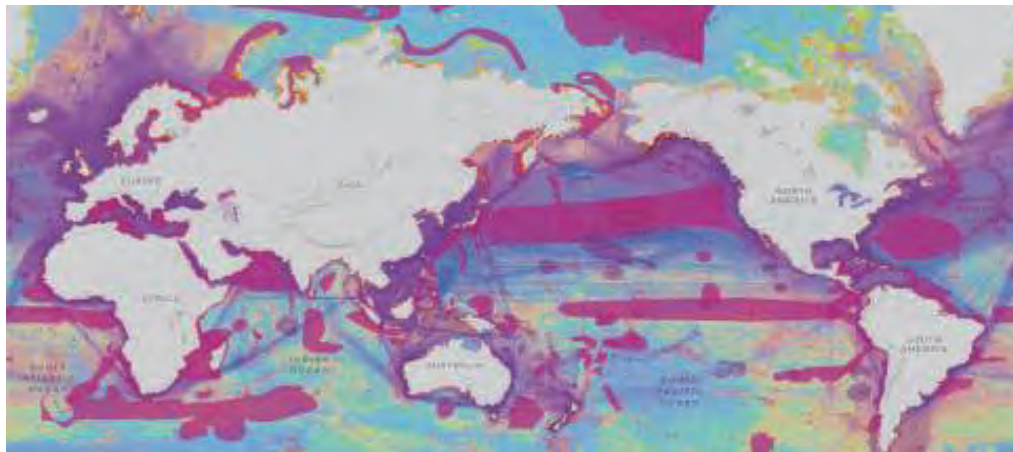
## Nature-related dependencies and impacts -2

### Our Business Footprint (Key Areas)

Scope of assessment: Direct operations (routes operated by KLINE)  
Upstream value chain (bunkering sites)  
Downstream Value Chain (Ship Recycling site)



### Map of Sensitive Sea Areas



Source: UN Biodiversity Lab\*

\* UN Biodiversity Lab

An analytical tool to support the United Nations Biodiversity Laboratory's (UNBL) assessment and impact efforts for nature conservation and sustainable development.

### ► Priority areas

We selected priority areas for each business site and operation location based on the frequency of vessel routes and port calls by our group (direct operations) and the upstream value chain (Bunkering sites) and downstream value chain (Ship Recycling sites). (Left figure: Our Business Footprint)

In addition, we used the UN Biodiversity Lab\* to identify sensitive marine areas (areas of high biodiversity importance, low ecosystem integrity, and high water stress (sea water pollution). (Figure Below Left: Map of Sensitive Sea Areas) We also identified priority areas where our business activities have more contact with nature by comparing the results of the UN Biodiversity Lab, and set A) India, B) Southeast Asia, C) Japan, and D) California as main regions for our analysis.

### Materiality location

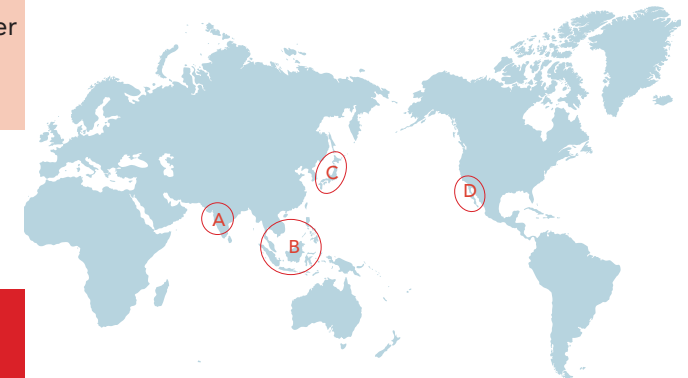
Business Footprint. List of regions prioritized (frequency of routes, number of locations, and business activities)



### Sensitive location

Direct operations and locations where key value chain assets and activities come into contact with the nature of

- High biodiversity importance
- Low ecosystem integrity
- High water stress (seawater pollution)



- A India
- B Southeast Asia
- C Japan
- D California

Nature-related dependencies and impacts -3

► Diagnosis of dependence and impact in priority areas

For the priority areas determined in the Locate phase, we evaluated the nature-related dependencies and impacts related to our business.

We used the ENCORE tool EXPLORE MAP to identify and deep dive into the data layers that were highly dependent on the results of the ENCORE assessment of sectoral dependencies and that were indicators of each ecosystem service. The same analysis was performed for impacts. The results are presented in the table below. Apart from the below, a list of endangered species in priority areas was also prepared by checking the IUCN Red List\*.

\* IUCN Red List  
Provides a variety of information on species. It is an important indicator of the health of the world's biodiversity. A tool for informing business decision-making for policies that are essential to biodiversity conservation and the protection of essential natural resources.

	Area	Dependencies & Impacts
A	India	The region is highly dependent on marine ecosystems, freshwater ecosystems, and seasonal differences in precipitation, making it highly dependent on flooding events. Since we mainly conduct demolition in this region, it is important to take measures to prevent pollution runoff because of the potential impact on marine and freshwater ecosystems. Thorough environmental measures in the dismantling yards are needed.
B	Southeast Asia	The region has high GHG emissions and a high impact on marine ecosystems. As we often navigate to this region, we need to pay particular attention to measures for discharging hazardous substances from vessels and the impact on marine ecosystems caused by ballast water and oil spillage due to accidents must be paid particular attention.
C	Japan	The region can be said to have a high degree of impact on freshwater ecosystems, marine ecosystems, and water pollution. The marine ecosystems are particularly important for our marine-based business. The region is assessed as having a significant impact on marine ecosystems, especially for our marine-based business. It is necessary to pay attention to countermeasures against marine pollution caused by oil spills in ship accidents.
D	California	High GHG emissions and high impact on marine ecosystems, freshwater ecosystems, and water pollution. As we often sail to this region, we need to pay attention to countermeasures against hazardous substances from ships and marine pollution caused by oil spills in case of ship accidents. In addition, there is a whale sanctuary in the area, and since slow steaming is recommended in the area, it is necessary to pay attention to the disturbance to marine organisms.



Reducing "K" LINE's Impact on the Sea and Air

## Assessment of nature-related risks and opportunities -1

### ► Analysis of nature-related risks

In the risk analysis, risks that were considered to have a significant impact were organized in terms of migration risk and physical risk.

As a result, we consolidated and identified four materialities that apply to all priority areas: oil pollution, air quality impacts, migration of marine organisms, and impacts on mammals.

Risk classification		Potential Risks and Impact on Business	Impact on Nature	Key Risks
Transition risk	Regulations and Laws	Vessel operations will increase GHG and SOx and NOx emissions, and stricter emissions regulations at the operator level will increase response costs.	Air pollution	Atmospheric Impacts
		The discharge of ballast water and the migration of organisms attached to the bottom of the vessel could affect the aquatic ecosystem of the area, leading to a collapse of the ecosystem of fishery resources and affecting the local fishing industry, which could result in the need for fisheries compensation. It could also create a threat to the conservation of endangered species and could result in lawsuits from the target countries and NGOs.	Biological Interference / Alteration	Migration of marine organisms
	Reputation	Increased emissions of SOx and NOx, which cause photochemical smog and acid rain, due to vessel operations will damage the company's social reputation among suppliers and stakeholders.	Air pollution	Atmospheric Impacts
		Ship operations can cause collisions with whales and other marine mammals that can be physically harmful to the organisms. In addition, undersea noise can harm communication between marine organisms, cause stress, and adversely affect the ecosystem. It may cause damage and stress to living organisms, and in the worst case, death, resulting in lawsuits from neighboring countries, NGOs, etc., and public notoriety.	Disturbance (light, noise)	Effects on Mammals
Physical risk	Chronic	The oil pollution associated with the dismantling needs to be addressed.	Water and soil contamination	Oil pollution
	Acute	Accidents in marine transportation cause oil pollution, which affects the marine ecosystem and reduces the catch of fishery resources, necessitating compensation to fishery-related businesses and neighboring countries.	Water and soil contamination	Oil pollution

Reducing "K" LINE's Impact on the Sea and Air

## Assessment of nature-related risks and opportunities -2

### ► Assessment of nature-related opportunities

The TNFD defines nature-related opportunities as activities that produce positive outcomes for the organization and nature by creating positive impacts on nature or reducing negative impacts on nature. Based on this definition, we evaluated the importance of activities that

create nature-related opportunities in the TNFD in each of the four materialities of "oil pollution control," "air quality impact mitigation," "marine life migration prevention," and "mammal impact mitigation".

#### 1. Oil pollution

Risk Mitigation Management	Opportunity Management	Materiality assessment of risks and opportunities
<p>Ship hull strengthening / Promotion of safe operation through the integrated vessel operation and performance management system "Kawasaki Integrated Maritime Solutions" / Installation of overflow pipes in fuel tanks / Electricity for deck equipment / Use of indirect cooling system (central cooling system) / Seafarer training / Strengthening of dialogue with port facility managers / Lobbying IMO (International Maritime Organization) on treaty aspects in collaboration with relevant ministries.</p> <p>* Financial impact is mitigated by marine insurance coverage</p>	<p>Promotion of safe operation through the integrated vessel operation and performance management system "Kawasaki Integrated Maritime Solutions" / Construction of a fleet compatible with new transport technologies / Environmental protection through enhanced support for green ship recycling</p>	<p>Nineteen endangered species inhabit in Southeast Asia, and oil pollution from ship accidents, etc., is of high importance because of its potentially devastating impact on the ecosystem. On the flip side of risk, the expansion of safe operation measures and oil pollution prevention measures that take these into account and the insistence on such measures are highly important as they provide an opportunity to contribute to the enhancement of reliability as a ship operator that takes biodiversity conservation into consideration.</p>
<p><b>[Target]</b> Zero oil pollution accidents</p>	<p>Promotion of efforts to prevent oil pollution accidents: Strengthening of safe navigation measures, strengthening of hull strength, strengthening of all safety measures including human resource development, strengthening of green ship recycling measures, etc.</p>	

#### 2. Atmospheric Impacts

Risk Mitigation Management	Opportunity Management	Materiality assessment of risks and opportunities
<p>Initiatives to develop next-generation technologies to clear Tier III NOx emissions regulations / Participation in the Port of Bergen, Norway, Initiative to reduce NOx emissions from ships at berth by installing onshore power supply equipment / Awards for the Port of Los Angeles and Port of Long Beach, USA, Slow Steaming Program / Further expansion measures for LNG-fueled vessels / Introduction of LPG-fueled vessels / Introduction of zero emission vessels such as ammonia- and hydrogen-fueled vessels</p>	<p>Proactive biodiversity assessment and information disclosure ahead of competitors in TCFD scenario analysis and TNFD prototypes / Improvement of profitability by enhancing efficient operation through introduction of energy-saving equipment, etc./ Reduction of burden by commercialization of ships with new fuel and propulsion technologies that are low-carbon and decarbon</p>	<p>Highly important because GHG emission sources are an important aspect of the factors causing climate change and can affect marine ecosystems by increasing sea water temperature, affecting ocean currents, and leading to changes in weather phenomena. SOx and NOx emissions are highly important because they cause photochemical smog and acid rain, which may affect not only marine ecosystems but also human health. On the flip side of the risks, low-carbon ship operations that take these factors into account, compliance with regulations, and assertion of such are highly important because they provide an opportunity to contribute to the credibility of the ship operator as one that takes biodiversity conservation into account.</p>
<p><b>[Target]</b> Reduction and minimization of impact on the surrounding environment</p>	<p>Promote initiatives to prevent air pollution and reduce GHG emissions: slow steaming, use of low-sulfur fuels, introduction of SOx scrubbers, introduction of NOx reduction equipment, etc.</p>	

Reducing "K" LINE's Impact on the Sea and Air

## Assessment of nature-related risks and opportunities -3

### 3. Marine organism migration

Risk Mitigation Management	Opportunity Management	Materiality assessment of risks and opportunities
Use of environmentally friendly paints: When marine organisms adhere to the hull of a ship, they increase the resistance of the hull, which not only increases fuel consumption and CO <sub>2</sub> emissions, but may also affect the ecosystem by bringing the adhered organisms to other waters. In order to reduce fuel consumption and prevent marine organisms from attaching to ships, we are actively promoting the use of low-friction paints, especially on new ships, in an effort to reduce CO <sub>2</sub> emissions and preserve biodiversity. In addition to conventional paints, low-friction paints are also being used on vessels in service in consideration of the environment	Marine ecosystem conservation through proper treatment of ballast water.	Twenty-six endangered marine species have been identified in India, 19 in Southeast Asia, 13 in waters around Japan, and 10 in waters around California. The disruption of ecosystems due to ballast water discharge and the movement of organisms attached to ship bottoms could pose a risk to endangered species and have a significant impact on catches. For these reasons, the risks associated with ballast water are of high importance. On the flip side of the risks, the expansion of ballast water measures that take these factors into account and the use of environmentally friendly paints and their claims are highly important because they provide an opportunity to contribute to the enhancement of reliability as a ship operator that takes biodiversity conservation into consideration.
[Target] Reduce and minimize impact on the surrounding environment	Promotion of efforts to prevent marine organisms from migrating: Maintain 100% ballast water treatment equipment installation rate, continue introduction of environmentally friendly paints, etc.	

### 4. Impact on mammals

Risk Mitigation Management	Opportunity Management	Materiality assessment of risks and opportunities
Reduce the impact of vessel operations on marine mammals (in the 12-mile area along the California coast, vessels are required to operate at reduced speeds, contributing to reduced collision and noise risks) / Establish noise measurement methods and standards and ensure that they are below standards when built / Engage with governments, UN, NGOs, etc. for policy engagement / Install and research noise reduction devices	Reduction of the burden on marine mammals by vessel operations that contribute to impact reduction / Ecosystem conservation through more specific and effective measures regarding undersea noise, such as the impact of vessel noise on whales, etc.	Vessel operations may cause collisions with whales and other marine mammals, resulting in physical harm to the creatures. In addition, the degree of impact of noise on whales is high in the Mediterranean and California waters, and is of high importance to stakeholders, especially considering the presence of a whale sanctuary in the California waters. On the flip side of the risks, the expansion and advocacy of safe navigation measures, oil pollution prevention measures, and operational reviews that take these considerations into account is highly important because it provides an opportunity to contribute to improving the credibility of the company as a ship operator that takes biodiversity conservation into account.
[Target] Reduce and minimize impact on the surrounding environment	Reducing the impacts of vessel operations on marine mammals: Participation in California's slow steaming program to protect whales	

## Risk and Impact Management

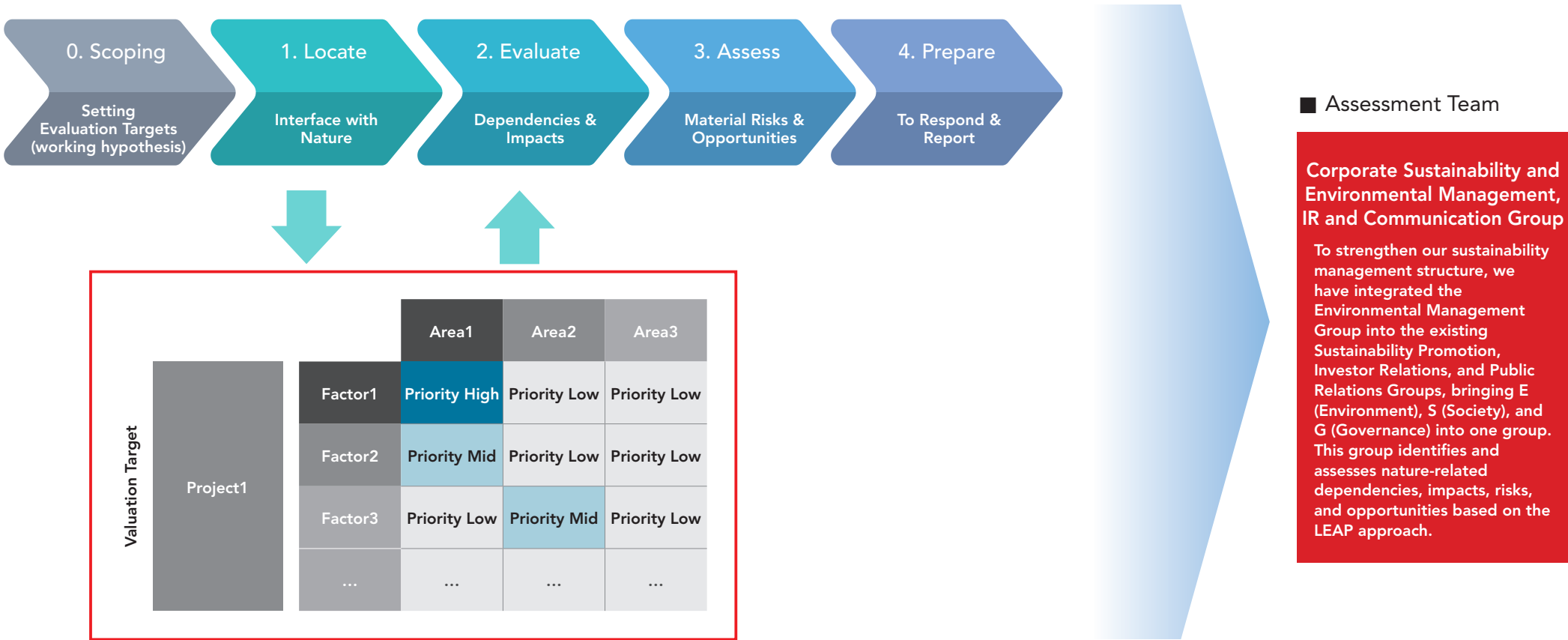
### Identification and assessment process for nature-related risks

"K" LINE Group will follow the steps of the LEAP approach to identify and evaluate nature-related dependencies, impacts, risks, and opportunities based on TNFD disclosure recommendations.

In the Scoping phase, we develop a working hypothesis, and in the Locate phase, we identify the contact points between our operations and nature and identify priority areas in terms of ecosystem integrity and importance, and water stress (mainly the degree of marine

pollution). In the Evaluate phase, we analyze whether the items identified as having a high degree of dependence and impact will have an impact on nature in the priority areas identified in the Locate phase. In the Evaluate phase, the business activities in the priority areas identified in the Locate phase are analyzed to determine the natural impacts of the business activities. In the Assess phase, risks and opportunities are identified and evaluated, and goals and strategies are reviewed in the Prepare phase.

**Steps in the LEAP Approach**  
Source: The TNFD Nature-Related Risk and Opportunity Management and Disclosure Framework Beta 0.4

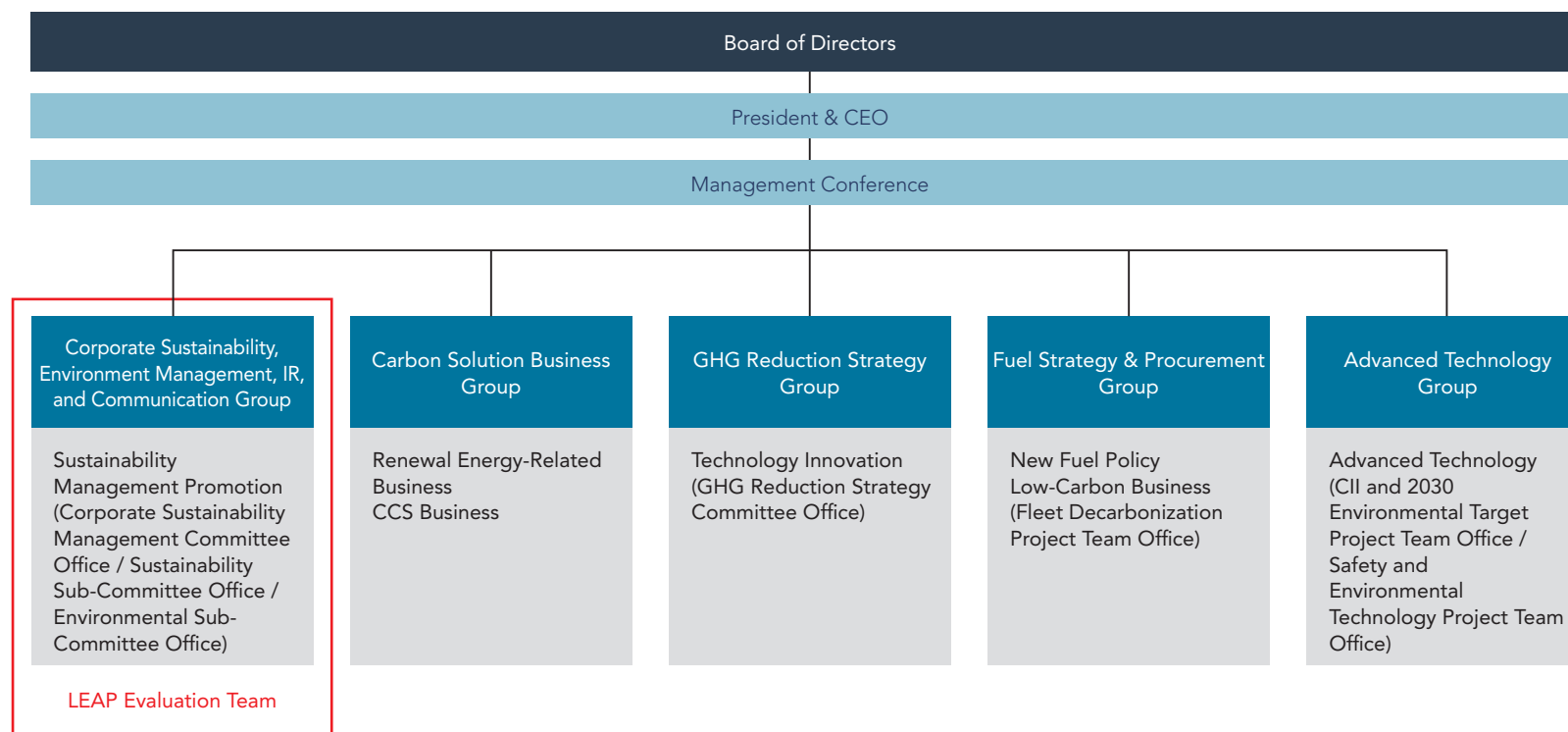


## Reducing "K" LINE's Impact on the Sea and Air

### Process for managing nature-related and other risks

"K" LINE Group has the following organizations responsible for the practical implementation of sustainability management promotion: Corporate Sustainability and Environment Management, IR and Communication Group, Carbon Solution Business Group, GHG Reduction Strategy Group, Fuel Strategy & Procurement Group, Advanced Technology Group. These groups are accelerating sustainability initiatives through practical operations.

Sustainability Sub-Committee reports to Corporate Sustainability Management Committee, a higher-level committee, on important matters in the LEAP evaluation of the Corporate Sustainability, Environment Management, IR and Communication Group. Finally, the President & CEO, who chairs the Sustainability Management Promotion Committee, submits the report to the Board of Directors for company-wide management.



Reducing "K" LINE's Impact on the Sea and Air

## Metrics and targets

### Main responses to nature-related risks

"K" LINE Group, as a company that enhances 'natural capital,' mainly of the ocean, one of the six capitals of the "K" LINE Group, in order to achieve both our continuous development and contribution to a sustainable society, we are committed to the "K" LINE Environmental Vision 2050" and working to reduce the environmental impact of our company and society.

In the implementation of the LEAP approach, which is a part of our efforts, we were able to once again understand the relationship between our business activities and nature-related

dependencies and impacts, and evaluate nature-related risks and opportunities, which will strengthen our risk management in terms of management strategy and confirm that we will continue with our current measures and other directions. The assessment of the risks and opportunities identified, and the goals of the project were also reviewed. Although the risks and targets identified include qualitative assessments, we will continue to monitor them while seeking and considering quantitative information in the future.

Key Risks	Correspondence details	Purpose	Targets and Indicators
Oil pollution	Promotion of efforts to prevent oil pollution accidents: Strengthening of safe navigation measures, strengthening of hull strength, strengthening of all safety measures including human resource development, strengthening of green ship recycling measures, etc.	Zero oil pollution accidents	Zero oil pollution accidents
Atmospheric impacts (GHG, SOx, NOx)	Promote initiatives to prevent air pollution and reduce GHG emissions: Slow steaming, use of low-sulfur fuels, introduction of SOx scrubbers, introduction of NOx reduction equipment, etc.	Reduction and minimization of impact on the surrounding environment	All ship types Emissions per ton-mile transported <a href="https://www.kline.co.jp/en/sustainability/environment/data.html">https://www.kline.co.jp/en/sustainability/environment/data.html</a>
Prevention of marine organism migration	Promotion of efforts to prevent marine organisms from migrating: Installation of ballast water treatment equipment, introduction of environmentally friendly paints, etc.		Maintain 100% ballast water treatment system installation rate, continue introduction of environmentally friendly paints
Impact on mammals	Reducing the impacts of vessel operations on marine mammals: Participation in California's slow steaming program to protect whales		Continued participation in the slow steaming program in California, U.S.A.

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

### Future Biodiversity Conservation Initiatives

In order to reduce the environmental impact of our ship operations on the oceans and atmosphere to zero, we are already implementing various initiatives in each region from the viewpoint of biodiversity preservation as follows.

#### Avoidance and minimization of marine pollution

- Promote initiatives to eliminate oil pollution accidents (strengthen safe navigation measures, strengthen hulls)

#### Reduction / minimization of load on the surrounding environment

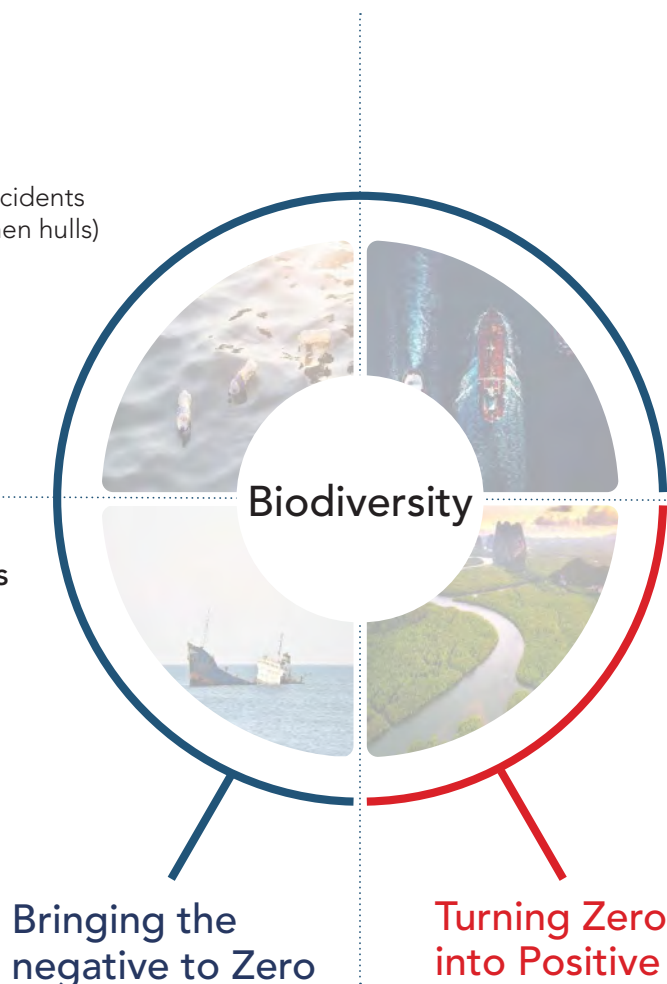
- Introduction of SOx / NOx reduction equipment
- Fuel use of environmentally friendly low-friction paints
- Appropriate treatment of ballast water
- Participation in the U.S. state of California's slow steaming program to protect whales

#### Reclamation and conversion of resources for recycling

- Dispatch employees to Ship Recycling's dismantling yard to conduct independent assessments, including prevention of pollutant spills
- Minimizing waste and promoting recycling related to marine and land-based operation

#### Restoring and preserving the environment and ecosystems through cooperation and collaboration with society

- Joint research on plastic waste with Tokyo University of Marine Science and Technology
- Preserving an undeveloped woodland near a village conservation and coastal cleanup activities in collaboration with the Chiba University Environmental ISO Student Committee





Reducing "K" LINE's Impact on the Sea and Air

## Major Biodiversity Conservation Initiatives

### ► Case 1: Safety in Navigation and Cargo Operations Based on "Human Capabilities"

We are building a solid system for safety in navigation with safety and quality management that leverages human capabilities—the strength of the "K" LINE Group—complemented by advanced digital technologies.

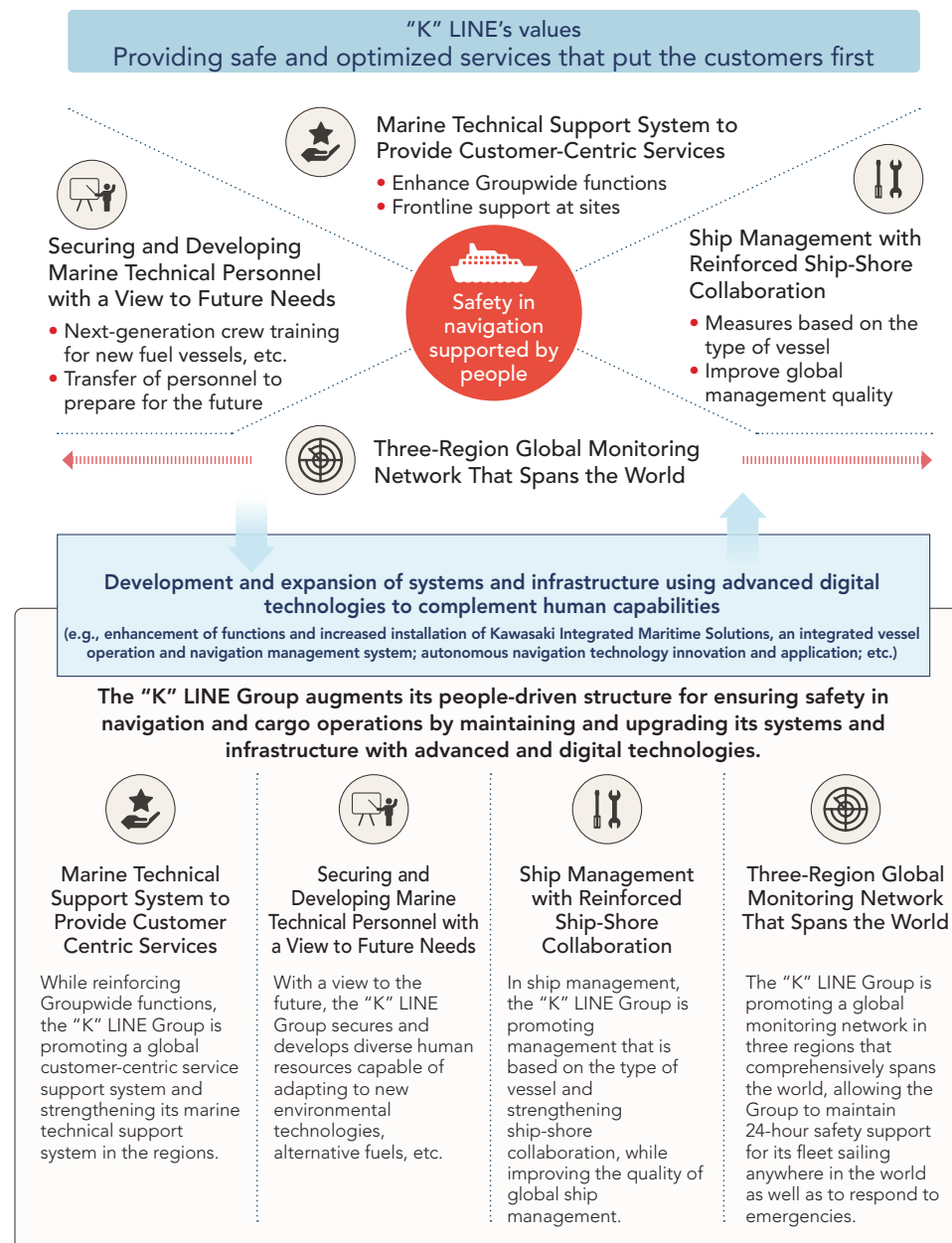
### Cutting-Edge Digital Technologies That Complement Human Capabilities

#### • K-Assist Project

The K-Assist Project is a technology development project related to automated ship operation. It covers three fields: support for sentry duty and ship navigation, support for safe berthing and unberthing, and support for engine plant operations. The Advanced Safety Berthing/Unberthing Assistance System automatically detects any outside force applied to the hull when entering or leaving a port. Use of a ship motion model to predict ships' future positions with high accuracy is expected to enable safer ship maneuvering in the future. The amount of tensile force applied to mooring lines during berthing varies greatly based on cargo loading status, and in the past, it was not possible to attain a quantitative measurement of that tensile force while aboard the ship. To address this, we jointly developed and installed the Tension Monitoring System for Mooring Line that enables the digital visualization of tensile force applied to mooring lines to improve safety relative to the past while simultaneously lowering crew member workload.

#### • Optimum Weather Routing System

Climate change in recent years has resulted in an uptick in typhoons, explosive cyclogenesis ("weather bombs"), and other weather events even out of season, with more problems being caused by stormy weather. To avoid such problems and ensure safe ship operation, it is important to set up proper routes based on weather and ocean condition forecasts. We support the safe and economical operation of ships using the KAWASAKI Integrated Maritime Solutions Navigating System for Optimal Navigation, which makes route recommendations based on operational performance models for each vessel with weather forecast.



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

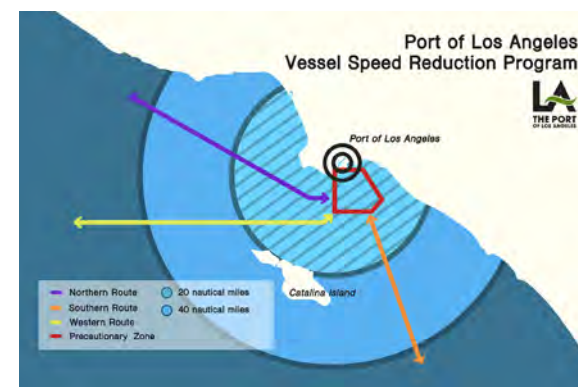
### ► Case 2: Prevent Air Pollution through Slow-Speed Navigation

#### Participation in the Port of Los Angeles and Port of Long Beach slow steaming program in the U.S.

- The US ports of Long Beach and Los Angeles have implemented programs requiring vessels to voluntarily slow their steaming speeds within designated waters to prevent coastal air pollution.
- Kawasaki Kisen Kaisha, Ltd. ("K" LINE) is honored to have received recognition from the port authorities of Long Beach and Los Angeles, both in the United States, for recording high level of compliance throughout 2023 with voluntary speed reduction by "K" LINE's car carriers and dry bulk carriers in the two ports' respective programs in order to reduce coastal air pollution by slowing ships within the designated water.
- Ships participating in the program are asked to comply with speed limit of 12 knots within 40 miles (about 74 kilometers) from the coast of each port in order to reduce emissions of exhaust gases containing nitrogen oxide (NOx), sulfur oxide (SOx), particulate matter (PM) as well as CO<sub>2</sub> that cause (global) warming from ships.
- We have participated since the inception of the program in 2005, and as a result of this year's achievement, "K" LINE has been honored to receive this award from the Port of Long Beach for 19th consecutive years and from the Port of Los Angeles for 16th consecutive years since 2008 when their awards were commenced, respectively.

#### Unique decelerated navigation in Ise Bay and Mikawa Bay in Japan

- We voluntarily reduce the speed of our car carriers to 12 knots or less when navigating in Ise Bay and Mikawa Bay. This enables us to reduce the impact of ship navigation on the surrounding atmospheric environment, both on land and at sea. We also control emission of PM (including soot) while ships are in harbor by removing soot from the boiler before entering the ports. After entering the ports, we assure that the load on the electricity generator is appropriate to maintain a good combustion state.



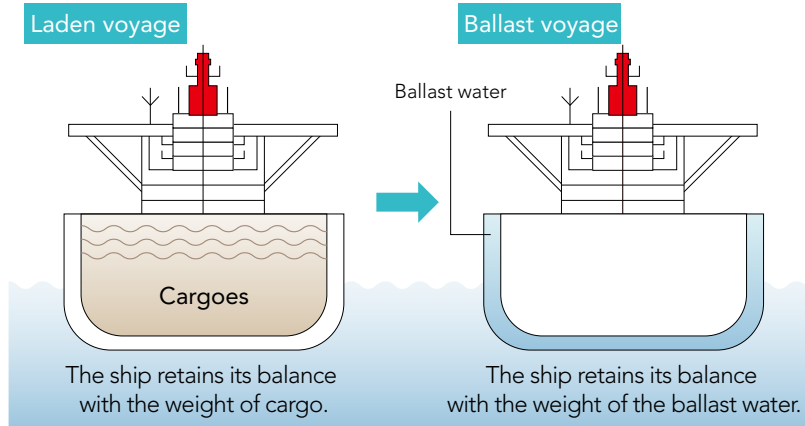
## Reducing "K" LINE's Impact on the Sea and Air

### ► Case 3: Appropriate treatment of ballast water

Vessels store seawater (ballast water) to keep the hull stable at sea.

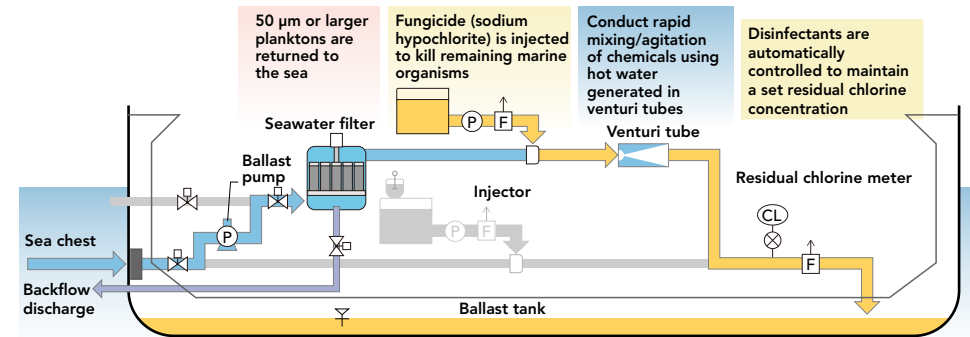
- In 2017, the International Maritime Organization (IMO) has entered into force the "International Convention for the Control and Management of Ships' Ballast Water and Sediments" because the discharge of ballast water from vessels can affect marine ecosystems.
- Specifically, it requires the installation of a treatment system (BWMS: Ballast Water Management System) for sterilizing ballast water.
- We will continue to operate vessels that are cleared of regulations and strive to protect biodiversity so that marine life and ecosystems as they originally are.

Ballast water



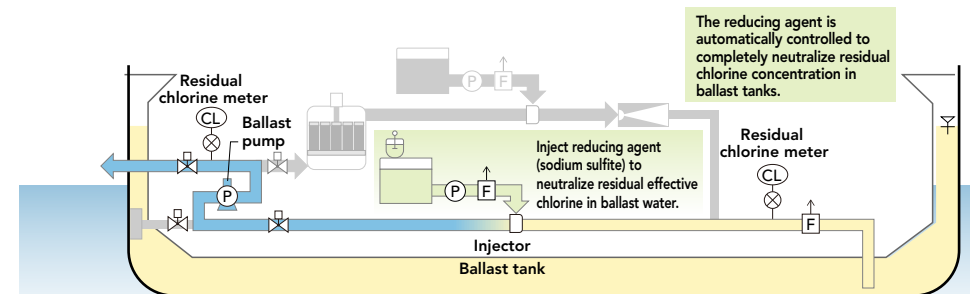
### ● While ballast water is being fed to the ship (discharging cargo)

- 1 While ballast water is being fed into the ship, precision filters (seawater filters) are used to return as many marine organisms as possible to their original habitats.
- 2 Small planktons and bacteria such as coli bacteria contained in the filtered water are eliminated using an appropriate fungicide and through mixture and agitation in a Venturi tube.



### ● While ballast water is being discharged (loading cargo)

- 1 The tiny amount of residual fungicide in the treated ballast water is neutralized and detoxified with a reducing agent before the water is discharged to the sea.



\* TG Ballastcleaner® disinfectant (main component: sodium hypochlorite) and TG Environmentalguard® reducing agent (main component: sodium sulfite) are registered trademarks of Toagosei Co., Ltd.

Reducing "K" LINE's Impact on the Sea and Air

## Related Data

### CO<sub>2</sub>, SO<sub>x</sub>, and NO<sub>x</sub> Emissions from Vessels

(Tons)

	2019	2020	2021	2022	2023
CO <sub>2</sub> emissions	9,799,932	8,761,756	6,174,863	5,997,064	5,914,354
SO <sub>x</sub> emissions	129,786	35,983	30,166	29,272	29,963
NO <sub>x</sub> emissions	202,678	181,429	117,864	118,264	117,089

Note: The scope of aggregation has been revised from 2021. Vessels not under our operation are excluded.

### SO<sub>x</sub> and NO<sub>x</sub> Emissions per Deadweight Ton-Mile

	Unit	2019	2020	2021	2022	2023
SO <sub>x</sub> emissions	g-SO <sub>x</sub> / ton-mile	0.067	0.022	0.020	0.020	0.020
NO <sub>x</sub> emissions	g-SO <sub>x</sub> / ton-mile	0.097	0.089	0.078	0.082	0.080

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

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

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

	2019	2020	2021	2022	2023
Bilge	4.15	4.02	4.04	4.72	5.93
Sludge*	3.9	4.0	2.0	2.2	2.4
Garbage on board	3.5	3.5	5.4	3.7	4.5

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

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

(Metric tons)

	2019	2020	2021	2022	2023
All types of vessels (owned ships)	82,485.0	64,421.6	74,929.9	88,450.9	99,602.9

## Supporting the Environmental Activities of Society

### Approach

#### Basic Principle

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

### Initiatives

#### Promotion of Volunteer Environmental Protection Activities

We engage in various activities to raise the environmental consciousness of our employees further, including initiatives to protect biodiversity and create pleasing landscapes, such as collaborating with the NPO Chiba University Students Committee for Environmental Management System to protect forests and clean up business sites and seashores. We are providing support for a project to regenerate seaweed beds by Moaibu.



#### 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

#### Reinforcement of Response to Green Ship Recycling

We are working on ship dismantling and resource recycling with full consideration for environmental preservation and occupational health and safety. Various types of metal are used in ships. The metals collected after dismantling ships are valuable resources and can be recycled into new products and used for new services to support local lives and the development of employment. The "K" LINE Group strives for responsible dismantling and recycling of resources also in the ship scrapping stage.

In 2017, "K" LINE established the company rules "Operating Rules for Ship Recycling" and "Detailed Operating Rules for Ship Recycling" to ensure that the dismantling work is carried out in consideration of environmental protection and occupational safety and health.

Dismantling of vessels owned by our company requires to be conducted only at our certified yards selected according to our own evaluation criteria in consideration of the conformity requirements of the HKC and our own perspective in addition. The evaluation is conducted at on-site audit in cooperation with our local supervisors.

When dismantling a ship, we inspect the dismantling yard and conduct an environmental impact assessment using our own checklist to ensure that the work is performed safely, that substances and other materials that may affect the human body and the environment are collected, and that the surrounding environment is not affected.

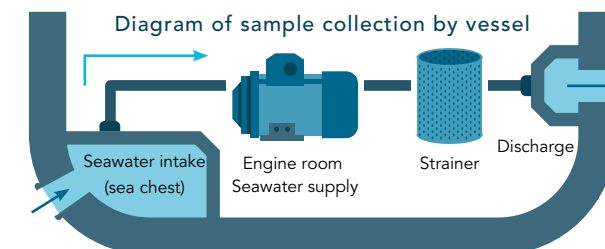


## Supporting the Environmental Activities of Society

## Participation in Collection of and Research on Marine Plastic Waste

We are conducting joint research on marine plastic debris with Tokyo University of Marine Science and Technology, a national university corporation. 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 for 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 system for monitoring the density of microplastics in specific areas.

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



## Related Data

## Office Environmental Data

### Electricity

(kWh)

	2019	2020	2021	2022	2023
Annual consumption	789,971	736,212	708,811	907,221	890,815
Annual consumption per person	860	836	793	823	749

### Office Paper

(Sheets)

	2019	2020	2021	2022	2023
Annual consumption	3,852,224	2,178,527	2,157,950	2,073,834	2,182,418
Annual consumption per person	4,196	2,473	2,414	1,882	1,836

### Water

(m<sup>3</sup>)

	2019	2020	2021	2022	2023
Annual consumption	509	318	313	403	430
Annual consumption per person	0.75	0.50	0.48	0.58	0.56

## Total Quantity of Recycling

### Ship Recycling

(Tons)

	2019	2020	2021	2022	2023
All types of vessels	13,774	114,055	0	21,695	0

## Waste

### Waste

(Tons)

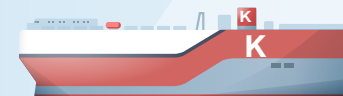
	2019	2020	2021	2022	2023
All offices	823	571	420	570	528

	2019	2020	2021	2022	2023
All types of vessels	7,477	6,361	5,192	6,858	6,623

Section  
**05**



**Social**





## Shaping of Working Environment and Promotion of Health Management

### Approach and Objectives

#### Basic Principle (On Land)

The "K" LINE Group has established Groupwide guidelines, the Charter of Conduct. Under these guidelines, 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.

#### Basic Principle (At Sea)

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

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

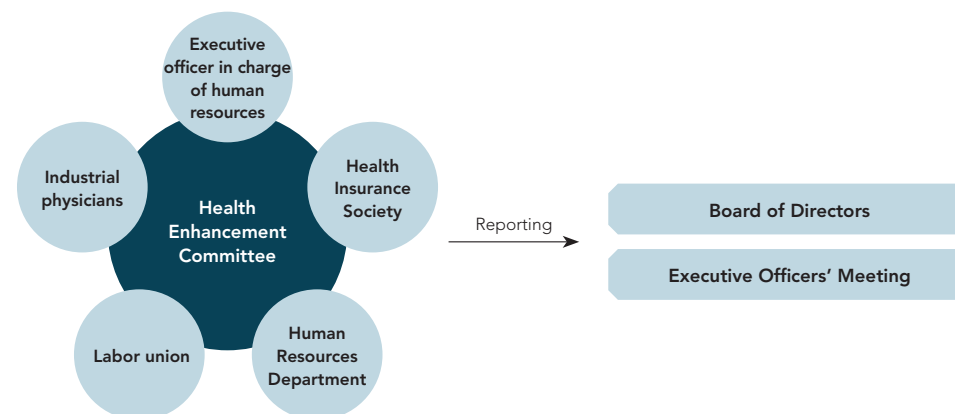
1. Freedom of association and the effective recognition of the right to collective bargaining;
2. the elimination of all forms of forced or compulsory labour;
3. the effective abolition of child labour; and
4. the elimination of discrimination with respect to employment and occupation.

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

### System

#### Management System (On Land)

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



## Shaping of Working Environment and Promotion of Health Management

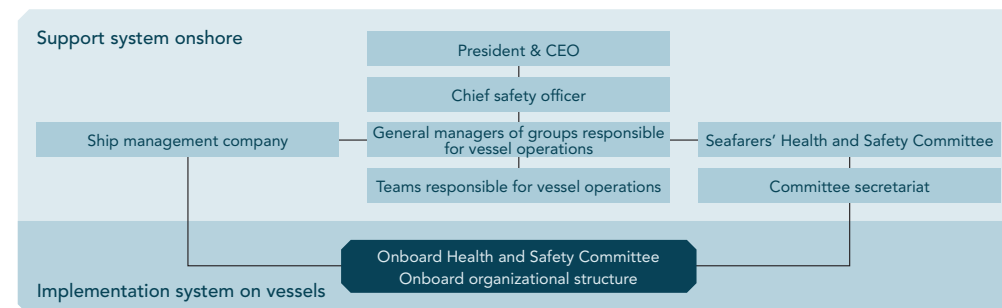
### Management System (At Sea)

Based on legal standards, we have set up a seafarers' health and safety system, with the Seafarers' Health and Safety Committee onshore and the Onboard Health and Safety Committee on our vessels.

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

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

We were first certified as an excellent company for seafarers' industrial accident prevention by the Ministry of Land, Infrastructure, Transport and Tourism in 2008 and have maintained this certification to this day.



## 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 have adopted flexible workstyles as a measure to allow employees to continue working amid the changes that accompany different life stages, such as flex time and a teleworking system. In addition, we offer robust systems for supporting employees, including maternity, childcare, and long-term care systems that surpass legal requirements.

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

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

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

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

We also received Kurumin certification in 2016 and 2020.

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



## Shaping of Working Environment and Promotion of Health Management

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

(Number of people)

Primary Systems		Outline of Our Systems	Legal Standards	Number of Users in FY2021			Number of Users in FY2022			Number of Users in FY2023		
				Men	Women	Total	Men	Women	Total	Men	Women	Total
Health care during pregnancy		Reduced hours granted during pregnancy	Same as our system	–	0	0	–	0	0	–	0	0
		Hospital visits granted during work hours	Same as our system	–	2	2	–	1	1	–	1	1
Maternity leave		Granted from 8 weeks before the due date	Granted from 6 weeks before the due date	–	10	10	–	16	16	–	7	7
Childcare leave		Granted until the child turns 3 years old	Granted until the child turns two years old	0	27	27	13	11	24	8	14	22
Childcare leave for fathers		Granted for 5 to 10 working days	No established standards	6	–	6	11	–	11	3	–	3
Leave for advanced infertility treatment		Granted for up to 18 months	No established standards	0	1	1	0	1	1	0	0	0
Support programs during childcare or nursing care	Loan program	Available for an employee who has a preschool child or a person requiring nursing care in their family (up to ¥2,000,000)	No established standards	0	0	0	0	0	0	0	0	0
	Reduced working-hour program	2 hours of reduced working hours granted until a child completes the third grade of elementary school	Granted before a child enters elementary school	0	28	28	0	28	28	0	28	28
	Nursing care leave	Granted for up to 2 years	Granted for up to 93 days	0	0	0	0	0	0	0	0	0
	Short-term nursing care leave	Granted up to 7 days per year when taking care of 1 family member and up to 12 days per year when taking care of multiple family members	Granted up to 5 days per year when taking care of 1 family member and up to 12 days per year when taking care of multiple family members	1	1	2	2	3	5	0	5	5
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	15	1	16	9	9	18	17	10	27
		Available in the 21st year at the company (10 consecutive days)	No established standards	4	2	6	10	5	15	7	6	13
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	5	5	0	4	4	0	5	5

## Shaping of Working Environment and Promotion of Health Management

### Work-Life Balance (At Sea)

#### ▶ Creating Opportunities to Contact Families

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

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

#### ▶ Accommodations on Vessels

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

Daily meals play an important role in ship-based living, and for this reason we employ non-Japanese cooks to prepare onboard meals. Our cooks are trained at the "K" Line Maritime Academy (in Manila, the Philippines), underscoring our efforts to provide well-balanced, highly nutritious meals for our seafarers on our vessels. We also provide crew members on each vessel with recipe books 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 tournament and other events for all crew members to participate in.

### Health and Safety Considerations (On Land)

#### ▶ Physical Examinations and In-House Medical Clinics

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

#### ▶ Mental Health

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

#### ▶ Prevention of Overwork

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

#### ▶ Health Support for Overseas Assignees

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

## Shaping of Working Environment and Promotion of Health Management

### Health and Safety Considerations (At Sea)

#### ► Initiatives to Prevent Occupational Accidents

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

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

#### ► Prevention of Overwork

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

#### ► Physical Examinations

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

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

#### ► 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 Strategy Group. The marine safety supervisors visit the ships when at port and provide guidance related to health and safety management. During such visits, we also conduct individual interviews to ensure our seafarers are in good mental health.

#### ► Enhancement of Interviews Conducted by HR Personnel

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

#### ► Onboard Workstyle Reforms

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

### ISO45001 (Occupational Health and Safety Management System) Certification Status

To achieve a safe, healthy, and comfortable work environment, the following companies in the "K" LINE Group have acquired ISO 45001 certification.

Out of the 278 "K" LINE Group companies, 3 companies, which accounts for 1.1%, have obtained the certification (as of December 31, 2024).

- K Line Container Service (Thailand) Ltd.
- Bangkok Cold Storage Service Ltd.
- "K" Line Logistics (Australia) Pty Limited

## Shaping of Working Environment and Promotion of Health Management

## Response to Digital Transformation (DX)

## Realization of Work–Life Balance through DX

We implement a variety of initiatives aimed at improving employee work-life balance and productivity.

We recognize the effectiveness of teleworking from the perspective of supporting work–life balance, in addition to the importance of face-to-face communication. We have developed an IT infrastructure and security platform that enables safe and smooth teleworking by introducing communication tools, strengthening endpoint security, and enhancing network lines.

To improve the efficiency of online and hybrid meetings, we have also created an environment that enables seamless integration of face-to-face and online interactions by increasing online meeting equipment in conference rooms, adding displays in work areas, and installing online meeting booths. Furthermore, we are exploring new workstyles that combine free analog thinking with efficient digital data storage and searchability by introducing digital whiteboards, interactive projectors, and touch-panel computers.

We are also promoting workstyle reforms for onboard operations, strengthening the digitalization of information, business processes, and vessels to achieve timely information sharing between onshore and offshore operations and create a safe, comfortable working environment for seafarers in order to deliver higher quality marine transportation.

## Promotion of Digitalization of Operating and Administrative Processes

We are advancing the introduction of the latest digital equipment in conference rooms and collaboration spaces as only part of the process while continuously working through the PDCA cycle, which reviews administrative processes by utilizing digital technology, with actual work sites as our starting point. Through RPA<sup>\*1</sup> and citizen development<sup>\*2</sup> using Microsoft Power Platform in several departments, we are steadily automating routine tasks. We are also improving operational efficiency in information gathering, analysis, report creation, and other areas through the secure internal use of ChatGPT and utilization of internal data in generative AI.

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

<sup>\*2</sup> Citizen development refers to employees who develop systems without formal programming training.

## Shaping of Working Environment and Promotion of Health Management

## Related Data

## Health Management Data

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

## ► Priority Health-Related Initiatives

- Establishing the Health Enhancement Committee and holding regular meetings (the minutes of which are disclosed to employees)
- Offering stress check consultations and follow-ups
- Holding in-house walking events
- Conducting training sessions aimed at boosting health literacy

## Stress check examination rate

FY2021	FY2022	FY2023
90.1%	88.0%	92.1%

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

Item	FY2021	FY2022	FY2023
Comprehensive health risk* <sup>1</sup>	87	84	82
Percentage of employees with high levels of stress* <sup>2</sup>	8.9%	9.4%	8.8%
Work engagement* <sup>3</sup>	2.5 points	2.6 points	2.6 points
Presenteeism* <sup>4</sup>	—	4.1 points	4.0 points

Note: Scores taken from The Brief Job Stress Questionnaire

\*<sup>1</sup> 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.

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

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

\*<sup>4</sup> Presenteeism means working while suffering from some form of health issue, resulting in low productivity. (The national average is 3.9 out of 5.0 points. A low number equals low productivity.)

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

## Average days of annual paid leave taken

FY2021	FY2022	FY2023
8.9 days	9.9 days	10.1 days

## Average of seven days' vacation\* taken

FY2021	FY2022	FY2023
5.0 days	4.8 days	4.9 days

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

## ► Managing Overtime Working Hours

## Overtime working hours (monthly average)\*

FY2021	FY2022	FY2023
8.9 hours	6.8 hours	7.4 hours

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

As a result of the above initiatives, we have been recognized under the Certified Health & Productivity Management Organization Recognition Program, designed and promoted by the Ministry of Economy, Trade, and Industry (METI) and the Nippon Kenko Kaigi, to honor companies that practice good health management. Recognition as a 2024 certified Health & Productivity Management Outstanding Organization marks the fifth year in a row and the sixth time overall that we have won in the large enterprise category.



## Data Related to Occupational Accidents

Item	Unit	FY2021	FY2022	FY2023
Number of occupational accidents* <sup>1</sup>	Cases	0	1	1
Number of fatal occupational accidents	Cases	0	0	0
Number of accidents requiring leave* <sup>2</sup>	Cases	0	0	0
Lost-Time Injury Frequency Rate (LTIFR)* <sup>3</sup>	—	0.00	0.60	0.57

\*<sup>1</sup> Excludes accidents while commuting

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

\*<sup>3</sup> (Number of lost-time injuries) / (Total hours worked in accounting period) x 1,000,000

Scope of coverage: onshore employees and seafarers of Kawasaki Kisen Kaisha, Ltd.



## The Securing and Development of Human Resources

### Approach

#### Basic Principle (On Land)

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

#### ▶ "K" LINE Group's Global Initiatives

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

#### Basic Principle (At Sea)

In order to provide safe and optimized transportation services, which is the core of the "K" LINE Group's business management, it is important to secure maritime technical personnel and to foster them effectively. To attract diverse human resources, we dispatch our maritime technical personnel to various maritime universities and schools to participate in lectures and roundtable discussions. We also welcome interns from various schools in an effort to spark their broad interest in becoming maritime technical personnel. In addition, we take on people from non-maritime universities and train them in-house to become maritime technical personnel.

Our maritime technical personnel do much more than work as captains, deck officers, chief engineers, or engineers on ships; they make full use of their high-level skills, knowledge, and experience gained through work on board vessels for a variety of activities that are indispensable to providing safe and optimized services onshore. To enable maritime technical personnel to demonstrate their full potential, we not only provide numerous technical training courses but also conduct stratified training. This training enables the Company and its maritime technical personnel to fulfill their potential with common objectives in mind.

## The Securing and Development of Human Resources

### Structure

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

"K" LINE's training structure for human resource development was designed with the goal of developing human resources who embody the values "K" LINE requires for the realization of its corporate principle and vision. The training program was primarily designed with the aim of enhancing four types of skills. Although those skills—core skills, practical maritime skills, general skills, and management skills—can be improved through work, we prepared this training program to encourage growth in employees. The training program is mainly divided into position-based training and maritime training for young employees, management training for managers, and general training for all employees.

##### ► Human Resource Evaluation Systems

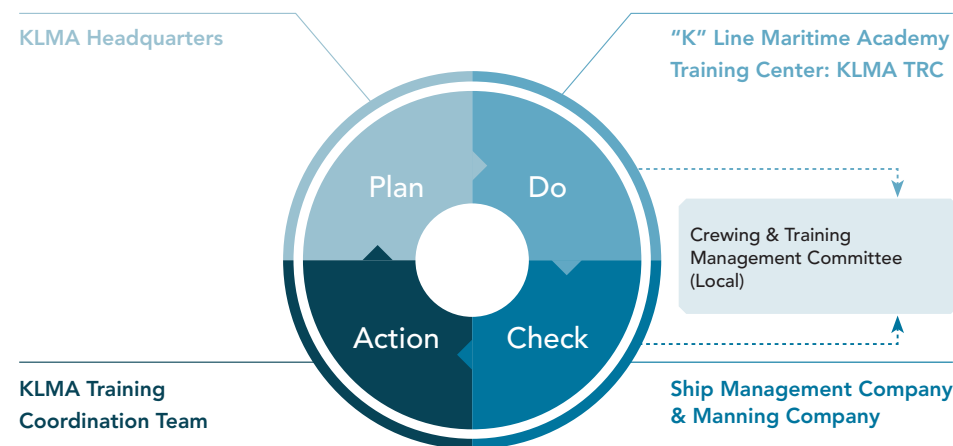
"K" LINE aims to make employees professional shipping executives, a source of differentiation and growth for the Company, by taking into account the efforts and contributions of each employee in their evaluations based on its personnel evaluation system. Our personnel evaluation system measures individual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

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

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

#### Human Resource Development Program (At Sea)

The "K" Line Maritime Academy (KLMA) is a generic term for our educational philosophy, which includes educational policies for fostering personnel indispensable to implementing the Group's basic commitment to "safety in navigation and the protection of human lives, cargoes, and the natural environment at sea." These personnel include ships' crews (officers and ratings) and seafarers ("K" LINE seafarers), who have the knowledge and skills that enable them to excel in onshore duties (ship management, crew management, and training, and sales division support). Under the KLMA, we foster maritime technical personnel according to our KLMA Master Plan and transfer knowledge of the Group's maritime technical expertise, amassed over many years, to the next generation. All Group companies are united in the goal of fostering exceptional seafarers.



##### ► Commendation Awards for Maritime Technical Personnel

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

## Initiatives

### Embedding Our Corporate Principle

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

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

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

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

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

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

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

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

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

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

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

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

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

#### ► "K" LINE UNIVERSITY

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

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

#### ► Securing Maritime Technical Personnel

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

#### ► In-House Training Program

We have introduced the in-house maritime employees training program for university graduates outside of maritime-related universities since 2013. 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 National Third Grade Marine Officer examination, they are appointed as a third officer or a third engineer. Following this, they will be able to build a career as maritime technical personnel in the same manner as graduates from a maritime-related university and experience work as onshore employees, including at overseas offices, in addition to working as officers and engineers on board our vessels.

## The securing and development of human resources

### ▶ Enhancing Interviews Conducted by HR Personnel

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

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

Under the "K" Line Maritime Academy (KLMA), we conduct various training programs to foster maritime technical personnel ("K" LINE seafarers) with essential knowledge and skills to implement the "K" LINE Group's basic commitment to safety in navigation and the protection of human lives, cargoes, and the natural environment at sea. As part of our seafarers' training, we have introduced a state-of-the-art ship maneuvering simulator to help trainees respond to re-enacted accidents and the like. For institutional training, KLMA (Philippines) conducts training using an actual main engine to help trainees obtain knowledge of and skills in new technologies. In these ways, Group companies are united in their quest to develop excellent maritime technical personnel.

### ▶ KLMA Master Plan

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

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

## Response to Digital Transformation (DX)

### DX Human Resource Development

#### ▶ Approach

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

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

#### ▶ Training Program

Based on our DX strategy, we implement a DX human resource development program for employees to acquire necessary skills and knowledge. Specifically, we will strengthen the "DX leaders" of personnel that lead business transformation with knowledge of the latest technology, IT, and security. We are also training the "DX utilizers" of 100 employees with the ability to plan and advance initiatives using data and digital technology. Furthermore, we aim to improve the skill level of "DX users" personnel (all employees), who can utilize digital tools to solve problems. "K" LINE D+ Salon, a workshop training program launched in 2022, has already graduated 120 participants and will continue to be implemented. Moreover, we have developed a program for certifying DX personnel as "DX utilizers" with e-learning and hands-on training, and set up an internal certification system. We are creating a framework where employees use DX in their actual work in order to enhance corporate value, while fostering an organizational culture and training personnel in DX. Through these efforts, we aim to further instill DX and strengthen our competitiveness.

The Securing and Development of Human Resources

Related Data

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

Item		Unit	Fiscal Year					
			2021		2022		2023	
			Onshore	Seafarer	Onshore	Seafarer	Onshore	Seafarer
Number of employees	Men	Persons	372	204	369	201	395	206
	Women	Persons	213	5	228	6	240	6
	Subtotal	Persons	585	209	597	207	635	212
	Total	Persons	794		804		847	
	Percentage of employees who are women	%	36.41	2.39	38.19	2.90	37.80	2.83
Employees in management positions	Men	Persons	128		126		124	
	Women	Persons	8		10		9	
	Percentage of managers who are women	%	5.88		7.35		6.77	
	Men	Persons	31		27		26	
	Women	Persons	0		0		0	
	Percentage of general managers or higher who are women	%	0.00		0.00		0.00	
Directors (including officers)	Men	Persons	25		26		28	
	Women	Persons	2		2		2	
	Percentage of directors who are women	%	7.41		7.14		6.67	
Average years employed*1	Men	Years	15.21		14.92		14.58	
	Women	Years	14.17		13.77		13.52	
Percentage of employees with disabilities*2		%	2.09		1.71		2.11	
Recruitment of new graduates	Men	Persons	17	17	19	13	26	18
	Women	Persons	8	1	7	3	15	1
	Percentage of new graduates who are women	%	32.00	5.56	26.92	18.75	36.59	5.26
Training	Cost of training per employee	Yen	107,000	154,664	97,092	263,880	171,454	393,407
	Average training days per employee	Days	0.5	8	3.4	12	3	20
	Average training hours per employee	Hours	13	64	24.1	96	20.9	160
Labor union participation rate		%	76.20	75.80	75.90	74.90	76.54	74.16
Employees retiring	Reached retirement age	Persons	9	3	11	4	4	2
	Voluntary retirement	Persons	12	10	7	9	12	5
	Involuntary retirement	Persons	5	3	6	1	7	1
	Others (including those who became officers)	Persons	2	0	7	1	2	0

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

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

## Diversity & Inclusion

### Approach

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

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

### Targets and Progress

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

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

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

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

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

##### ▶3. Goals and Initiatives

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

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

## Diversity & Inclusion

### < Implementation schedule and initiative details >

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

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

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

### < Implementation schedule and initiative details >

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

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

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

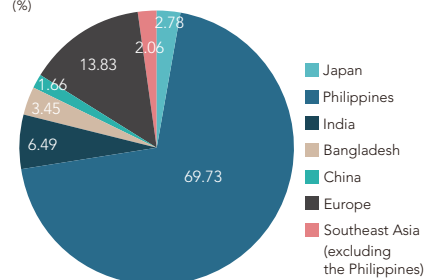
### < Implementation schedule and initiative details >

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

## Related Data

Item	Unit	FY2021	FY2022	FY2023
Percentage of employees returning to work after using the childcare leave system	%	100	100	100
Retention rate after using the childcare leave system	%	100	100	100
Number of women in managerial roles	Persons	8	10	9
Percentage of employees in management positions who are women	%	5.88	7.35	6.77
Number of employees in leadership positions who are women	Persons	25	20	21
Percentage of women in leadership roles	%	7.60	7.25	7.64
Percentage of employees with disabilities	%	2.09	1.71	2.11

Percentage of Crew Members by Nationality  
(as of September 30, 2024)  
(%)



## Promotion of Safety in Navigation and Cargo Operations

### Approach

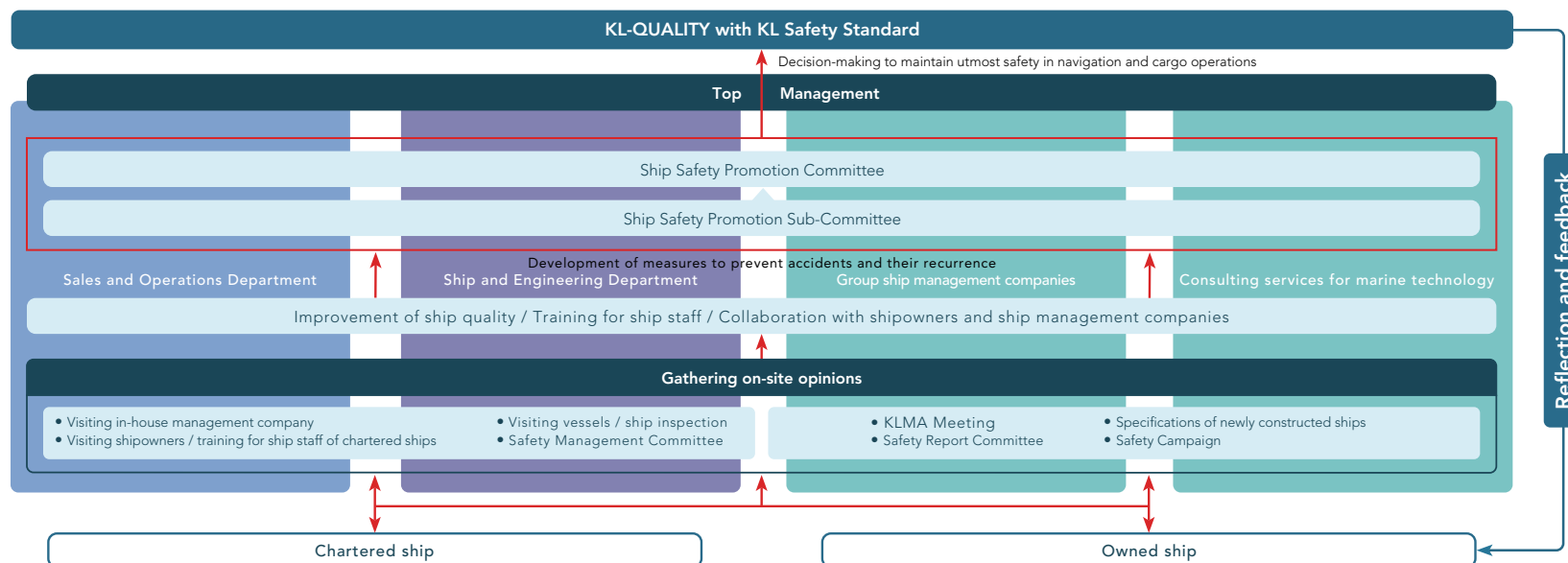
#### Basic Principle

Safety in navigation and cargo operations is an immutable mission in operating a shipping business. The "K" LINE Group includes "providing safe and optimized services" in its corporate principle and vision and has established the following three policy pillars in order to fulfill its social responsibility through safety in navigation and cargo operations: (1) Enhancing the management structure for ensuring safety in navigation (P.75) (2) Strengthening the ship management system (P.77) (3) Reinforcing the securing and training of maritime technical personnel (P.70)

### Promotion System

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

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





## Promotion of Safety in Navigation and Cargo Operations

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

The "K" LINE Group establish a global monitoring network with three bases that comprehensively spans the world, allowing the Group to maintain 24-hour safety support for its fleet sailing anywhere in the world as well as to respond to emergencies. The bases in Asia, Europe, and the Americas materialize 24/7 response and support the safe navigation of ships with referring weather and voyage plans through the sophisticated monitoring system. The network also assists the fleet in emergencies and facilitates coordination between the head office and ship management companies.

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

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

#### ► Cutting-Edge Digital Technologies That Complement Human Capabilities

##### "K"-Assist Project

(See P. 15 for more information on the "K"-Assist Project.)

##### Kawasaki Integrated Maritime Solutions

(See P. 16 for more information on the Kawasaki Integrated Maritime Solutions.)

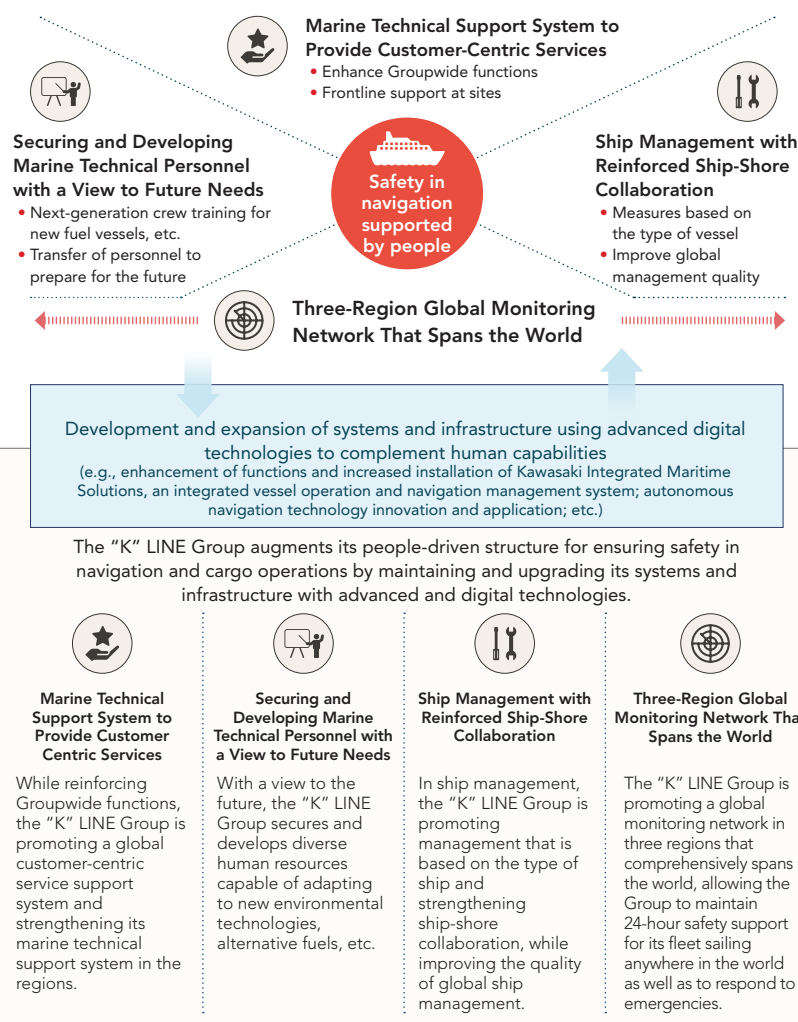
#### ► Cybersecurity Certifications for Ships

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

### Safety in Navigation and Cargo Operations Based on "Human Capabilities"

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

"K" LINE's values Providing safe and optimized services that put customers first



## Promotion of Safety in Navigation and Cargo Operations

### Initiatives

## Initiatives for Promoting Safety in Navigation

### ► Strengthening the Ship Management System

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

Ship Management Company	Vessel Type
K MARINE SHIP MANAGEMENT PTE. LTD.	Oil tanker, LPG carrier, LNG carrier
"K" Line Ship Management (Singapore) Pte. Ltd.	Containership
"K" Line LNG Shipping (UK) Limited	LNG carrier, Liquefied CO <sub>2</sub> carrier
"K" Line RoRo Bulk Ship Management Co., Ltd.	Car carrier, Dry Bulk Carrier

### ► Pre-Embarkation Briefing

Prior to embarkation, the head office and in-house management companies conduct a pre-embarkation briefing for senior officers (captain, chief engineer, chief officer, and first engineer) to share the Company's policies and the latest information on safe operations to ensure that our safety management system permeates all the way to the front lines.

### ► Safety Campaign

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

During the annual Safety Campaign period, we focus various activities, including ship visits by Company's top management to have discussions with ship captains and crews, to provide an opportunity to further raise awareness about both safety in navigation and environmental protection across the entire "K" LINE Group, both at sea and on shore.

### ► Safety Report System

Reports of near misses such as unsafe behavior on vessels are carefully analyzed by experienced mariners onshore, and the results are shared in the fleet. By embedding a no-blame culture, where who made the near miss is never blamed, we share thousands of reports annually, which helps safety awareness to take root on the front lines.

### ► Accident Information Management System (AIMS)

AIMS is an accident information management system aimed at processing accident cases appropriately and swiftly, analyzing accident trends, and formulating effective prevention measures.

We are taking various actions 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 implementing optimal safety measures.

### ► Emergency Response Exercise

We regularly conduct exercises based on scenarios of major accidents involving ships under our operation to ensure we can respond quickly and properly in the event of an emergency. This exercise involves practical training and covers everything from assembling an initial 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.

### ► Fleet Monitoring System

As part of strengthening our safety management structure, we monitor the vessels under operation, including chartered vessels.

We work to prevent navigation accidents by monitoring route deviations and any severe weather anticipated for each vessel on a single platform, then sharing this information between ship and shore.

We have established 24/7 monitoring and safety navigation support system through monitoring in three bases worldwide.

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

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

### ► Maintaining KL-QUALITY through Ship Inspections

Based on our unique quality policy KL-QUALITY covering all vessels under operation (including chartered vessels), marine inspectors regularly conduct on-site vessel inspections.

Additionally, we hold a Safety Management Committee meeting once a year to share information and exchange opinions with long-term chartered ship owners and ship management companies, and recognize outstanding ship owners for their excellence.

### ► Obtaining Notation for Safe EV Transport

The "K" LINE Group has obtained class notation\* for our car carriers indicating that safety measures are in place for transporting electric vehicles by sea.

The "K" LINE Group has been working to strengthen its initiatives for safe automobile transport, and obtaining this notation serves to recognize these efforts.

\* Class notation refers to additional character symbols given by classification society to vessels and systems that meet requirements.

## Promotion of Safety in Navigation and Cargo Operations

### Response to Digital Transformation (DX)

#### Promotion of Safety in Navigation by Utilizing DX

##### ► Initiatives Aimed at Optimizing Automated Cargo Loading

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

automatic creation of plans through algorithms utilizing advanced mathematical optimization technologies to achieve the same loading volume as an experienced marine engineer in a short time. By utilizing DX, we are promoting the creation of an environment that reduces the burden on officers on board and enables us to focus on safety in navigation, which is our most important mission.

### Related Data

#### Number of Major Accidents\*

	2019	2020	2021	2022	2023
Cases	1	0	0	0	0

Safety in navigation and cargo operations as well as environmental conservation are immutable missions in operating a shipping business. Over the past five years, we have experienced one oil spill involving a collision, where we took appropriate measures to minimize damage.

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

#### Delay Time Due to Mechanical Failure\*

	2019	2020	2021	2022	2023
Hours / Vessel	2.3	8.0	6.7	12.3	5.9

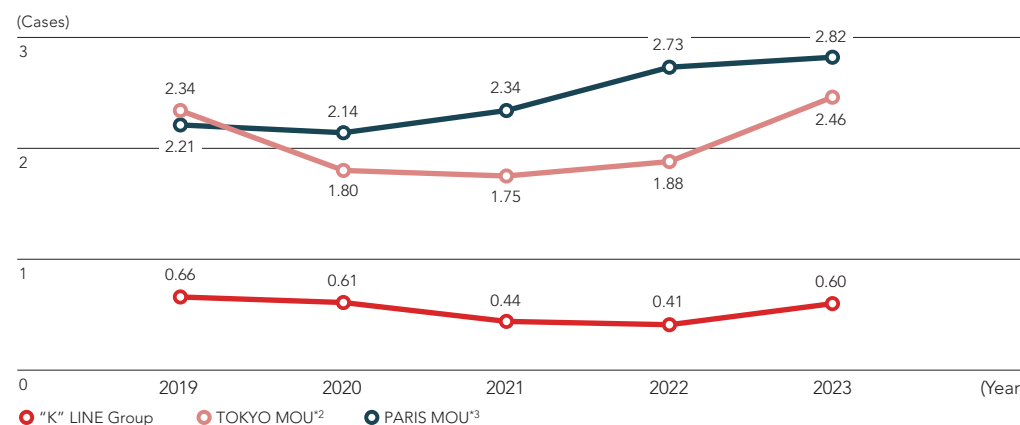
\* The scope of calculation is "K" LINE's scope of consolidation, which corresponds to 100% of sales.

#### Number of vessels visited during the Safety Campaign\*

	FY2019	FY2020	FY2021	FY2022	FY2023
Number of vessels visited	123	159	153	188	189

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

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



PSC is a safety inspection of foreign flagged ships conducted by port states to verify that the condition of the ship. Inspectors come on board ships to inspect whether they comply with various international regulations.

In "K" LINE Group vessels, the number of deficiencies per PSCs is well below the average.

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

\*2 PSC organization in Asia-Pacific region

\*3 PSC organization in European and North Atlantic region

## Respect for Human Rights

### Approach

### Basic Principle

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

### "K" LINE Group Basic Policy on Human Rights

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

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

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

The "K" LINE Group supports and respects the principles on fundamental rights listed in the International Bill of Human Rights and international norms related to human rights, such as the ILO Declaration on Fundamental Principles and Rights at Work. In addition, the "K" LINE Group complies with laws and regulations related to human rights applicable in each country and region where it conducts its corporate activities. Where there is any conflict between internationally recognized human rights and national or regional laws and regulations, the "K" LINE Group will pursue ways to honor the principles of international human rights based on this policy.

#### 2. Respect for Human Rights

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

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

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

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

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

#### 4. Education and Training

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

#### 5. Information Disclosure

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

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

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

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

## Respect for Human Rights

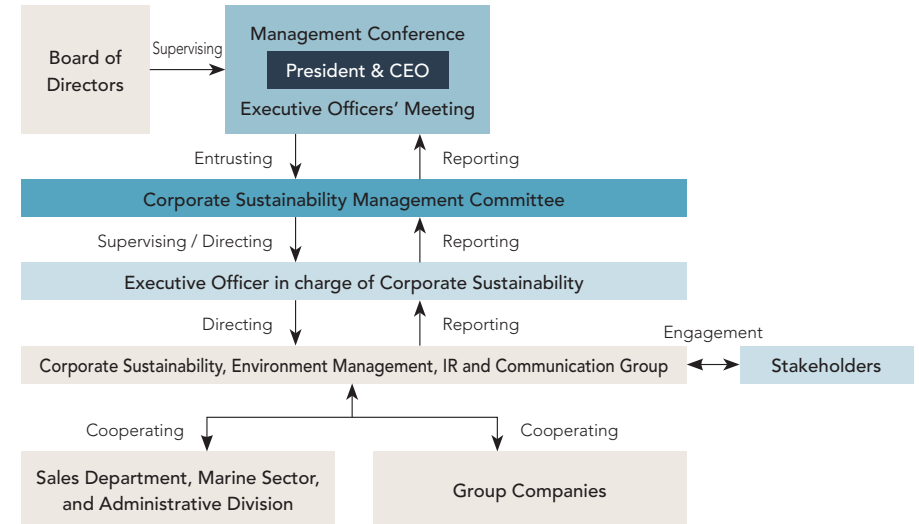
### System

## Human Rights Due Diligence System

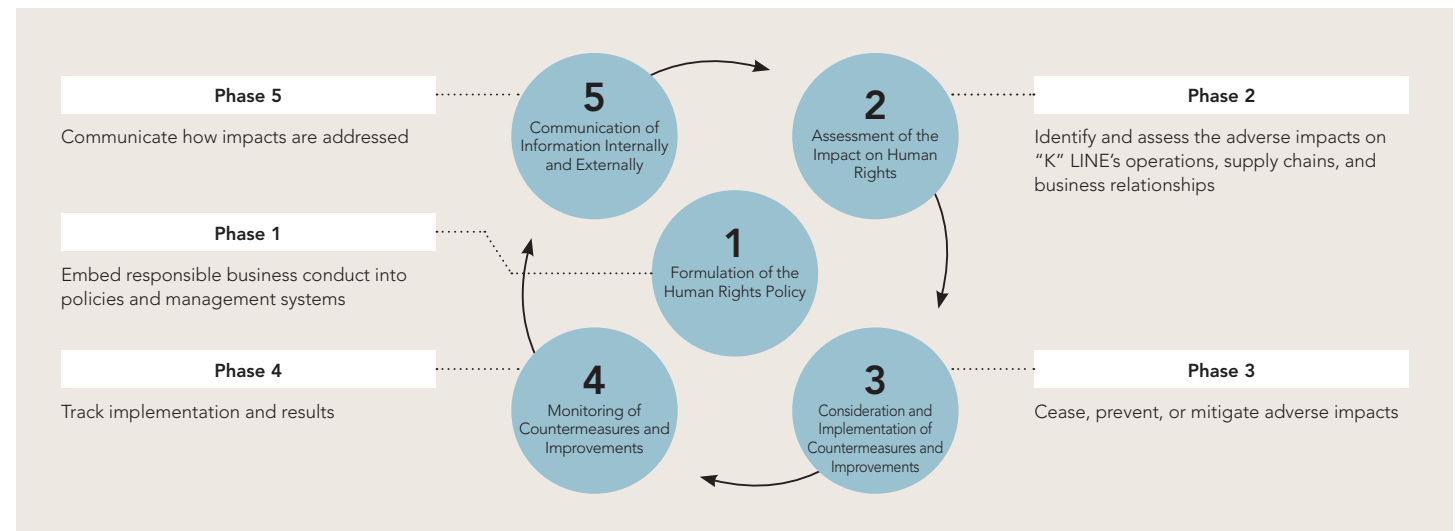
Based on the "K" LINE Group Basic Policy on Human Rights formulated in 2022, under the supervision of the Corporate Sustainability Management Committee and the direction of the executive officer in charge of corporate sustainability, the Corporate Sustainability, Environment Management, IR and Communication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

We plan to set up an external consultation desk to receive grievances and reports related to human rights. The consultation desk will be operated by the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER) to comply with the United Nations Guiding Principles on Business and Human Rights. With the desk, we will establish a grievance mechanism that satisfies requirements from the UN Guiding Principles.

### System for Implementing Human Rights Due Diligence



### Big Picture of Human Rights Due Diligence



## Respect for Human Rights

### Initiatives

#### Assessment of Human Rights Impacts

The "K" LINE Group has been accelerating its human rights due diligence efforts since fiscal 2022, conducting a human rights impact assessment on employees of the Company and its Group companies in the first fiscal year, and identifying priority issues while considering countermeasures. In the period from fiscal 2023 to the first half of fiscal 2024, we extended the scope to the supply chain, and implemented the following:

1. Analysis of the current status of the Company's procurement-related initiatives
2. Consideration of revisions to procurement policies and supplier guidelines
3. Consideration of the implementation framework for sustainable procurement

From the second half of fiscal 2024 onwards, as part of sustainable procurement, we plan to intensify human rights due diligence within the supply chain by revising and disseminating Purchasing Policy and CSR Guidelines for Supply Chain while also conducting human rights impact assessments through surveys.

#### Respect for Basic Labor Rights

The Company aims to maintain and improve working environments and to build good relationships between workers and management. We engage in constructive dialogue combining reciprocal perspectives to generate ideas, which we incorporate into our systems to support work-life balance and other aspects of workers' lives. (For more details, please see Shaping of Working Environment and Promotion of Health Management on page 61.)

#### Respect for Diversity

The "K" LINE Group has been increasing its diversity in terms of gender, nationality, and so on, corresponding to the globalization of its business activities, with the expectation that improved diversity may contribute to the creation of new ideas that result in future business growth and the sustainable growth of the Company. The Group will continue to improve HR systems and work environments so that it can support and promote diversity further. In addition, seafarers working on board vessels come from different parts of the world, including the Philippines, India, Bangladesh, China, and elsewhere in Asia, as well as Bulgaria, Croatia, and other European nations. United as one, they work day and night to ensure safety in the navigation and cargo operations of our fleet. (For more details, please see Diversity & Inclusion on page 73.)

#### Preventing Harassment

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

##### Attendance Rates for Harassment Prevention Seminars

	FY2019	FY2020	FY2021	FY2022	FY2023
Regular employees	—*1	86.7%	—*2	87.3%	99.1%
Managers	78.4%				

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

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

#### Modern Slavery Act

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



• "K" Line Holding (Europe) Limited  
[Modern Slavery Act Transparency Statement](#)

## Supply Chain Management

### Approach

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

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

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

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

##### ► Purchasing Policy

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

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

## Supply Chain Management

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

### "K" Line Group Companies CSR Guidelines for Supply Chain

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

#### ► Scope of Guidelines

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

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

#### ► Matters that Require Business Partners' Efforts

##### 1. Respect for Human Rights

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

- **Respect for the basic human rights of employees**

Respect the basic human rights of employees and do not violate their rights.

- **Abolition of forced labor and child labor**

Conduct no forced or compulsory labor including over-long working hours for employees, strive to eliminate all forced labor including bonded labor, human trafficking, and slave labor, including any unintentional complicity in such activities, and work to effectively abolish child labor.

- **Compliance with local applicable labor-related laws and regulations in each country**

Comply with applicable local labor laws and regulations in each country and prevent violations of them.

Respect freedom of association and collective bargaining of employees and obey the local laws and regulations in countries and/or regions where your business is operated.



## Supply Chain Management

- **Equality in employment and treatment**

Strive for equal treatment of employees without discrimination in terms of employment and worker treatment.

- **Maintain a safe and healthy workplace environment**

Ensure the safety and health of employees and prevent occupational accidents and diseases; strive to improve the workplace environment.

- **Payment of decent wages**

Pay employees decent wages commensurate with actual labor performed and in compliance with applicable wage laws and regulations.

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

## 2. Compliance and Business Ethics

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

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

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

- **Elimination of fraud and improper gain**

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

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

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

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

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

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

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

- **Establishment of emergency response capability**

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

## Supply Chain Management

### 4. Commitment to Environmental Issues

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

- **Reduction of environmental impact**

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

- **Reduction of resource and energy consumption**

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

- **Proactive advice and proposals for reducing environmental impact related to the "K" Line Group's business activities**

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

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

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

- **Management and protection of confidential information obtained through transactions with the "K" Line Group**

Commit to managing and protecting confidential information obtained through transactions with the "K" Line Group and do not leak or reveal such information.

- **Proper protection of intellectual property**

Respect the intellectual property of relevant parties and ensure that transfer of technology and know-how is conducted in a manner that protects intellectual property rights.

### ► Actions Expected of Our Business Partners

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

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

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

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

## Supply Chain Management

### Initiatives

#### Initiatives for Sustainable Procurement

We launched the following initiatives to ensure awareness of the "K" Line Group Companies CSR Guidelines for Supply Chain (pages 83 to 85) within the Group and among business partners.

- **Publication of a newsletter to increase awareness within "K" LINE and the "K" LINE Group**

Once every three months, we publish Sustainability News as a newsletter for all executives and employees at the head office and Group companies around the world. The aim is to spread knowledge and awareness of the concept of and the latest trends in sustainable procurement internally and at Group companies.

- **Examination of implementation of the Self-Assessment Questionnaire, a questionnaire for business partners that uses a checklist**

In order to understand and assess the sustainability initiatives being undertaken by our suppliers, we are preparing to conduct a survey using our own checklist (Self-Assessment Questionnaire). The purpose of this survey is to have our suppliers conduct a self-assessment on systems to promote sustainability and their implementation status.

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

## Stakeholder Engagement

### Approach

#### Basic Policy

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

Additionally, as stated in chapter three of the Kawasaki Kisen Kaisha, Ltd. CORPORATE GOVERNANCE GUIDELINES, "in order to achieve its sustainable growth and help enhance its corporate value further, the Company shall endeavor to appropriately hold dialogue and cooperate with various stakeholders, including its employees, customers, business partners, creditors, and local communities, and to establish a corporate culture and climate where the rights and positions of such stakeholders are respected and sound business ethics are ensured" (see page 4 in the guidelines).



Stakeholders	Basic Policy	Main methods of dialogue
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.	<ul style="list-style-type: none"> <li>• Sales activities</li> <li>• Visits to ships (cargo handling tours)</li> <li>• Hosting onboard tours</li> </ul>
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.	<ul style="list-style-type: none"> <li>• General meetings of shareholders</li> <li>• Financial results briefings</li> <li>• International and domestic IR and SR meetings</li> <li>• Small meetings</li> <li>• Business briefings and facility tours</li> <li>• IR for individual investors</li> </ul>
Business partners	We do business based on our "K" Line Group Companies Purchasing Policy. This policy is written to ensure compliance and is aimed at maintaining fair and constructive relationships with our business partners. We thus strive to build trust with our business partners and coexist with them as good partners.	<ul style="list-style-type: none"> <li>• Safety Management Committee</li> <li>• Shipowners' meetings</li> <li>• Committee on group business management</li> <li>• Hosting onboard tours</li> </ul>
Local communities and global society	We contribute to society as a good corporate citizen and work with people around the world toward development.	<ul style="list-style-type: none"> <li>• Hosting various tours (onboard tours and training center tours)</li> <li>• Woodland conservation activities</li> <li>• Worldwide cleanup activities conforming with World Oceans Day</li> <li>• Voluntary cleanup activities at lunchtime in areas around offices</li> <li>• Participation in volunteer activities</li> <li>• Recovery support for areas affected by disaster</li> <li>• Dispatching lecturers for seminars and training sessions</li> <li>• Partnerships with local governments</li> <li>• Accepting students who visit the company</li> </ul>
Employees	We respect the basic human rights of our employees and develop training programs to maximize the ability of each employee. We also strive to enhance benefit programs and improve working environments to enable each employee to work vigorously and with a sense of safety.	<ul style="list-style-type: none"> <li>• Employee evaluation interviews</li> <li>• Labor-management consultations</li> <li>• Mental health consultations with medical specialists at the clinic in the head office</li> <li>• Introduction of the EAP system to help employees access external counselors</li> </ul>

## Stakeholder Engagement

## Related Data

## Expenditure on Trade Associations and Social Contributions

(Millions of yen)

Item	Fiscal Year		
	2021	2022	2023
Political associations*	3.1	3.3	3.3
Economic associations	0.0	0.0	0.0
Other associations	7.4	7.5	8.0
Social contributions (donations)	6.5 (6.5)	9.2 (9.2)	14.8 (14.8)
Total	17.0	20.0	26.1

\* Expenditures to political organizations are made in compliance with the Political Funds Control Act and abide by appropriate internal procedures.

## Results of Investor Relations (IR) Activities

Item	Unit	Fiscal Year		
		2021	2022	2023
Domestic IR and SR (shareholder relations)* <sup>1</sup>	Companies (persons)	145 (223)	110 (121)	130 (143)
Overseas IR and SR* <sup>1</sup>	Companies (persons)	27 (38)	135 (175)	175 (209)
Small meetings	Companies (persons)	90 (103)	96 (101)	64 (66)
Business briefings and site tours	Times	2	0	2
IR for private investors* <sup>2</sup>	Times	2	2	2

\*<sup>1</sup> Includes ESG Meetings since fiscal 2020

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

## Relationship with the Community

### Approach

#### Basic Principle

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

- "K" LINE will identify social issues through dialogue with stakeholders and contribute to local communities by making use of its resources.
- "K" LINE will further and proactively contribute to society through cooperation and collaboration with a broad range of stakeholders, including NPOs/NGOs, local communities, government agencies, and international organizations.
- "K" LINE will support its employees' voluntary participation in social activities such as volunteer work.
- "K" LINE will prepare for possible relief and aid for disasters or marine accidents and extend social contributions by taking advantage of its know-how and technology, including by transporting necessary resources when needed.

- "K" LINE will provide financial assistance, such as donations, as needed, to help recovery of disaster-stricken areas in the event of a disaster in countries or regions that have close relationships with our business, while supporting education and activities that contribute to the development of the shipping industry.

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

### Initiatives

#### Social Contribution Activities through Our Businesses

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

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

##### ► Various Study Tours

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

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

Since April 2021, "K" LINE has been helping create working opportunities for people with disabilities by outsourcing a part of the recycling process for used lashing materials used in pure car carriers (PCCs) to the workplace of Continuous Employment Support Type B.\*<sup>1</sup>

Lashing materials are used to tightly secure vehicles on decks of PCCs to keep stability during transportation at sea. These materials need to be replaced with new ones due to deterioration over time. In the past, these materials were treated as industrial waste, but since 2016, we have been recycling them with cooperation from Global Technos, Ltd., in Yokohama, and Daito Corporation, a Group company, in order to reduce the environmental burden. The whole recycling process is completed in Kanagawa Prefecture to minimize road transportation and contribute to reducing CO<sub>2</sub> emissions. Furthermore, by outsourcing the disassembling process of lashing materials to Seiten, a workplace of Continuous Employment Support Type B operated by Dekkaisora, an NPO in Yokohama, and extending support to workers in facilities of Continuous Employment Support Type A\*<sup>2</sup>, we will establish a system to ensure continuous employment for people with disabilities.

\*1 A welfare service that allows people who have difficulty finding employment at general companies to work in workplaces that offer a certain level of support. There is neither an employment agreement nor a working period limit.

\*2 A welfare service that allows people who have difficulty finding employment at general companies to work in the workplace through the conclusion of employment agreements, etc.

## Relationship with the Community

### Supporting the Development of the Next Generation

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

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

#### ▶ Sending Lecturers for Securing Maritime Technical Personnel

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

#### ▶ Career Training Support Through Partnerships Between Business and Education

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

### Volunteer Activities

#### ▶ Volunteer Leave System

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

#### ▶ Community Contribution Activities / Environmental Preservation Activities

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

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

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

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

### Support for Restoration of Disaster-Affected Areas

#### ▶ Donations

The "K" LINE Group provides donations as needed to support the recovery of disaster-stricken areas in the event of a disaster in countries or regions that have close relationships with our business. In fiscal 2023, "K" LINE donated ¥10 million through the Japanese Red Cross Society to provide aid for damage caused by the Noto Peninsula Earthquake that occurred on January 1, 2024, and help with recovery and restoration.

## Related Data

### Results of Social Contribution Activities

Item	Unit	Fiscal Year			
		2020	2021	2022	2023
Disaster relief donations	¥10,000	0	200	300	1,000
Lunchtime volunteers*1	Persons	—*2	—*2	11	71
Volunteer leave	Persons	0	0	0	0
Free transportation	Times	0	1	0	0

\*1 Includes officers and employees of Group companies

\*2 Postponed due to the COVID-19 pandemic

Section

06



## Governance





## Reinforcement of 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 stakeholders including shareholders, 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 have formulated the company's CORPORATE GOVERNANCE GUIDELINES to clarify our approach and management policy.



[Kawasaki Kisen Kaisha, Ltd. CORPORATE GOVERNANCE GUIDELINES](#)

#### Corporate Governance Report

For details of its corporate governance, please refer to the Corporate Governance Report submitted to the Tokyo Stock Exchange where the Company's stock is listed.



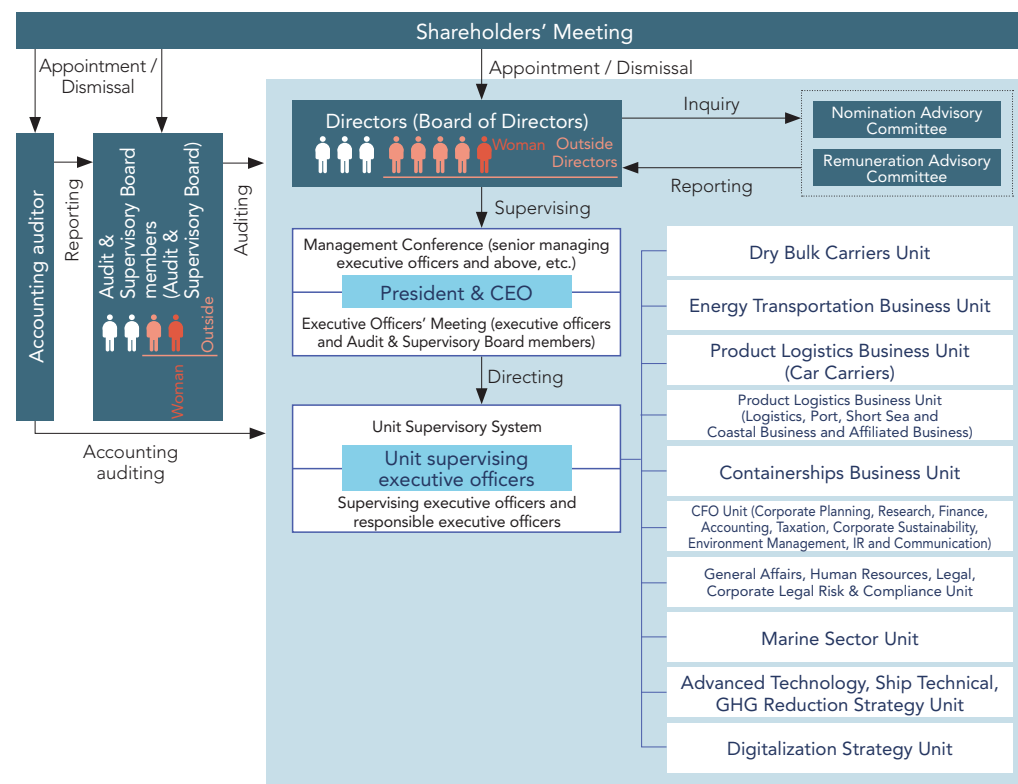
[Corporate Governance Report](#)

### 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.

(As of June 21, 2024)



## Reinforcement of Corporate Governance

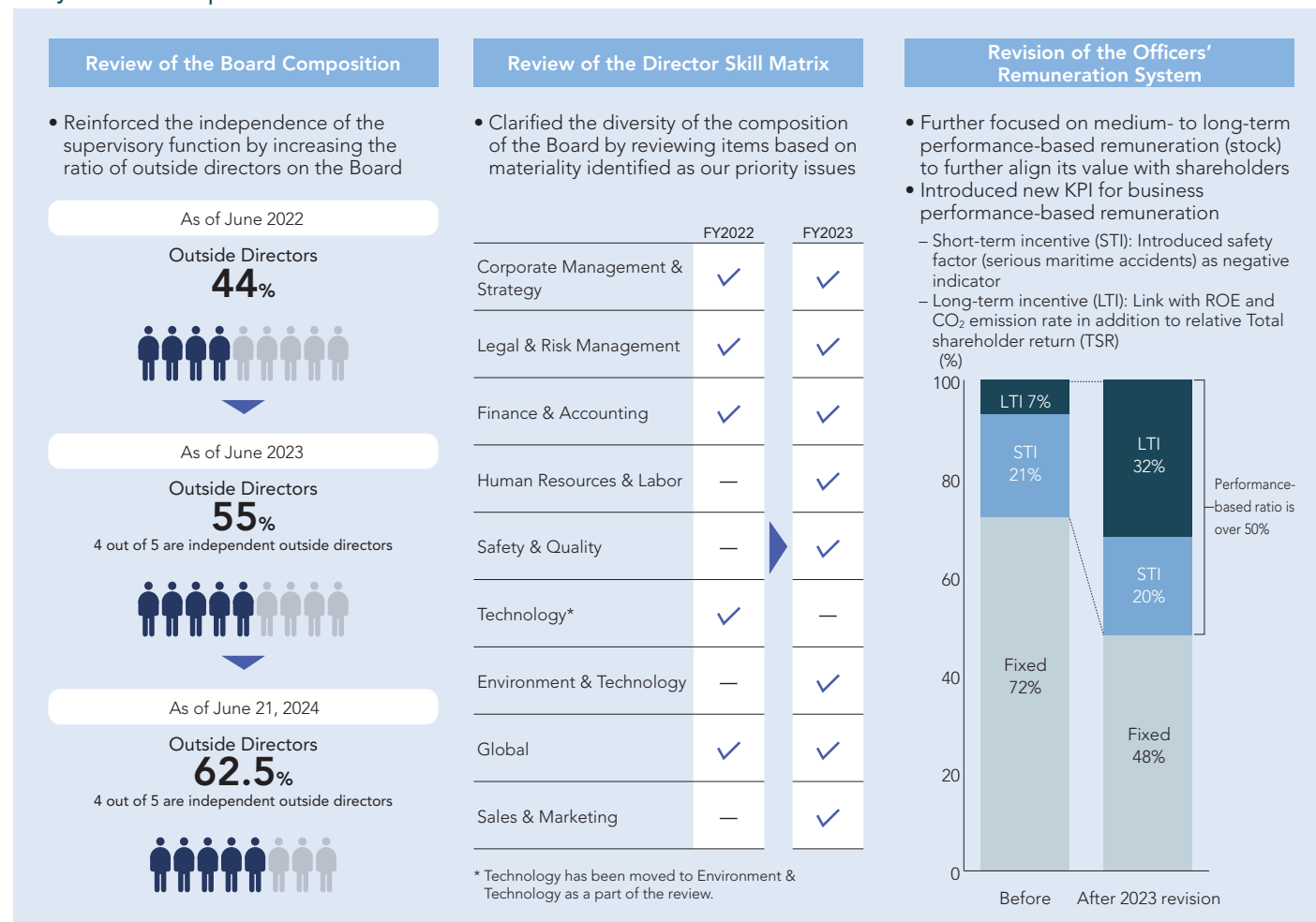
### Corporate Governance Reform

"K" LINE has promoted the active development of its 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. With the aim of improvement on governance and improving corporate value through management reform by further enhancing

the functions of the board of directors in determining and supervising management policies and strengthening management capabilities such as the management team in prompt decision-making on business execution, etc., we also plan on transitioning from a "Company with Audit & Supervisory Board" to a "Company with Nominating Committee, etc." following approval at an extraordinary general meeting of shareholders scheduled to be held in late March 2025.



### Key Points of Corporate Governance



## Reinforcement of Corporate Governance

### Board of Directors

The Board of Directors is responsible for determining basic management policies, matters stipulated by law, and other important business matters, while also supervising the execution of duties by directors. The Board convenes at least once a month. Of the eight directors, five are outside directors, four of whom are independent outside directors. Audit & Supervisory Board members also attend the Board of Directors' meetings.

### Director Skill Matrix

While aiming for sustainable growth and improvement in medium- to long-term corporate value, the Board of Directors has the duty and responsibility to properly supervise the management of the "K" LINE Group, where the mission is to support people's affluent lives as vital infrastructure in the global community.

We have identified the skills (knowledge, experience, abilities, etc.) required of the Board

#### ▶ Board of Directors' Meetings Attended / Meetings Held (Fiscal 2023)

Name	Board of Directors	Name	Board of Directors	Name	Board of Directors
Yukikazu Myochin	19/19	Kozue Shiga	19/19	Kunihiko Arai	19/19
Atsuo Asano	19/19	Koji Kotaka*1	14/14	Makoto Arai*1	14/14
Yukio Toriyama	19/19	Hiroyuki Maki*1	14/14	Atsumi Harasawa	19/19
Kazuhiko Harigai	19/19	Yasunari Sonobe*2	5/5	Shinsuke Kubo	18/19
Keiji Yamada	19/19	Tsuyoshi Kameoka*2	5/5	Yutaka Akutagawa*2	5/5
Ryuhei Uchida	19/19				

\*1. Appointed in June 23, 2023

\*2. Retired in June 23, 2023

of Directors based on our materialities (priority issues) in our aim to enhance the functions of the Board of Directors with a thoughtful combination of these skills while considering diversity in the composition of the Board members.

Please see the skill matrix below for a list of the skills of each director.

Name	Position	Expertise							
		Corporate Management & Strategy	Legal & Risk Management	Finance & Accounting	Human Resources & Labor	Safety & Quality	Environment & Technology	Global	Sales & Marketing
Yukikazu Myochin	Representative Director, President & CEO	✓	✓		✓	✓	✓	✓	✓
Kazuhiko Harigai	Representative Director, Vice President Executive Officer (Assistant to President & CEO)	✓				✓	✓	✓	✓
Noriaki Yamaga	Director, Senior Managing Executive Officer, Responsible for CFO Unit (Corporate Planning, Research, Finance, Accounting, Taxation, Corporate Sustainability, Environment Management, IR and Communication), In charge of Corporate Sustainability, Environment Management, IR and Communication, CFO (Chief Financial Officer)	✓	✓	✓			✓	✓	✓
Keiji Yamada	Independent & Lead Outside Director, Chairperson of the Nomination Advisory Committee		✓		✓	✓	✓	✓	
Ryuhei Uchida	Outside Director	✓		✓				✓	
Koji Kotaka	Independent Outside Director, Chairperson of the Remuneration Advisory Committee		✓	✓				✓	
Hiroyuki Maki	Independent Outside Director	✓		✓	✓		✓	✓	✓
Takako Masai	Independent Outside Director	✓		✓				✓	✓

## Reinforcement of Corporate Governance

### Criteria for Independence of Outside Officers

In addition to the requirements stipulated in the Companies Act, "K" LINE has established specific criteria relating to independence for the appointment of outside officers and outside Audit & Supervisory Board members for the purpose of electing them. The criteria are as follows.

An outside officer shall be judged to be independent if none of the following criteria apply.

1. A person who has been a business executor (meaning a business executor as provided for in Article 2, Paragraph (3), Item (6) of the Regulation for Enforcement of the Companies Act; the same shall apply hereinafter) of a corporate group for whom the "K" LINE Group ("the Group") is a major client within the past three years.

"A corporate group for whom the Group is a major client" refers to a corporate group that has recorded sales to the Group 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.

2. A person who has been a business executor of a corporate group that is a major client of the Group within the past three years.

"A corporate group that is a major client of the Group" refers to a corporate group to whom the Group has recorded sales in each of the years in the three-year period accounting for over 2% of the Group's consolidated sales in each such year.

3. 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 important subsidiary that plays a critical role in the Group's financing to such a degree that it is irreplaceable for the Group.

4. A person who annually 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 annually been paid ¥10 million or more or other assets in an amount equivalent thereto by the Group accounting for over 2% of the total revenues of such juridical person, etc., in the latest fiscal year. 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).

5. 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.

6. A person who is a spouse or a relative of the second or less degree of a person falling under any of the above criteria.

### Board Effectiveness Evaluation

As "K" LINE believes an effective corporate governance function is essential for sustainable growth and the enhancement of corporate value over the medium- to long-term, the Board of Directors self-evaluates its effectiveness each year, along with an independent third-party evaluation, with the results disclosed in a timely and appropriate manner.

Please refer to the following for the latest results.



[Information on "K" LINE's Board of Directors Effectiveness Evaluation](#)

### Nomination Advisory Committee

The Nomination Advisory Committee is composed of all independent outside directors, the chairperson of the Board, and the president & CEO, while the chairperson of the Board is appointed from among the outside directors through mutual election among themselves. The committee conducts deliberations on the reasonableness of proposals for the appointment or dismissal of the Company's officers upon consultation with the Board of Directors.

### Succession Planning

In the CORPORATE GOVERNANCE GUIDELINES established by the Company in 2015, Article 12 states that "the Board of Directors shall cause the Nomination Advisory Committee to deliberate on the draft version formulated each fiscal year by the incumbent president & 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 chairperson of the Board, and the president & CEO, while the chairperson of the Board is appointed from among the outside directors through mutual election among themselves. The committee conducts deliberations on the institutional design of the Officers' Remuneration System and the level of officers' remuneration upon consultation with the Board of Directors.

## Reinforcement of Corporate Governance

### Memberships of Committees (As of July 2024)

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	
Chairperson	Keiji Yamada	Chairperson	Koji Kotaka
Members	Koji Kotaka, Hiroyuki Maki, Takako Masai, Yukikazu Myochin	Members	Keiji Yamada, Hiroyuki Maki, Takako Masai, Yukikazu Myochin

### ► Nomination and Remuneration Advisory Committee Meetings Attended / Meetings Held (Fiscal 2023)

Name	Nomination Advisory Committee	Remuneration Advisory Committee
Yukikazu Myochin	9/9	3/3
Keiji Yamada	9/9	3/3
Kozue Shiga	9/9	3/3
Koji Kotaka* <sup>1</sup>	6/6	1/1
Hiroyuki Maki* <sup>1</sup>	6/6	1/1
Tsuyoshi Kameoka* <sup>2</sup>	2/3	2/2

\*1. Appointed in June 23, 2023

\*2. Retired in June 23, 2023

### Officers' Remuneration System

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

Remuneration for executive directors shall be appropriate, fair, and balanced so as to reflect the Company's medium- to long-term business performance and the latent risks borne by said executive directors and to further enhance their willingness and motivation to bring about the Company's sustainable growth and maximize its corporate value. In addition, the remuneration for outside directors shall reflect the amount of time devoted to the Company's business, and the responsibilities borne by them, and shall not include business performance-linked factors. The institutional design and level of remuneration shall be deliberated on, resolved, and recommended to the Board of Directors by the Remuneration Advisory Committee pursuant to the aforementioned policies. The Board of Directors shall respect the recommendations of the Remuneration Advisory Committee, and the representative director, president & CEO shall ultimately determine the amount to be paid to each director.

#### ► 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 the structure and level of compensation and reports its counsel to the Board. Director remuneration comprises (i) a monthly remuneration (monetary), (ii) short-term performance-based remuneration (monetary), and (iii) medium- to long-term performance-based remuneration (stock). The medium- to long-term performance-based remuneration (stock) is mainly linked to the Company's total shareholder return (TSR) to improve effectiveness and strengthen incentives for directors to target medium- and long-term growth in corporate value, while aiming to align our values more closely to those of shareholders. An overview of the remuneration system is as follows.

Category	Type of remuneration	Nature of remuneration	Method of determination	Maximum limit of remuneration
Director	(1) Monthly remuneration (monetary)	Fixed remuneration	Determined in accordance with position.	
	(2) Short-term performance-based remuneration (monetary)* <sup>1</sup>	Variable remuneration	Linked to achievement of consolidated performance targets and individual performance evaluation in a single fiscal year. Apply negative indicator when serious maritime accident occurs.	Up to ¥800 million / year (of which ¥111 million is for outside directors)
	(3) Medium- to long-term performance-based remuneration (stocks) BBT* <sup>1</sup>  *1. Limited to executive directors		Linked to our medium- and long-term TSR* <sup>2</sup> , return on equity (ROE), and ESG indicators (improvements in CO <sub>2</sub> emissions efficiency)* <sup>3</sup>  *2. TSR = Percentage increase in our share price over a certain period + Percentage of dividends over a certain period (Total dividends / Initial share price) *3. The composition ratio for TSR indicators: ROE indicators: ESG indicators is set at 90:5:5.	Over the four fiscal years from FY ending March 31, 2025, up until FY ending March 31, 2028 1) Amount contributed to the trust by the Company: ¥2,400 million 2) Maximum points awarded to directors in any one FY: 1.2 million points (equivalent to 1.2 million shares)
Audit & Supervisory Board member	Monthly remuneration only	Fixed remuneration	Determined following deliberation among Audit & Supervisory Board members	Up to ¥12 million / month

## Reinforcement of Corporate Governance

### Audit & Supervisory Board

The Audit & Supervisory Board formulates and implements audit policies and plans, and undertakes to conduct efficient, expeditious auditing. 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 2023)

Name	Audit & Supervisory Board
Kunihiko Arai	14/14
Makoto Arai*	11/11
Atsumi Harasawa	14/14
Shinsuke Kubo	14/14

\* Appointed in June 23, 2023

### Management Conference

The Management Conference functions as a system to help the president & CEO and / or their 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' Meetings

Executive Officers' Meetings are held once a month in principle, attended by all 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

In 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, responsible executive officers and 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)
- Product Logistics Business Unit (Logistics, Port, Short Sea and Coastal Business and Affiliated Business)
- Containerships Business Unit
- CFO Unit (Corporate Planning, Research, Finance, Accounting, Taxation, Corporate Sustainability, Environment Management, IR and Communication)
- General Affairs, Human Resources, Legal, Corporate Legal Risk & Compliance Unit
- Marine Sector Unit
- Advanced Technology, Ship Technical, GHG Reduction Strategy Unit
- Digitalization Strategy Unit

## Reinforcement of Corporate Governance

## 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="https://www.kline.co.jp">https://www.kline.co.jp</a> (in Japanese only) 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 Nihon Keizai Shimbun (the Nikkei), published in Tokyo.

## Stock and Shareholders Data

## ▶ Stock Data

(As of September 30, 2024)

Authorized	1,800,000,000 shares
Issued	675,172,067 shares
Number of shareholders	115,253

## ▶ Principal Shareholders (10 Largest)

(As of September 30, 2024)

Shareholder	Number of Shares Held (thousands of shares)	Ratio (%)
ECM MF	77,947	11.56
The Master Trust Bank of Japan, Ltd. (trust account)	69,010	10.23
MLI FOR SEGREGATED PB CLIENT	50,862	7.54
J.P. MORGAN SECURITIES PLC FOR AND ON BEHALF OF ITS CLIENTS JPMSP RE CLIENT ASSETS-SEGR ACCT	45,663	6.77
CGML PB CLIENT ACCOUNT / COLLATERAL	42,375	6.28
Custody Bank of Japan, Ltd. (trust account)	21,813	3.23
BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)	20,810	3.08
Suntera (Cayman) Limited as trustee of ECM Master Fund	19,716	2.92
IMABARI SHIPBUILDING CO., LTD.	16,956	2.51
Mizuho Bank, Ltd.	13,432	1.99

Note: Figures for share ownership breakdown do not include treasury stock (1,112,170 shares).

## ▶ Share Breakdown by Owner Type

(As of September 30, 2024)

Classification	Number of Shareholders	Ratio (%)	Number of Shares Held (thousands of shares)	Ratio (%)
Japanese individuals and others	112,817	97.88	93,639	13.86
Government and local governments	0	0	0	0
Japanese financial institutions	55	0.04	168,310	24.92
Other Japanese corporations	719	0.62	48,239	7.14
Foreigners	1,585	1.37	351,037	51.99
Securities companies	76	0.06	12,832	1.90
Treasury shares	1	0	1,112	0.16



## Reinforcement of Corporate Governance

### 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.

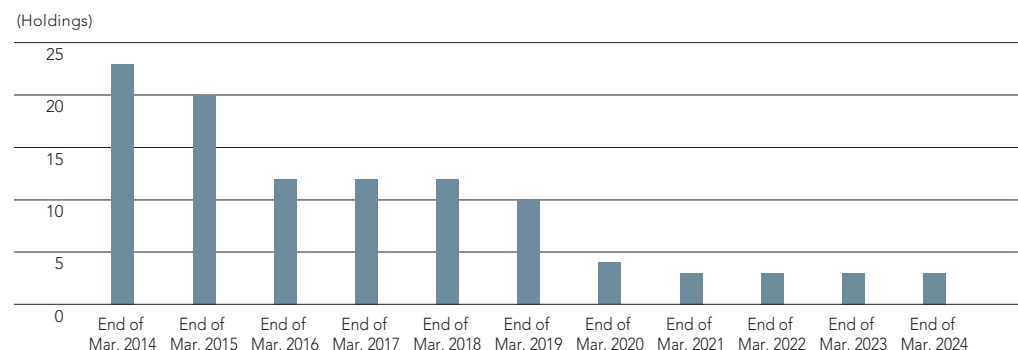
### Cross-Shareholding

#### Cross-Shareholding Policy

The Board of Directors carefully examines cross-shareholdings of listed shares at least once per year from an independent and objective standpoint to verify the purpose, necessity for business activities, mid- to long-term economic rationale based on the capital cost, and appropriateness of individual holdings, and considers liquidating shares if returns from the holdings are determined to be unreasonable.

As a result of these efforts, we have reduced our cross-shareholdings of listed shares from 12 at the end of March 2017 to 3 as of March 31, 2024.

#### Cross-shareholdings



#### Specified investment shares

Issues	FY2023	FY2022	Purpose of holding, quantitative effect of holding, and reason for increase in number of shares	Holds "K" LINE shares
	Shares Balance sheet amount (millions of yen)	Shares Balance sheet amount (millions of yen)		
JFE Holdings, Inc.	5,062,170 12,857	5,062,170 8,499	As JFE Holdings is a major customer in the Dry Bulk segment, "K" LINE continues to hold shares in JFE Holdings to sustain and enhance a long-term positive business relationship with this company.	No
Kawasaki Heavy Industries, Ltd. (KHI)	1,001,699 5,105	1,001,699 2,898	As KHI is a collaborator in the field of advanced technologies and in "K" LINE's initiatives at decarbonization and efforts to improve safety and quality, such as through field experiments with liquefied hydrogen carriers, "K" LINE continues to hold KHI shares to sustain and enhance a long-term positive business relationship with this company.	Yes
Kamigumi Co., Ltd.	118,404 397	118,404 329	As Kamigumi Co., Ltd. is a customer and collaborator in the Product Logistics segment through the co-establishment of a holding company and other factors, "K" LINE continues to hold Kamigumi shares to sustain and enhance a long-term positive business relationship with this company.	Yes

Notes: 1. Regarding holdings of the Company's shares, the number of shares held by major subsidiaries (number of shares actually held) is indicated when the issuer is a holding company.

2. The effect of shareholdings is difficult to list quantitatively, and thus the method used to verify the rationale behind these holdings is listed. The Company has verified the appropriateness of individual holdings through the Board of Directors as of March 31, 2024.



## Internal Control and Group Governance

### 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. Audit & Supervisory Board members oversee the processes by which 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.

## Accounting Audit and Internal Audit

### Status of Accounting Auditor

#### (1) Name of Accounting Auditor

Ernst & Young ShinNihon LLC

#### (2) Amount of Remunerations Payable to Accounting Auditor for Fiscal 2023

Item	Amount
1. Amount of remunerations to be paid to Accounting Auditor by the Company	¥99 million
2. Total amount of money and other financial benefits to be paid to Accounting Auditor by the Company and its subsidiaries	¥158 million

Note: The audit contract between the Company and 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 PTE LTD and OCEAN NETWORK EXPRESS PTE. LTD.

#### (3) Reason for the Consent to the Amounts of the Remunerations for 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 or not the content of audit plans conducted by the Accounting Auditor, the execution status of Accounting Auditor's duty, the

### Group Governance

To ensure proper business operations of "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.

basis for calculation of estimates for its 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 Accounting Auditor

The Company paid to the Accounting Auditor a consideration for the preparation of comfort letters in issuing corporate bonds.

#### (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.

## Reinforcement of Corporate Governance

### Status of Internal Audit

The internal audit of "K" LINE is carried out by the Internal Audit Group, which has nine 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 the 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. The Internal Audit Group periodically provides audit reports to the president & CEO and Audit & Supervisory Board members.

### Related Data

#### Governance Data (Applies to Kawasaki Kisen Kaisha, Ltd.)

Field	Item	Breakdown	Unit	Fiscal Year		
				2021	2022	2023
Governance	Board of Directors	Number of directors	Persons	10	9	9
		Men	Persons	9	8	8
		Women	Persons	1	1	1
		Ratio of women	%	10	11	11
		Number of outside directors	Persons	4	4	5
		Ratio of outside directors	%	40	44	56
		Average age of directors	Years	62.3	62.0	61.2
		Age of youngest director	Years	44	45	43
		Age of oldest director	Years	73	74	75
		Number of meetings held	Times	18	19	19
		Average attendance ratio	%	100	99	100
	Audit & Supervisory Board	Number of members	Persons	4	4	4
		Men	Persons	3	3	3
		Women	Persons	1	1	1
		Ratio of women	%	25	25	25
		Number of outside members	Persons	2	2	2
		Ratio of outside members	%	50	50	50
		Number of meetings held	Times	16	15	14
	Nomination Advisory Committee	Number of members	Persons	4	4	5
		Number of outside members	Persons	3	3	4
		Ratio of outside members	%	75	75	80
		Number of meetings held	Times	8	14	9
	Remuneration Advisory Committee	Number of members	Persons	4	4	5
		Number of outside members	Persons	3	3	4
		Ratio of outside members	%	75	75	80
		Number of meetings held	Times	6	9	3
	Remuneration	Total remuneration paid to directors (number of payees)*	¥ million (persons)	340 (10)	906 (10)	732 (11)
		Total remuneration paid to Audit & Supervisory Board members (number of payees)*	¥ million (persons)	81 (5)	80 (4)	80 (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).

Reinforcement of Corporate Governance

**Governance Data** (As of June 21, 2024)

Title		Name	Gender	Independence	Tenure (years)	Board Meeting Attendance Rate (FY2023)	Executive Officer	Nomination Advisory Committee Member	Remuneration Advisory Committee Member	Important Concurrent Positions
Board of Directors	Representative Director, President & CEO	Yukikazu Myochin	Male	No	8	100%	✓	✓	✓	Yes
	Representative Director Vice President Executive Officer	Kazuhiko Harigai	Male	No	5	100%	✓			
	Director, Senior Managing Executive Officer	Noriaki Yamaga	Male	No	–	–	✓			
	Outside Director	Keiji Yamada	Male	Yes	5	100%		✓	✓	Yes
	Outside Director	Ryuhei Uchida	Male	No	5	100%				Yes
	Outside Director	Koji Kotaka	Male	Yes	1	100%		✓	✓	Yes
	Outside Director	Hiroyuki Maki	Male	Yes	1	100%		✓	✓	Yes
	Outside Director	Takako Masai	Female	Yes	–	–		✓	✓	Yes
Audit & Supervisory Board	Audit & Supervisory Board Member	Kunihiko Arai	Male	No	5	100%				
	Audit & Supervisory Board Member	Makoto Arai	Male	No	1	100%				
	Outside Audit & Supervisory Board Member	Atsumi Harasawa	Female	Yes	5	100%				Yes
	Outside Audit & Supervisory Board Member	Shinsuke Kubo	Male	Yes	4	95%				Yes

# Risk Management

## Approach

### Risk Management Policy

"K" LINE Group has established a risk management system to recognize changes in the external environment and various management risks, and to fulfill our corporate social responsibility even when 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.

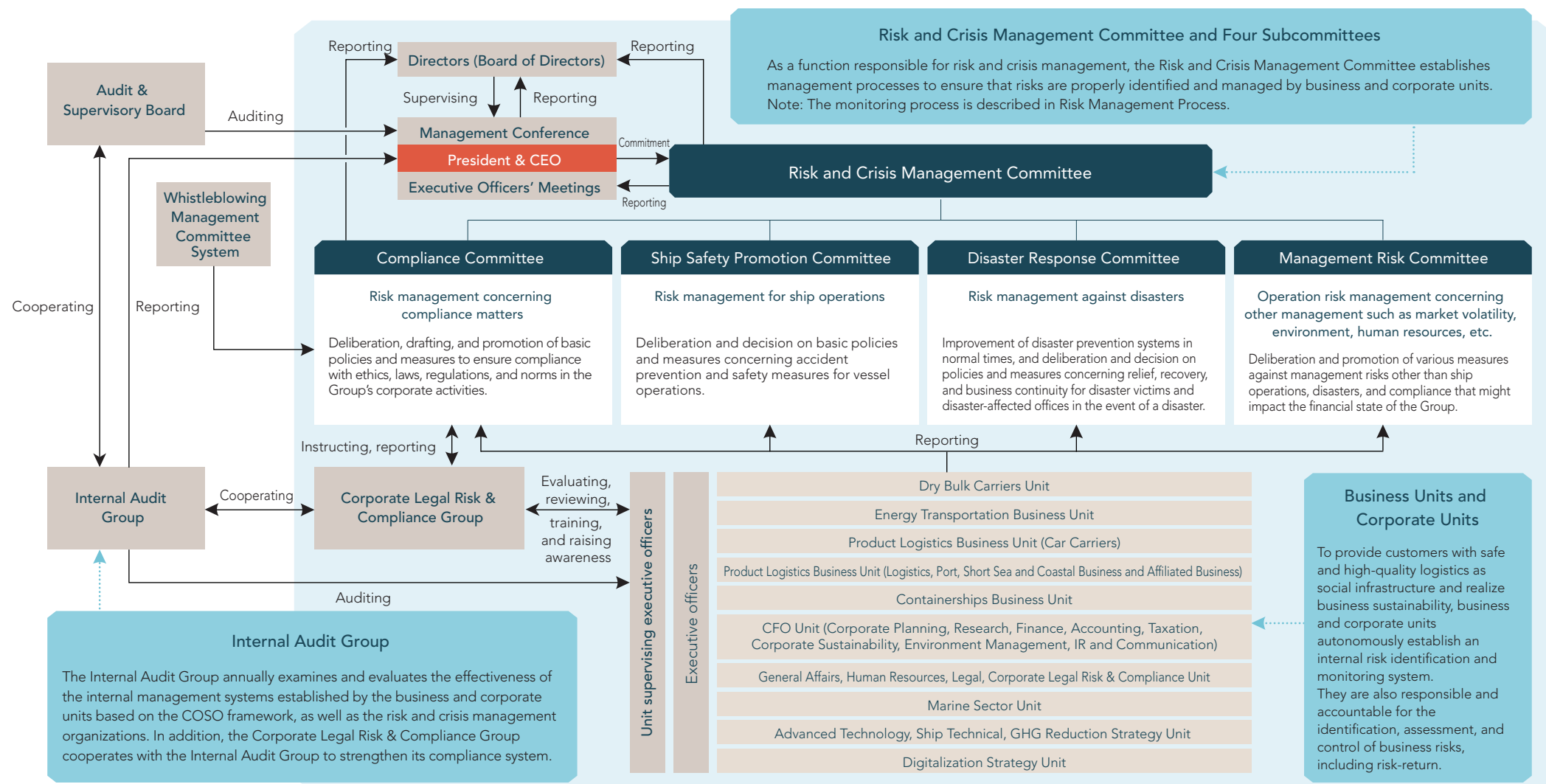
The CEO serves as the chair of all these committees, which meet quarterly. The four major risk management committees conduct regular and ongoing training activities to promote risk management. One example of such activities is the implementation of large-scale accident drills and participation in risk management workshops held by other companies. In addition, the Company designates each November as "Compliance Month" to reinforce awareness of the importance of compliance.

Major Risks			
Ship Operation	Legal and Compliance	Human Resource and Labor Management	Information Systems and Information Security
Disaster	Market Volatility	Environmental (Including Climate Change Risks)	Investment

## Risk Management

### System

## Risk Management System



## Risk Management

### Risk Management Process

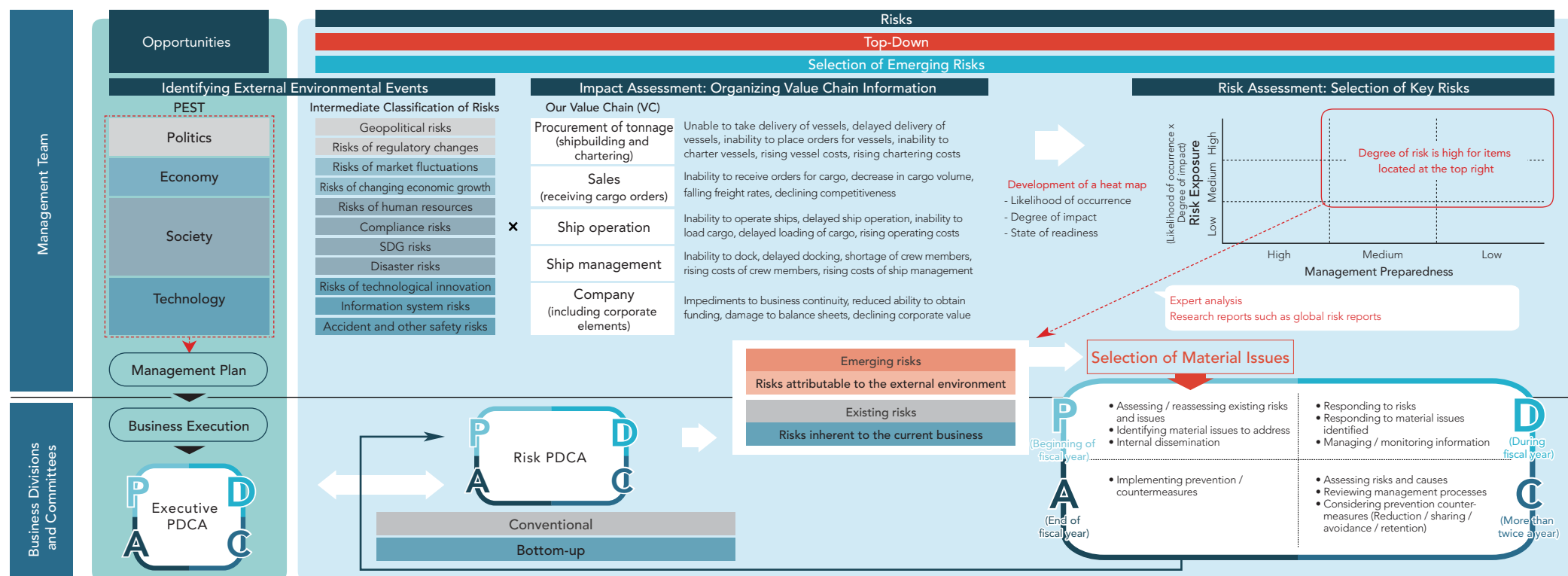
To ensure thorough risk management within the Group, we identify Groupwide risks and work to address them through management and monitoring of information. At the end of each fiscal period, we re-evaluate risks, specify and identify comprehensive risks, and determine serious risks to be addressed based on the effectiveness of the risk management system and our key risks. We then utilize a PDCA system to carry out regular reviews within each committee, perform re-assessments, and implement measures accordingly. Under this PDCA structure, we respond to risks in a multi-layered manner, combining a bottom-up approach where each committee reassesses, discovers, and identifies risks, with a top-down approach that assesses changing megatrends and other emerging risks that have not yet manifested but are of growing importance. Changing megatrends pose not only risks but also opportunities. Working from a PEST analysis\* when formulating business strategies for the following fiscal year, we accurately apply our recognition of megatrends to business strategies while assessing and responding to the latest changes in risk trends. This enables us to address both risks and opportunities

without omission.

More specifically, we envision risk scenarios that are the product of different combinations of PEST elements of the value chain in each of our businesses. Once the management team has organized the likelihood of occurrence, degree of impact, and state of readiness for each risk, we create a heat map. We then obtain external insight through expert analysis and research reports, while identifying issues to watch for, and select material issues in conjunction with risk identification based on a bottom-up approach.

Additionally, each business unit provides information on risk management throughout the PDCA cycle. Progress of risks and measures reported by each unit, as well as the serious issues and their countermeasures identified at the beginning of the fiscal year, are communicated internally on a daily basis through Board of Directors' meetings and the Executive Officers' Meeting.

\* PEST analysis is a framework for analyzing the impact on a company from identified threats in the external environment in four categories: politics, economy, society, and technology.



## Initiatives

### Ongoing Business Continuity Management (BCM) Formulation

The "K" LINE Group has established a business continuity plan (BCP) and proceeded with BCM in preparation for impediments that could be caused by natural disasters or infectious diseases, including new strains of influenza. With respect for human life as our priority, we aim to ensure business continuity and thereby meet the responsibility that we must support society's lifelines. To this end, we are transferring the management of operations to regional offices in Japan and overseas, storing backup data in remote locations, and utilizing teleworking. In preparation for an earthquake occurring directly beneath the Tokyo metropolitan area, we conduct regular evacuation drills and improve the BCM based on simulations of the scale and damage of such an earthquake. In these ways, we are making Companywide efforts to improve our disaster resilience.

In addition, "K" LINE has implemented a range of COVID-19 pandemic countermeasures. In the management of onshore operations, we expanded and enhanced teleworking and took thorough measures to prevent infection at offices. As for vessels and crew members, we monitored the health of crew members before they boarded vessels, issued an order requiring crew members to spend time in quarantine before boarding vessels, conducted PCR tests, and supplied anti-infection equipment and materials. In fiscal 2024, the Company's business operations may continue to be affected by unexpected events, such as the emergence of variants of viruses or the discovery of new strains. However, by reviewing measures taken over the past four years and in accordance with a response manual for future pandemics caused by viruses, including the COVID-19 pandemic, we will establish capabilities for maintaining business continuity even during emergencies. We will then take measures suited to each business.

### 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 accident 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 the lives of crew members. 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 risks, the Ship Safety Promotion Committee, chaired by the President & CEO, 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.

### Fostering of a Risk Management Culture

To encourage and reinforce an effective risk management culture throughout the organization, there are risk management sections in guidelines determined at each level of hierarchy, and we have created a personnel assessment system to ensure these standards are reflected. This assessment also has an impact on salary and promotions. Senior executives have a responsibility to implement risk management initiatives across the entire Company.

In addition, other risk management regulations and BCM information are posted on the top page of the intranet to educate employees, and we have a system to conduct lectures on risk management by experts annually for directors, including outside directors.

### 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 we 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 2021 and will take on the challenge of further increasing our goal to achieve net-zero GHG emissions by 2050.

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



["K" LINE Environmental Vision 2050](#)

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.

## Risk Management

Please refer to the following for more information about the Group's environmental activities.



[Environmental](#)

## Information Regarding Risks

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



[Information Regarding Risks](#)

## Sensitivity Analysis and Stress Testing

We carry out sensitivity analysis and stress testing twice a year in budgeting and monitoring monthly.

Key variables are exchange rates, interest rates, and fuel oil prices as well as market indices, such as the Baltic Dry Index (BDI) for dry bulkers and the World Scale (WS) for oil tankers. These variables are major variation factors for our operating revenue and ordinary income.

Also, we perform market valuation tests for our owned vessels as the core assets of our business by using professional sources such as VesselsValue.com and shipping brokers.



Risk Management

## Emerging Risk

Risks	Explanation of risks and business background	Impact on business	Action to mitigate risk
Impact of changes in the geopolitical situation on cargo movements	<p>The market environment is changing due to the division of the economic block and the change of the supply chain caused by the geopolitical situation. This is causing customers to review their supply chains and business models which accompany the local production for local consumption model and the changes in locations, and changes in cargo movements should appear over the long term. As a result, an imbalance between the shipping volume demand and the supply capacity will occur, which affects market conditions, pricing, and our company's operating results.</p> <p>In particular, we are highly dependent on specific customers because our strategy is to expand our business and revenue through customer-focused marketing and investment, aiming for sustainable growth and increased corporate value by building and developing partnerships with the customers with whom we can share growth opportunities. The impact of customers reviewing their supply chains and business models on our company can be significant.</p> <p>This risk is mainly external and related to macroeconomic, geopolitical and market conditions and the pricing strategies of competitors.</p>	<p>More than 80% of our business is marine transportation, so cargo movement trends have a significant impact on our business activities and operating results.</p>	<p>We develop our sales structure by increasing the number of sales and operations personnel, hiring dedicated marine engineers, and training environmental sales staff to proactively respond to customers' environmental needs, etc. which are aligned with their growth strategies. We leverage this structure in consultations to reduce risk by quickly recognizing changes in our customers' strategies and flexibility adapting to the changes in their supply chains and business models while establishing the proper fleet and exposure control to increase our tolerance to changes in market conditions.</p> <p>As a portfolio strategy, we aim to allocate our resources to other businesses, focusing on businesses that play a role in driving growth by deepening partnerships with major customers, and to clarify roles according to the characteristics of each business, such as identifying businesses that share growth opportunities by strengthening relationships with customers to appropriately manage our portfolio.</p>
Impact of uncertainty in U.S.-China relations on shipbuilding and maintenance	<p>In terms of regional market share of shipbuilding orders by compensated gross tonnage, China and South Korea dominates with 47% and 38% respectively of the world's total. And the ratio of China has been increasing in recent years. We also expect to increase our shipbuilding and maintenance in China in the future due to the cost benefits. However, uncertainty in the U.S.-China relationship might affect long-term shipbuilding and maintenance activities in China, and it is one of the risks in our business.</p> <p>In particular, more than 80% of our company's vessels are docked in China, so, this is factor which may hinder the continuous vessel operations. In addition, we have an on order for new buildings in China, and expect orders to increase in China in the future.</p> <p>This risk is mainly external and related to the geopolitical environment.</p>	<p>We operate 411 vessels, which are required to sail into a dock at least once every 5 years. China has 50% of the world's repair dock supply capacity, so, if obstructive factors hindering the use of docks in China increase, it will affect our vessel operations, and it may have a significant impact on our business activities and operating results.</p> <p>Furthermore, the ratio of shipbuilding that occurs in China has been increasing in recent years, and the latest data indicates that China is 47% of the market. So, if obstructive factors hindering the use of docks in China increase, it will affect our vessel operations and it may have a significant impact on our business activities and operating results.</p>	<p>Our company controls on order for new buildings company-wide, and it quantifies risks to maintain a tolerance that enables us to absorb the realization of risks in the event of an emergency. Furthermore, we consider the risk from a quantitative and qualitative perspective, and diversification of the yards which we order, and consult with experts in advance to minimize risk.</p> <p>Dock locations for vessel maintenance are also managed and diversified on a company-wide basis. Furthermore, we are engaged in discussion with all parties concerned to formulate company-wide best practices, and everyone in our group is working together to formulate guidelines.</p>

## Risk Management

### Concept of Risk-Return and Business Portfolio Rebuilding

#### 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.

#### Enterprise Risk Management

##### Total Business Risk Management

##### Risk of Loss

Investment Risk /  
Economic Activity  
Fluctuation Risk

Calculation of the  
maximum loss from  
statistical methods such  
as Monte Carlo  
simulations

[Market rate fluctuations]  
[Asset value fluctuations]  
[Exchange rate fluctuations]  
[Interest rate fluctuations]  
[Other important risks]

Ship Operation Risk

Legal and  
Compliance Risk

Human Resource  
and  
Labor Risk

Information  
Systems and  
Information  
Security Risk

Disaster Risk

Environmental Risk

##### Other Business Risks

Counterparty  
Credit Risk

Political Risk

Pandemic Risk

Geopolitical Risk

Country Risk

Innovation Risk

Funding Risk

Reputation Risk

Governance Risk

#### New Performance Indicators

We have introduced 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)

##### "K" RIC ("K" LINE Return on Invested Capital)

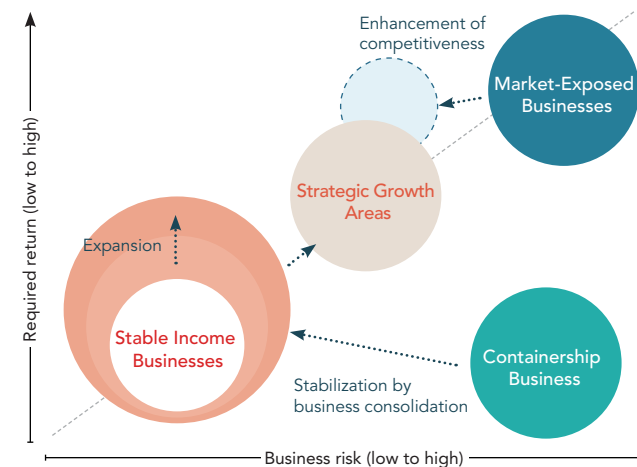
► An efficiency indicator promoting corporate value enhancement that factors in the cost of capital  
► An indicator that accelerates return on invested capital by establishing a profitability baseline

##### 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.

#### Business Portfolio Rebuilding



## Promotion and Reinforcement of Compliance

### Approach

#### Policy

We 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, with which all officers and employees must comply.

### 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 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](#)



[Individual Policy III  
Sanctions & Anti-Money Laundering](#)



[Individual Policy I Competition Law](#)



[Individual Policy IV Data Protection Law](#)



[Individual Policy II Anti-Corruption Law](#)

#### 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 through a 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, 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)
- Revised Rules Regarding Contact with Competing Companies (September 2023)

### Our Efforts to Prevent Bribery and Corruption

To effectively strengthen measures 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 with the addition of Individual Policy III Sanctions & Anti-Money Laundering. 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)

## Promotion and Reinforcement of Compliance

### Protection of Personal Information

We revised the Global Policy (with the addition of Individual Policy IV Data Protection Law) in October 2021, based on the recent strengthening of personal information protection laws and enforcement in each country, and we 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)  
Note: Integrated with Rules for Management of Personal Data in October 2021
- 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 a message from the president to officers and employees of "K" LINE and its Group companies to remind them of the importance of compliance. We also hold compliance e-learning training on topics such as competition law and anti-corruption, 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 make materials available for reference by executives and employees at any time through 360°Compliance, an internal portal that compiles related internal rules and past compliance training materials, and implement ongoing efforts to raise awareness of compliance by distributing important compliance-related matters that require particular attention in a compliance newsletter, as appropriate.

### Enhancement of Whistleblowing System

For prevention, early detection, and correction of compliance issues 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.

### Tcompliance Certification

Tcompliance successfully completed a certification due diligence review of Kawasaki Kisen Kaisha, Ltd., on February 1, 2017, and updates it annually. Tcompliance 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. Tcompliance certification underscores Kawasaki Kisen Kaisha, Ltd.'s commitment to transparency in international commercial transactions.

Tcompliance Certification ID: TC3172-6090

Tcompliance 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.



CERTIFIED



[Tcompliance](#)

### Tax Management

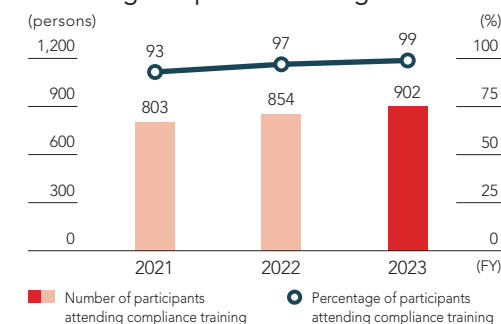
Our Global Compliance Policy stipulates that we comply with applicable tax-related laws and international rules, pay taxes appropriately, and ensure tax transparency. We try to keep good relations with the authorities and not to engage in abusive tax planning, such as the use of tax havens to evade taxes.

### Related Data

Number of reports and consultations via the Hotline system

	FY2021	FY2022	FY2023
Reports	1	3	5
Consultations	3	0	1

Number and percentage of participants attending compliance training



## Digital Transformation (DX)

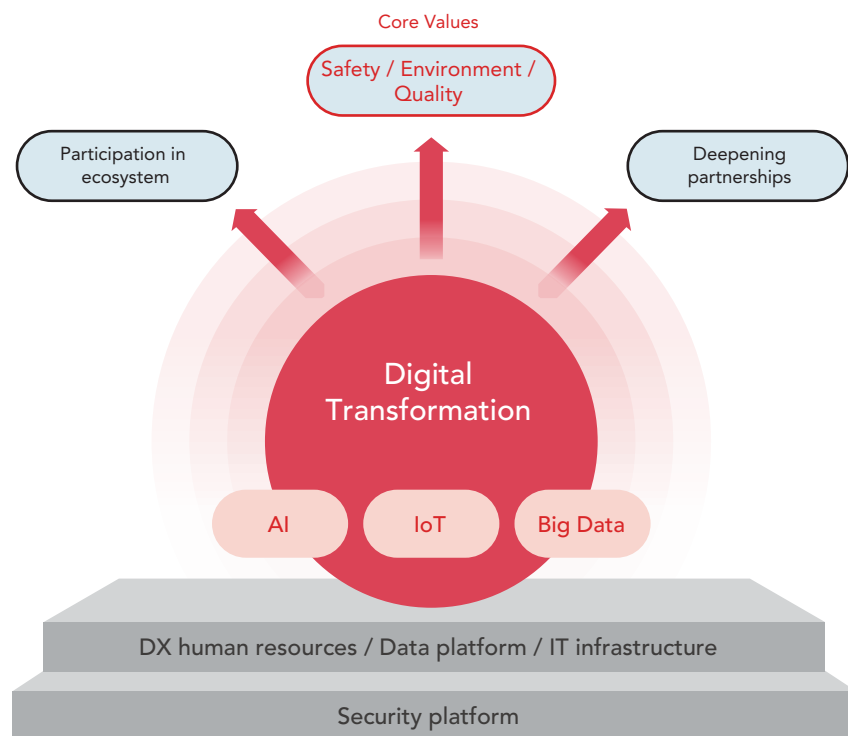
### Approach

#### Outline of "K" LINE's DX Strategy

In the medium-term management plan unveiled in May 2022, the "K" LINE Group embarked on a path of transformation and evolution to increase the added value it offers in matching the unique needs of its customers, while refining the exclusive technologies and expertise of the

Group. We are advancing DX initiatives as part of our functional strategy to achieve these goals. Under our DX Strategy, we are executing strategies from five perspectives that we deem vital, and by dividing each strategy into three stages, we are committed to steadily advancing DX initiatives and honing our competitiveness. We will flexibly and promptly update our DX Strategy by monitoring the state of DX initiatives and changes in materialities.

#### Objectives through DX



"K" LINE constantly chosen by customers

#### Five Perspectives – Specific Initiatives

##### DX ashore

- Promoting digitalization of business process and improving service quality
- Flexibly responding to customer demands and social issues
- Providing new value

##### DX at sea

- Enhancing digitalization of vessels
- Deepening autonomous ship navigation technology
- Lightening crew workloads and ensuring safety in navigation

##### DX of data

- Thorough collection of high-quality data and establishment of an infrastructure for its utilization
- Internal and external system linkage and data-driven decisionmaking
- Participation in ecosystem that connects with customers and other companies

##### DX of human resources

- Development and Companywide improvement of DX human resources
- Top-down and cross-organizational promotion system and enhancement of initiatives originating from front lines
- IT / DX promotion across the Group

##### Security that supports DX

- Advanced security platform combining organization, technology, and people / culture
- Development of systems and policies to ensure day-to-day and reliable implementation of threat countermeasures
- Continuous security advancement

## Digital Transformation (DX)

Under DX ashore, we are digitalizing business processes with the aim of visualizing information, such as cargo information and CO<sub>2</sub> emissions data, utilizing this data, and making our IT environments more resilient for DX in order to flexibly address changes in customer demands and social needs. We intend to further deepen our partnerships with customers by providing new value to customers while aiming to improve and homogenize service quality by leveraging data and digital technologies.

Under DX at sea, we are advancing the digitalization of onboard business processes and the collection and utilization of vessel data. With the goal of establishing automated control technology, we are using cutting-edge technologies, such as sensing technology, digital twins, and ship AI. Moreover, we are keen to enhance our management structure for ensuring safety in navigation by establishing a three-region global monitoring and navigation assistance system. We are also working on creating an environment where advanced data analysis can be performed onboard as well. We aim to further hone our autonomous vessel technologies in the future, while reducing the burden on crew members and maintaining safety in navigation by integrating accumulated expertise in safety in navigation over the years with advanced digital technologies, such as failure prediction and diagnostic technologies.

Under DX of data, we are promoting the digitalization of business operations based on data utilization while also promoting the development and utilization of a data integration platform, leveraging the latest technologies such as generative AI. We aim to establish a system that enables data-driven, rapid decision-making, from management to the front lines, by building a framework for acquiring, analyzing, and utilizing not only our own data but also open-source data and data from other companies, as well as further deepen partnerships with customers and a variety of internal and external stakeholders through inter-company data collaboration and utilization to create new value for society and the maritime industry.

Under DX of human resources, we implement a digital talent training program aimed at clarifying and acquiring the skills and knowledge necessary for DX talent in our shipping company. We will strengthen the "DX leaders" that lead business transformation. We are also training the "DX utilizers" of 100 employees with the ability to formulate and promote plans utilizing data and digital technologies. Furthermore, we aim to develop "DX users" (all employees) who can utilize digital technologies to solve problems. Through these initiatives, we aim to improve the overall level and strengthen our competitiveness. We will strengthen our cross-organizational DX promotion structure centered on management and undertake bottom-up initiatives that focus on the front lines. We aim to create a co-creation system with stakeholders and advance IT / DX projects across the Group.

Under security that supports DX, we have updated the security roadmap created in 2021 and formulated a Security Roadmap 2.0. Security measures need to be implemented not just within the Company but the Group. We have therefore clarified responsibilities and roles across the Group and are building a security system that can respond accurately to cyber incidents. In addition to introducing technical measures that incorporate the latest technologies, we will promote DX with a safe, secure, stable, and resilient IT infrastructure through security training and awareness activities. We will continue to increase the advancement of our security management.

"K" LINE has been selected as a DX Certified Business Operator by the Ministry of Economy, Trade and Industry based on the DX certification system.

## Promotion System

### DX Promotion Structure

In February 2022, we integrated the AI / Digitalization Strategy Group with the Information System Group, creating the Digitalization Strategy Group (DSG) within the Digitalization Strategy Unit. This put into place a structure for advancing DX, while updating and applying its security policies and secure IT infrastructure and consolidating knowledge of IT and digitalization that had been spread around the Company. As a result, the Company is now able to promptly and flexibly conduct the necessary surveys, research, proposals, promotion, and environmental maintenance for DX promotion in a one-stop manner. As of April 2024, DSG has expanded to a three-team structure as we build systems that allow us to continuously

strengthen DX.

In addition, the AI / Digitalization Promotion Committee, chaired by the president & CEO and vice-chaired by the chief information officer (CIO), meets regularly to make prompt decisions on DX promotion policies in line with Companywide business strategies and to establish a system to execute such policies via the DSG. We will strengthen our approach to both bottom-up initiatives on the front lines and the cross-organizational DX Promotion Structure centered on the management layer.

## Initiatives

### Cybersecurity

"K" LINE continues to reinforce its cybersecurity. We have introduced measures that incorporate the latest technologies, strengthening the security of endpoints such as PCs and servers and communication networks, as well as implementing multifactor authentication, monitoring systems, risk mitigation measures for server security, and more. Furthermore, by reviewing the configuration of the global authentication infrastructure and increasing the level of multifactor and account management authentication, we have strengthened IT governance, improved levels of authentication, and bolstered measures against malware and information leaks on a Groupwide basis, thereby establishing a system that can respond quickly and accurately to cyber incidents. We have also built a framework to undergo assessments of these measures from an objective standpoint, which are used to improve security levels.

In addition to technological countermeasures, we are training employees on cybersecurity to foster a security-first mindset, and advancing DX based on a secure, safe, and robust IT infrastructure.

### Strengthening DX Initiatives Across All Divisions

Following the establishment of the DSG in February 2022 through the reinforcement of the DX promotion structure, we assigned the role of "DX leader" to each of the Company's departments in April of the same year. In addition to leading DX promotion, DX leaders are responsible for generating ideas via brainstorming sessions that take on a Companywide perspective. Through these efforts, each division is moving forward with several demonstration tests in parallel, and some ideas are already in the development stage for advancing new services. We will continue to promote the creation of value in our services and business by exchanging a variety of ideas across each of our divisions. With more than 100 employees having participated in this brainstorming session, we anticipate that this will go beyond the ideas themselves, that the process of creating and discussing ideas will help foster a mindset of taking on challenges without the fear of failure and play a role in cultivating our corporate culture.

### Strengthening Our Efforts with External Partners

The DSG, along with "K" Line Business Systems Co., Ltd., the Group's body of IT professionals, is driving the Group's IT and digitalization with a focus on the Company's core business systems. In the rapidly changing digital world, however, although we have expert personnel skilled in integrated logistics operations, implementing the latest technologies entirely within our own group of companies can be problematic and is not always the optimal choice.

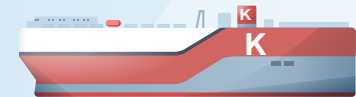
We maintain a flexible structure that allows us to receive support from outside professionals in specialized fields and to occasionally collaborate with them as project members. In addition to the area of business, we are promoting collaborative research with academic groups and individuals. We are working diligently in cooperation with a wide range of external partners not only in pursuit of profits for the Company but also in our endeavors to resolve social issues in the maritime and logistics industries.



Section

07

## Reference Tables and Index



## GRI Standards Reference Table

This data book and the website of Kawasaki Kisen Kaisha, Ltd. contain information about standard disclosure topics based on GRI Standards.

### Universal Standard

Use declaration: Kawasaki Kisen Kaisha, Ltd.'s report for the period from April 1, 2023, to March 31, 2024, is based on GRI Standards.

GRI 1: Foundation 2021

Applicable sector standard: We will refer to future versions of the applicable sector standard.

Disclosed Information on	Content	Relevant Information / Place of Publication	
		ESG DATA BOOK 2024	Website and Relevant Media

#### General Disclosures

### GRI 2: General Disclosures 2021

#### 1 The organization and its reporting practices

2-1	Organizational details	-	-	Corporate Profile
				"K" LINE REPORT 2024 > Outline of the Company / Stock Information P.77
2-2	Entities included in the organization's sustainability reporting	-	-	Securities reports (in Japanese only)
				"K" LINE REPORT 2024 > Major Subsidiaries and Affiliates P.76
2-3	Reporting period, frequency and contact point	CONTENTS	P.1	Securities reports (in Japanese only)
				"K" LINE REPORT 2024 P.2
				General Inquiries
2-4	Restatements of information	-	-	-
2-5	External assurance	04 Environmental > Response to Climate Change / TCFD Framework-Based Information Disclosure > Related Data	P.38	Environmental Data > Third-Party Verification of Greenhouse Gas (GHG) Emissions Data

#### 2 Activities and workers

2-6	Activities, value chain and other business relationships	-	-	Securities reports (in Japanese only)
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GRI Standards Reference Table

Disclosed Information on	Content	Relevant Information / Place of Publication		
		ESG DATA BOOK 2024		Website and Relevant Media
2-7	Employees	05 Social > The Securing and Development of Human Resources > Related Data	P.72	<a href="#">ESG Data &gt; Social Data</a>
		05 Social > Shaping of Working Environment and Promotion of Health Management > Related Data > Data Related to Occupational Accidents	P.67	<a href="#">Securities reports</a> (in Japanese only)
2-8	Workers who are not employees	–	–	<a href="#">Securities reports</a> (in Japanese only)
3 Governance				
2-9	Governance structure and composition	06 Governance > Reinforcement of Corporate Governance > Corporate Governance Structure	P.92	<a href="#">Reinforcement of Corporate Governance &gt; Corporate Governance Structure</a>
				<a href="#">"K" LINE REPORT 2024 &gt; Corporate Governance P.63</a>
		03 The "K" LINE Group's Sustainability Management > The "K" LINE Group's Sustainability Management > Promotion System for Sustainability	P.12	<a href="#">About Us &gt; Corporate Profile &gt; Top Management</a>
				<a href="#">Promotion System for Sustainability</a>
		–	–	<a href="#">"K" LINE REPORT 2024 &gt; Sustainability Management P.42</a>
				<a href="#">Securities reports</a> (in Japanese only)
2-10	Nomination and selection of the highest governance body	06 Governance > Reinforcement of Corporate Governance > Corporate Governance Structure > Nomination Advisory Committee	P.95	<a href="#">Reinforcement of Corporate Governance &gt; Corporate Governance Structure &gt; Nomination Advisory Committee</a>
				<a href="#">"K" LINE REPORT 2024 &gt; Establishment of Nomination Advisory Committee and Remuneration Advisory Committee P.65</a>
2-11	Chair of the highest governance body	06 Governance > Reinforcement of Corporate Governance > Corporate Governance Structure	P.92	<a href="#">Reinforcement of Corporate Governance &gt; Corporate Governance Structure</a>
				<a href="#">"K" LINE REPORT 2024 &gt; Corporate Governance Structure P.63</a>
				<a href="#">Securities reports</a> (in Japanese only)
2-12	Role of the highest governance body in overseeing the management of impacts	02 The "K" LINE Group's Materiality	P.6	<a href="#">Materiality</a>
				<a href="#">"K" LINE REPORT 2024 &gt; The "K" LINE Group's Materiality P.40–41</a>
2-13	Delegation of responsibility for managing impacts	06 Governance > Reinforcement of Corporate Governance > Corporate Governance Structure	P.92	<a href="#">Reinforcement of Corporate Governance &gt; Corporate Governance Structure</a>
		03 The "K" LINE Group's Sustainability Management > The "K" LINE Group's Sustainability Management > Promotion System for Sustainability	P.12	<a href="#">"K" LINE REPORT 2024 &gt; Corporate Governance P.63</a>
				<a href="#">Promotion System for Sustainability</a>
2-14	Role of the highest governance body in sustainability reporting	03 The "K" LINE Group's Sustainability Management > The "K" LINE Group's Sustainability Management > Promotion System for Sustainability	P.12	<a href="#">Promotion System for Sustainability</a>
2-15	Conflicts of interest	06 Governance > Reinforcement of Corporate Governance > Cross-Shareholding	P.99	<a href="#">Reinforcement of Corporate Governance &gt; Conflicts of Interest and Related-Party Transactions &gt; Cross-Shareholding</a>
2-16	Communication of critical concerns	06 Governance > Promotion and Reinforcement of Compliance > Initiatives > Enhancement of Whistleblowing System	P.112	<a href="#">Promotion and Reinforcement of Compliance &gt; Initiatives &gt; Enhancement of Whistleblowing System</a>
2-17	Collective knowledge of the highest governance body	06 Governance > Reinforcement of Corporate Governance > Corporate Governance Structure > Director Skill Matrix	P.94	<a href="#">Reinforcement of Corporate Governance &gt; Corporate Governance Structure &gt; Director Skill Matrix</a>

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		ESG DATA BOOK 2024	Website and Relevant Media
2-18	Evaluation of the performance of the highest governance body	06 Governance > Reinforcement of Corporate Governance > Corporate Governance Structure > Board of Directors Effectiveness Evaluation	P.95 <a href="#">Regarding our Board Evaluation</a>
2-19	Remuneration policies	06 Governance > Reinforcement of Corporate Governance > Corporate Governance Structure > Officers’ Remuneration System	P.96 <a href="#">Reinforcement of Corporate Governance &gt; Corporate Governance Structure &gt; Officers’ Remuneration System</a> <a href="#">Securities reports (in Japanese only)</a>
2-20	Process to determine remuneration	06 Governance > Reinforcement of Corporate Governance > Corporate Governance Structure > Officers’ Remuneration System	P.96 <a href="#">Reinforcement of Corporate Governance &gt; Corporate Governance Structure &gt; Officers’ Remuneration System</a> <a href="#">Securities reports (in Japanese only)</a>
2-21	Annual total compensation ratio	06 Governance > Reinforcement of Corporate Governance > Related Data	P.101 <a href="#">ESG Data &gt; Governance Data</a> <a href="#">Reinforcement of Corporate Governance &gt; Related Data &gt; Governance Data</a> <a href="#">Securities reports (in Japanese only)</a>
4 Strategy, policies, and practices			
2-22	Statement on sustainable development strategy	03 The “K” LINE Group’s Sustainability Management > The “K” LINE Group’s Sustainability Management	P.10 <a href="#">Sustainability &gt; Message from the President</a> <a href="#">“K” LINE REPORT 2024 &gt; Message from the CEO P.8-13</a>
2-23	Policy commitments	03 The “K” LINE Group’s Sustainability Management > The “K” LINE Group’s Sustainability Management > Approach to Sustainability > Charter of Conduct: “K” Line Group Companies 05 Social > Respect for Human Rights > Approach > “K” LINE Group Basic Policy on Human Rights	P.10 <a href="#">Approach to Sustainability &gt; Charter of Conduct: “K” Line Group Companies</a> P.79 <a href="#">“K” LINE Group Basic Policy on Human Rights</a>
2-24	Embedding policy commitments	03 The “K” LINE Group’s Sustainability Management > The “K” LINE Group’s Sustainability Management > Promotion System for Sustainability 03 The “K” LINE Group’s Sustainability Management > ESG Performance > Participation in External Initiatives 05 Social > Respect for Human Rights > Initiatives 05 Social > Supply Chain Management > Approach	P.12 <a href="#">The “K” LINE Group’s Sustainability Management &gt; Promotion System for Sustainability</a> P.23 <a href="#">Participation in External Initiatives</a> P.81 <a href="#">Respect for Human Rights &gt; Initiatives</a> P.82 <a href="#">Supply Chain Management</a>
2-25	Processes to remediate negative impacts	05 Social > Respect for Human Rights > Initiatives 06 Governance > Promotion and Reinforcement of Compliance > Initiatives > Enhancement of Whistleblowing System 06 Governance > Risk Management > System > Risk Management System	P.81 <a href="#">Respect for Human Rights &gt; Initiatives</a> P.112 <a href="#">Promotion and Reinforcement of Compliance &gt; Initiatives &gt; Enhancement of Whistleblowing System</a> P.104 <a href="#">Risk Management</a>

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		ESG DATA BOOK 2024	Website and Relevant Media	
2-26	Mechanisms for seeking advice and raising concerns	05 Social > Respect for Human Rights > Initiatives	P.81	<a href="#">Respect for Human Rights &gt; Initiatives</a>
		06 Governance > Promotion and Reinforcement of Compliance > Initiatives > Enhancement of Whistleblowing System	P.112	<a href="#">Promotion and Reinforcement of Compliance &gt; Initiatives &gt; Enhancement of Whistleblowing System</a>
		06 Governance > Risk Management > System > Risk Management System	P.104	<a href="#">Risk Management</a>
2-27	Compliance with laws and regulations	06 Governance > Promotion and Reinforcement of Compliance > Initiatives	P.111	<a href="#">Promotion and Reinforcement of Compliance &gt; Initiatives</a>
2-28	Membership associations	03 The “K” LINE Group’s Sustainability Management > ESG Performance > Participation in External Initiatives	P.23	<a href="#">Participation in External Initiatives</a>
				<a href="#">“K” Line to participate in the United Nations Global Compact</a>
5 Stakeholder engagement				
2-29	Approach to stakeholder engagement	05 Social > Stakeholder Engagement > Approach	P.87	<a href="#">Stakeholder Engagement &gt; Approach</a>
2-30	Collective bargaining agreements	05 Social > The Securing and Development of Human Resources > Related Data	P.72	<a href="#">ESG Data &gt; Social Data</a>
				<a href="#">The Securing and Development of Human Resources &gt; Related Data</a>
				<a href="#">Securities reports (in Japanese only)</a>

## Material Topics

## GRI 3: Material Topics 2021

## 1 The organization and its reporting practices

3-1	Process to determine material topics	02 The “K” LINE Group’s Materiality > Materiality > Process to Identify Materiality	P.7	<a href="#">The “K” LINE Group’s Sustainability Management &gt; Materiality</a>
				<a href="#">“K” LINE REPORT 2024 &gt; The “K” LINE Group’s Materiality P.40</a>
3-2	List of material topics	02 The “K” LINE Group’s Materiality > Materiality	P.6	<a href="#">The “K” LINE Group’s Sustainability Management &gt; Materiality</a>
				<a href="#">“K” LINE REPORT 2024 &gt; The “K” LINE Group’s Materiality P.40</a>
3-3	Management of material topics	02 The “K” LINE Group’s Materiality > Materiality	P.6	<a href="#">The “K” LINE Group’s Sustainability Management &gt; Materiality</a>
				<a href="#">“K” LINE REPORT 2024 &gt; The “K” LINE Group’s Materiality P.40</a>

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## Topic-Specific Standards (200: Economic / 300: Environmental / 400: Social)

### 200: Economic

#### GRI 201: Economic Performance 2016

201-1	Direct economic value generated and distributed	–	–	Securities reports (in Japanese only) Securities reports (in Japanese only)
201-2	Financial implications and other risks and opportunities due to climate change	04 Environmental > Response to Climate Change / TCFD Framework-Based Information Disclosure > Risks and Opportunities	P.29	"K" LINE Environmental Vision 2050 > Scenario Analysis Response to Climate Change > Risks and Opportunities
201-3	Defined benefit plan obligations and other retirement plans	–	–	Securities reports (in Japanese only)
201-4	Financial assistance received from government	–	–	–

#### GRI 202: Market Presence 2016

202-1	Ratios of standard entry level wage by gender compared to local minimum wage	–	–	–
202-2	Proportion of senior management hired from the local community	–	–	–

#### GRI 203: Indirect Economic Impacts

203-1	Infrastructure investments and services supported	–	–	–
203-2	Significant indirect economic impacts	–	–	–

#### GRI 204: Procurement Practices 2016

204-1	Proportion of spending on local suppliers	–	–	–
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#### GRI 205: Anti-Corruption 2016

205-1	Operations assessed for risks related to corruption	06 Governance > Promotion and Reinforcement of Compliance	P.110	Promotion and Reinforcement of Compliance
205-2	Communication and training about anticorruption policies and procedures	06 Governance > Promotion and Reinforcement of Compliance	P.110	Promotion and Reinforcement of Compliance
205-3	Confirmed incidents of corruption and actions taken	06 Governance > Promotion and Reinforcement of Compliance	P.110	Promotion and Reinforcement of Compliance

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		ESG DATA BOOK 2024	Website and Relevant Media	
GRI 206: Anti-Competitive Behavior 2016				
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	06 Governance > Promotion and Reinforcement of Compliance	P.110	Promotion and Reinforcement of Compliance
GRI 207: Tax 2019				
207-1	Approach to tax	6 Governance > Promotion and Reinforcement of Compliance > Initiatives > Tax Management	P.112	“K” Line Group Global Compliance Policy > 8. Tax Management
207-2	Tax governance, control, and risk management	–	–	–
207-3	Stakeholder engagement and management of concerns related to tax	–	–	–
207-4	Country-by-country reporting	–	–	Securities reports (in Japanese only)
				Securities reports (in Japanese only)
300: Environmental				
GRI 301: Materials 2016				
301-1	Materials used by weight or volume	04 Environmental > Response to Climate Change / TCFD Framework-Based Information Disclosure > Related Data > Fuel Oil Consumption	P.38	Environmental Data > Environmental Load Data > Environmental Data of “K” Line Vessels
301-2	Recycled input materials used	04 Environmental > Supporting the Environmental Activities of Society > Related Data > Total Quantity of Recycling	P.59	Environmental Data > Environmental Load Data > Environmental Data of “K” Line Vessels
301-3	Reclaimed products and their packaging materials	04 Environmental > Supporting the Environmental Activities of Society > Related Data > Total Quantity of Recycling	P.59	Environmental Data > Environmental Load Data > Environmental Data of “K” Line Vessels
GRI 302: Energy 2016				
302-1	Energy consumption within the organization	04 Environmental > Response to Climate Change / TCFD Framework-Based Information Disclosure > Related Data > Fuel Oil Consumption	P.38	Environmental Data > Environmental Load Data > Environmental Data of “K” Line Vessels
302-2	Energy consumption within the organization	04 Environmental > Response to Climate Change / TCFD Framework-Based Information Disclosure > Related Data > Fuel Oil Consumption	P.38	Environmental Data > Environmental Load Data > Environmental Data of “K” Line Vessels
302-3	Energy intensity	04 Environmental > Response to Climate Change / TCFD Framework-Based Information Disclosure > Related Data > Fuel Oil Consumption	P.38	Environmental Data > Environmental Load Data > Environmental Data of “K” Line Vessels
302-4	Reduction of energy consumption	04 Environmental > Response to Climate Change / TCFD Framework-Based Information Disclosure > Related Data > Fuel Oil Consumption	P.38	Environmental Data > Environmental Load Data > Environmental Data of “K” Line Vessels
302-5	Reductions in energy requirements of products and services	04 Environmental > Response to Climate Change / TCFD Framework-Based Information Disclosure > Related Data >Fuel Oil Consumption	P.38	Environmental Data > Environmental Load Data > Environmental Data of “K” Line Vessels

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GRI303: Water and Effluents 2018				
303-1	Interactions with water as a shared resource	–	–	–
303-2	Management of water discharge related impacts	–	–	–
303-3	Water withdrawal	–	–	–
303-4	Water discharge	04 Environmental > Reducing “K” LINE’s Impact on the Sea and Air > Related Data > Other Environmental Data of “K” LINE’s Vessels	P.57	<a href="#">Environmental Data &gt; Environmental Load Data &gt; Other Environmental Data of “K” Line Vessels</a>
303-5	Water consumption	04 Environmental > Supporting the Environmental Activities of Society > Related Data > Office Environmental Data	P.59	<a href="#">Environmental Data &gt; Environmental Load Data &gt; Environmental Data of Offices</a>
GRI 304: Biodiversity 2016				
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	–	–	<a href="#">Disclosure based on the TNFD Framework</a>
304-2	Significant impacts of activities, products, and services on biodiversity	–	–	<a href="#">Reducing “K” LINE’s Impact on the Sea and Air</a> <a href="#">Disclosure based on the TNFD Framework</a>
304-3	Habitats protected or restored	–	–	<a href="#">Disclosure based on the TNFD Framework</a>
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	–	–	<a href="#">Disclosure based on the TNFD Framework</a>
GRI 305: Emissions 2016				
305-1	Direct (Scope 1) GHG emissions	04 Environmental > Response to Climate Change /TCFD Framework-Based Information Disclosure > Related Data > CO <sub>2</sub> Emissions of “K” LINE Group	P.38	<a href="#">Environmental Data &gt; Third-Party Verification of Greenhouse Gas (GHG) Emissions Data</a>
305-2	Energy indirect (Scope 2) GHG emissions	04 Environmental > Response to Climate Change /TCFD Framework-Based Information Disclosure > Related Data > CO <sub>2</sub> Emissions of “K” LINE Group	P.38	<a href="#">Environmental Data &gt; Third-Party Verification of Greenhouse Gas (GHG) Emissions Data</a>
305-3	Other indirect (Scope 3) GHG emissions	04 Environmental > Response to Climate Change /TCFD Framework-Based Information Disclosure > Related Data > CO <sub>2</sub> Emissions of “K” LINE Group	P.38	<a href="#">Environmental Data &gt; Third-Party Verification of Greenhouse Gas (GHG) Emissions Data</a>
305-4	GHG emissions intensity	04 Environmental > Response to Climate Change /TCFD Framework-Based Information Disclosure > Related Data > CO <sub>2</sub> Emissions of “K” LINE Group	P.38	<a href="#">Environmental Data &gt; Third-Party Verification of Greenhouse Gas (GHG) Emissions Data</a>
305-5	Reduction of GHG emissions	04 Environmental > Response to Climate Change /TCFD Framework-Based Information Disclosure > Related Data > CO <sub>2</sub> Emissions of “K” LINE Group	P.38	<a href="#">Environmental Data &gt; Third-Party Verification of Greenhouse Gas (GHG) Emissions Data</a>
305-6	Emissions of ozone-depleting substances (ODS)	–	–	–
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	04 Environmental > Reducing “K” LINE’s Impact on the Sea and Air > Related Data > CO <sub>2</sub> , SOx, and NOx Emissions from Vessels	P.57	<a href="#">Environmental Data &gt; Environmental Load Data &gt; Environmental Data of “K” Line Vessels</a>



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		ESG DATA BOOK 2024		Website and Relevant Media
GRI 306: Waste 2020				
306-1	Waste generation and significant waste-related impacts	04 Environmental > Supporting the Environmental Activities of Society > Initiatives	P.58	<a href="#">Supporting the Environmental Activities of Society &gt; Initiatives</a>
306-2	Management of significant waste-related impacts	04 Environmental > Supporting the Environmental Activities of Society > Initiatives	P.58	<a href="#">Supporting the Environmental Activities of Society &gt; Initiatives</a>
306-3	Waste generated	04 Environmental > Supporting the Environmental Activities of Society > Related Data > Waste	P.59	<a href="#">Environmental Data &gt; Environmental Load Data &gt; Waste</a>
306-4	Waste diverted from disposal	04 Environmental > Supporting the Environmental Activities of Society > Related Data > Total Quantity of Recycling	P.59	<a href="#">Environmental Data &gt; Environmental Load Data &gt; Total quantity of recycle</a>
306-5	Waste directed to disposal	04 Environmental > Supporting the Environmental Activities of Society > Related Data > Waste	P.59	<a href="#">Environmental Data &gt; Environmental Load Data &gt; Waste</a>
GRI 306: Effluents and Waste 2016				
306-3	Significant spills	05 Social > Promotion of Safety in Navigation and Cargo Operations > Related Data > Number of Major Accidents	P.78	<a href="#">Promotion of Safety in Navigation and Cargo Operations &gt; Related Data</a>
GRI 308: Supplier Environmental Assessment 2016				
308-1	New suppliers that were screened using environmental criteria	–	–	–
308-2	Negative environmental impacts in the supply chain and actions taken	04 Environmental > Supporting the Environmental Activities of Society > Initiatives > Reinforcement of Response to Green Ship Recycling	P.58	<a href="#">Supporting the Environmental Activities of Society &gt; Initiatives &gt; Reinforcement of Response to Green Ship Recycling</a>
400: Social				
GRI 401: Employment 2016				
401-1	New employee hires and employee turnover	05 Social > The Securing and Development of Human Resources > Related Data > Personnel Data	P.72	<a href="#">ESG Data &gt; Social Data</a> <a href="#">The Securing and Development of Human Resources &gt; Related Data</a>
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	05 Social > Shaping of Working Environment and Promotion of Health Management > Initiatives > Work–Life Balance (On Land) > Overview of Systems That Support a Work–Life Balance	P.63	<a href="#">Shaping of Working Environment and Promotion of Health Management &gt; Initiatives</a>
401-3	Parental leave	05 Social > Shaping of Working Environment and Promotion of Health Management > Initiatives > Work–Life Balance (On Land) > Overview of Systems That Support a Work–Life Balance	P.63	<a href="#">Shaping of Working Environment and Promotion of Health Management &gt; Initiatives</a> <a href="#">Diversity &amp; Inclusion &gt; Related Data</a> “K” LINE REPORT 2024 > <a href="#">Shaping of Working Environment and Promotion of Health Management P.59</a>

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GRI 402: Labor / Management Relations 2016				
402-1	Minimum notice periods regarding operational changes	–	–	–
GRI 403: Occupational Health and Safety 2018				
403-1	Occupational health and safety management system	05 Social > Shaping of Working Environment and Promotion of Health Management > System	P.61	<a href="#">Shaping of Working Environment and Promotion of Health Management &gt; System</a>
403-2	Hazard identification, risk assessment, and incident investigation	05 Social > Shaping of Working Environment and Promotion of Health Management > Initiatives > Health and Safety Considerations (On Land)	P.64	<a href="#">Shaping of Working Environment and Promotion of Health Management &gt; Initiatives &gt; Health and Safety Considerations (On Land)</a>
		05 Social > Shaping of Working Environment and Promotion of Health Management > Initiatives > Health and Safety Considerations (At Sea)	P.65	<a href="#">Shaping of Working Environment and Promotion of Health Management &gt; Initiatives &gt; Health and Safety Considerations (At Sea)</a>
403-3	Occupational health services	05 Social > Shaping of Working Environment and Promotion of Health Management > Initiatives > Health and Safety Considerations (On Land)	P.64	<a href="#">Shaping of Working Environment and Promotion of Health Management &gt; Initiatives &gt; Health and Safety Considerations (On Land)</a>
		05 Social > Shaping of Working Environment and Promotion of Health Management > Initiatives > Health and Safety Considerations (At Sea)	P.65	<a href="#">Shaping of Working Environment and Promotion of Health Management &gt; Initiatives &gt; Health and Safety Considerations (At Sea)</a>
403-4	Worker participation, consultation, and communication on occupational health and safety	05 Social > Shaping of Working Environment and Promotion of Health Management > System	P.61	<a href="#">Shaping of Working Environment and Promotion of Health Management &gt; System</a>
403-5	Worker training on occupational health and safety	05 Social > Shaping of Working Environment and Promotion of Health Management > Initiatives > Health and Safety Considerations (On Land)	P.64	<a href="#">Shaping of Working Environment and Promotion of Health Management &gt; Initiatives &gt; Health and Safety Considerations (On Land)</a>
		05 Social > Shaping of Working Environment and Promotion of Health Management > Initiatives > Health and Safety Considerations (At Sea)	P.65	<a href="#">Shaping of Working Environment and Promotion of Health Management &gt; Initiatives &gt; Health and Safety Considerations (At Sea)</a>
403-6	Promotion of worker health	05 Social > Shaping of Working Environment and Promotion of Health Management > Initiatives > Health and Safety Considerations (On Land)	P.64	<a href="#">Shaping of Working Environment and Promotion of Health Management &gt; Initiatives &gt; Health and Safety Considerations (On Land)</a>
		05 Social > Shaping of Working Environment and Promotion of Health Management > Initiatives > Health and Safety Considerations (At Sea)	P.65	<a href="#">Shaping of Working Environment and Promotion of Health Management &gt; Initiatives &gt; Health and Safety Considerations (At Sea)</a>
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	05 Social > Shaping of Working Environment and Promotion of Health Management > Initiatives > Health and Safety Considerations (On Land)	P.64	<a href="#">Shaping of Working Environment and Promotion of Health Management &gt; Initiatives &gt; Health and Safety Considerations (On Land)</a>
		05 Social > Shaping of Working Environment and Promotion of Health Management > Initiatives > Health and Safety Considerations (At Sea)	P.65	<a href="#">Shaping of Working Environment and Promotion of Health Management &gt; Initiatives &gt; Health and Safety Considerations (At Sea)</a>
403-8	Workers covered by an occupational health and safety management system	05 Social > The Securing and Development of Human Resources > Related Data > Personnel Data	P.72	<a href="#">ESG Data &gt; Social Data</a>
				<a href="#">The Securing and Development of Human Resources &gt; Related Data</a>
403-9	Work-related injuries	05 Social > Shaping of Working Environment and Promotion of Health Management > Related Data > Data Related to Occupational Accidents	P.67	<a href="#">ESG Data &gt; Social Data</a>
				<a href="#">Shaping of Working Environment and Promotion of Health Management &gt; Related Data &gt; Data Related to Occupational Accidents</a>
403-10	Work-related ill health	05 Social > Shaping of Working Environment and Promotion of Health Management > Related Data > Data Related to Occupational Accidents	P.67	<a href="#">ESG Data &gt; Social Data</a>
				<a href="#">Shaping of Working Environment and Promotion of Health Management &gt; Related Data &gt; Data Related to Occupational Accidents</a>

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GRI 404: Training and Education 2016				
404-1	Average hours of training per year per employee	05 Social > The Securing and Development of Human Resources > Related Data > Personnel Data	P.72	<a href="#">ESG Data &gt; Social Data</a>
				<a href="#">The Securing and Development of Human Resources &gt; Related Data</a>
				<a href="#">“K” LINE REPORT 2024 &gt; The Securing and Development of Human Resources P.56</a>
404-2	Programs for upgrading employee skills and transition assistance programs	05 Social > The Securing and Development of Human Resources > Initiatives	P.70	<a href="#">The Securing and Development of Human Resources</a>
				<a href="#">“K” LINE REPORT 2024 &gt; The Securing and Development of Human Resources P.56</a>
				<a href="#">Recruitment Information (in Japanese only)</a>
404-3	Percentage of employees receiving regular performance and career development reviews	–	–	–
GRI 405: Diversity and Equal Opportunity 2016				
405-1	Diversity of governance bodies and employees	05 Social > The Securing and Development of Human Resources > Related Data > Personnel Data	P.72	<a href="#">ESG Data &gt; Social Data</a>
				<a href="#">The Securing and Development of Human Resources &gt; Related Data</a>
		06 Governance > Reinforcement of Corporate Governance > Related Data > Governance Data	P.101	<a href="#">“K” LINE REPORT 2024 &gt; Promotion of Diversity &amp; Inclusion P.57</a>
405-2	Ratio of basic salary and remuneration of women to men	–	–	<a href="#">Reinforcement of Corporate Governance &gt; Related Data &gt; Governance Data</a>
				<a href="#">Securities reports (in Japanese only)</a>
GRI 406: Non-Discrimination 2016				
406-1	Incidents of discrimination and corrective actions taken	–	–	–
GRI 407: Freedom of Association and Collective Bargaining 2016				
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	–	–	–
GRI 408: Child Labor 2016				
408-1	Operations and suppliers at significant risk for incidents of child labor	–	–	–
GRI 409: Forced or Compulsory Labor 2016				
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	–	–	–

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GRI 410: Security Practices 2016				
410-1	Security personnel trained in human rights policies or procedures	–	–	–
GRI 411: Rights of Indigenous Peoples 2016				
411-1	Incidents of violations involving rights of indigenous peoples	–	–	–
GRI 413: Local Communities 2016				
413-1	Operations with local community engagement, impact assessments, and development programs	05 Social > Relationship with the Community	P.89	<a href="#">Relationship with the Community</a>
413-2	Operations with significant actual and potential negative impacts on local communities	–	–	–
GRI 414: Supplier Social Assessment 2016				
414-1	New suppliers that were screened using social criteria	–	–	<a href="#">Supply Chain Management</a>
414-2	Negative social impacts in the supply chain and actions taken	–	–	<a href="#">Supply Chain Management</a>
GRI 415: Public Policy 2016				
415-1	Political contributions	05 Social > Stakeholder Engagement > Related Data > Expenditure for Trade Associations and Social Contributions	P.88	<a href="#">Stakeholder Engagement</a>
GRI 416: Customer Health and Safety 2016				
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	05 Social > Promotion of Safety in Navigation and Cargo Operations > Related Data	P.78	<a href="#">Promotion of Safety in Navigation and Cargo Operations &gt; Related Data</a>

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GRI 417: Marketing and Labeling 2016				
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	–	–	–
GRI 418: Customer Privacy 2016				
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	–	–	–

## SASB Standards Reference Table

Reporting Period: FY2023 (April 2023 - March 2024)

TOPIC	METRICS	CODE	ESG DATA BOOK 2024	Website and Relevant Media
<b>Sustainability Disclosure Topics &amp; Metrics (Marine Transportation Industry)</b>				
Greenhouse Gas Emissions	Gross global Scope 1 emissions	TR-MT-110a.1	04 Environmental > Response to Climate Change / TCFD Framework-Based Information Disclosure > Related Data > CO <sub>2</sub> Emissions of "K" LINE Group	P.38 <a href="#">Environmental Data</a>
Greenhouse Gas Emissions	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	TR-MT-110a.2	04 Environmental > Response to Climate Change / TCFD Framework-Based Information Disclosure > Metrics and Targets	P.32 <a href="#">Environmental Management</a>
Greenhouse Gas Emissions	(1) Total energy consumed, (2) percentage of heavy fuel oil, and (3) percentage of renewable energy	TR-MT-110a.3	–	–
Greenhouse Gas Emissions	Average Energy Efficiency Design Index (EEDI) for new ships	TR-MT-110a.4	03 The "K" LINE Group's Sustainability Management > ESG Performance > KPIs Related to Material Issues	P.17-18 <a href="#">The "K" LINE Group's Sustainability Management &gt; Materiality</a>
Air Quality	Air emissions of the following pollutants: (1) NO <sub>x</sub> (excluding N <sub>2</sub> O), (2) SO <sub>x</sub> , and (3) particulate matter (PM10)	TR-MT-120a.1	04 Environmental > Reducing "K" LINE's Impact on the Sea and Air > Related Data	P.57 <a href="#">Environmental Data</a>
Ecological Impacts	Shipping duration in marine protected areas or areas of protected conservation status	TR-MT-160a.1	–	–
Ecological Impacts	Percentage of fleet implementing ballast water (1) exchange and (2) treatment	TR-MT-160a.2	–	–
Ecological Impacts	(1) Number and (2) aggregate volume of spills and releases to the environment	TR-MT-160a.3	–	–
Workforce Health & Safety	Lost time incident rate (LTIR)	TR-MT-320a.1	–	–
Business Ethics	Number of calls at ports in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index (CPI)	TR-MT-510a.1	–	–
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	TR-MT-510a.2	–	–
Accident & Safety Management	Number of marine casualties, percentage classified as very serious	TR-MT-540a.1	05 Social > Promotion of Safety in Navigation and Cargo Operations > Related Data > Number of Major Accidents	P.78 <a href="#">Promotion of Safety in Navigation and Cargo Operations</a>
Accident & Safety Management	Number of Conditions of Class or Recommendations	TR-MT-540a.2	–	–
Accident & Safety Management	Number of port state control (1) deficiencies and (2) detentions	TR-MT-540a.3	05 Social > Promotion of Safety in Navigation and Cargo Operations > Related Data > Average Deficiencies per Port State Controls (PSCs)	P.78 <a href="#">Promotion of Safety in Navigation and Cargo Operations</a>

SASB Standards Reference Table

Activity Metrics	CODE	ESG DATA BOOK 2024		Website and Relevant Media
Activity Metrics				
Number of shipboard employees	TR-MT-000.A	05 Social > The Securing and Development of Human Resources > Related Data > Personnel Data	P.72	<a href="#">The Securing and Development of Human Resources</a>
Total distance traveled by vessels	TR-MT-000.B	–	–	–
Operating days	TR-MT-000.C	–	–	–
Deadweight tonnage	TR-MT-000.D	–	–	–
Number of vessels in total shipping fleet	TR-MT-000.E	–	–	<a href="#">Corporate Profile &gt; Our Fleet</a>
Number of vessel port calls	TR-MT-000.F	–	–	–
Twenty-foot equivalent unit (TEU) capacity	TR-MT-000.G	–	–	–



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