

## NYK Group's Sustainability Management

Material Issues

### Material Issues of the Group

#### Process for Identifying Material Issues

#### Material Issues' Vision and Key Themes

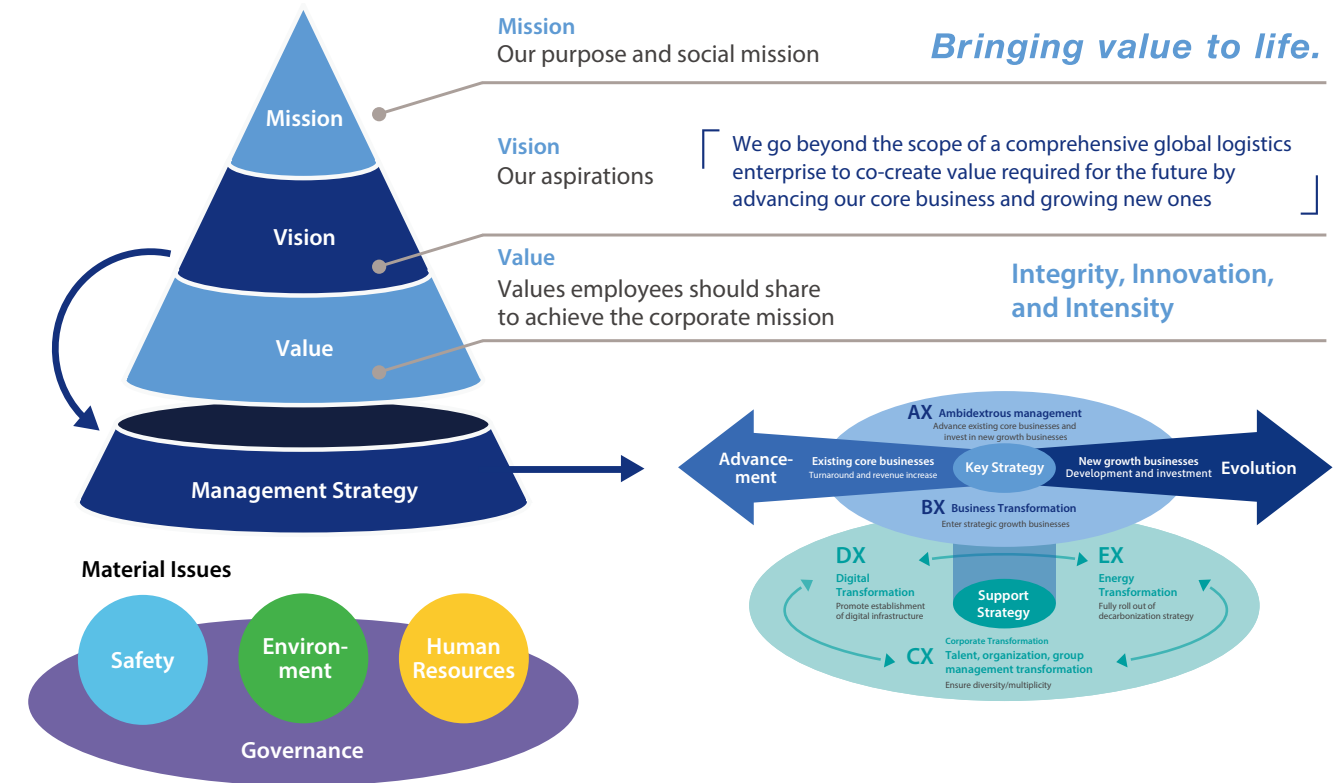
#### Non-financial Targets/KPIs and Initiatives linked to Material Issues

#### Target and Actual Figures

### Material Issues of the Group

The NYK Group has positioned Safety, Environment, and Human Resources as its material issues, with governance underlying them. These issues relate directly to our business, so employees are broadly aware of their importance, forming the core of Sustainability Management. The Group has formulated a specific management strategy to realize the new vision of the medium-term management plan "Sail Green, Drive Transformations 2026 - A Passion for Planetary Wellbeing," announced in March 2023. The chart on the right presents the relationship between our Mission, Vision, and Value, as well as our management strategy, material issues, and governance.

### Mission, Vision, Value + Management Strategy + Material Issues



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## Material Issues

### Process for Identifying Material Issues

To realize its mission statement, the NYK Group has identified material issues by ascertaining stakeholders' expectations and placing importance on the changing social impacts of its business activities. In 2023, which was the first fiscal year of the new medium-term management plan, we identified more specific key themes associated with our material issues with a view to further advancing them.

The Sustainability & Transformation Headquarters\*<sup>1</sup> took the lead in preparing a draft, which was discussed over multiple sessions with the Sustainability Strategy Committee\*<sup>2</sup>. Thereafter, the draft was submitted to the Board of Directors via the Management Meeting for confirmation and discussion regarding their appropriateness. Careful discussions by many employees and members of lower, middle, and upper management, in addition to directors, led to Group employees taking more personal ownership of the material issues, which have already penetrated the organization. To realize our target state for 2050, we will continue to discuss material issues and identify key themes.

\*1 Until fiscal 2024: ESG Strategy Headquarters

\*2 Until fiscal 2024: ESG Strategy Committee

#### (1) Identify key themes

The Sustainability & Transformation Headquarters takes the lead and ensures the key themes the NYK Group should engage with are determined through comprehensive consideration, discussion, and selection, making reference to the medium-term management plan, ISO26000, GRI Standards, SASB, ESRS, SDGs, and other companies.

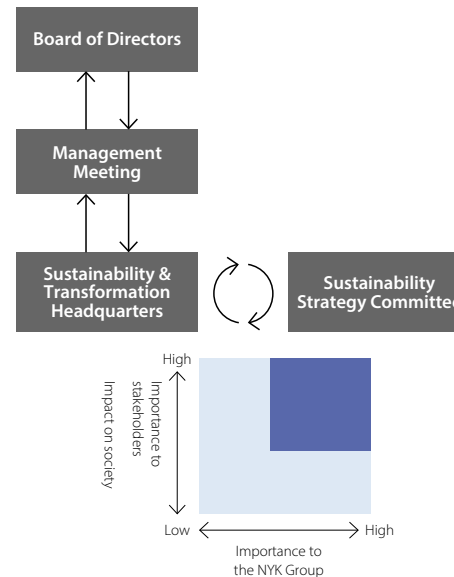
#### (2) Determine importance

After discussions by the Sustainability Strategy Committee, which includes external advisors, the importance of the themes is evaluated with respect to both the Group and its stakeholders.

#### (3) Confirm appropriateness

The Sustainability & Transformation Headquarters submits a report, which is discussed at the Management Meeting and then discussed and approved by the Board of Directors.

Note: Going forward, the Sustainability Strategy Committee will continually discuss the contents of material issues and key themes.



### Material Issues' Vision and Key Themes

To make the materials issues more specific for the vision announced in the medium-term management plan, the NYK Group has clarified the Material Issues' Vision and has set key themes to realize them.

Material Issues	Material Issues' Vision	Key themes
Safety	The NYK Group supports logistics sites with expert knowledge, skills, and experience based on a high level of safety awareness, and continues to be an organization where people create safety and safety protects and nurtures people's lives and livelihood.	<ul style="list-style-type: none"> <li>Preventing serious accidents and incidents</li> <li>Maintaining and enhancing safety awareness</li> <li>Complying with occupational health and safety</li> <li>Responding to operational risk</li> <li>Strengthening cybersecurity</li> </ul>
Environment	The NYK Group will continue to be a force that supports the sustainable development of the earth and humanity by taking a leading role in solving environmental issues on a global scale through continuous co-creation of necessary value for the future beyond the scope of a comprehensive logistics company.	<ul style="list-style-type: none"> <li>Promoting decarbonization</li> <li>Responding to climate change risk</li> <li>Preserving marine and biodiversity</li> <li>Preventing air pollution</li> <li>Building sustainable supply chains</li> </ul>
Human Resources	The NYK Group encourages all employees to vigorously bring their best and authentic selves to work and to perform at their full potential, enabling us to remain a good corporate citizen implementing social sustainability initiatives.	<ul style="list-style-type: none"> <li>Enhancing employee engagement</li> <li>Ensuring diversity and inclusion</li> <li>Developing talent management</li> <li>Co-creating to achieve our mission of "Bringing value to life."</li> <li>Respecting human rights</li> <li>Co-existing with local communities</li> <li>Fostering ethical workplaces</li> </ul>
Foundation: Governance		

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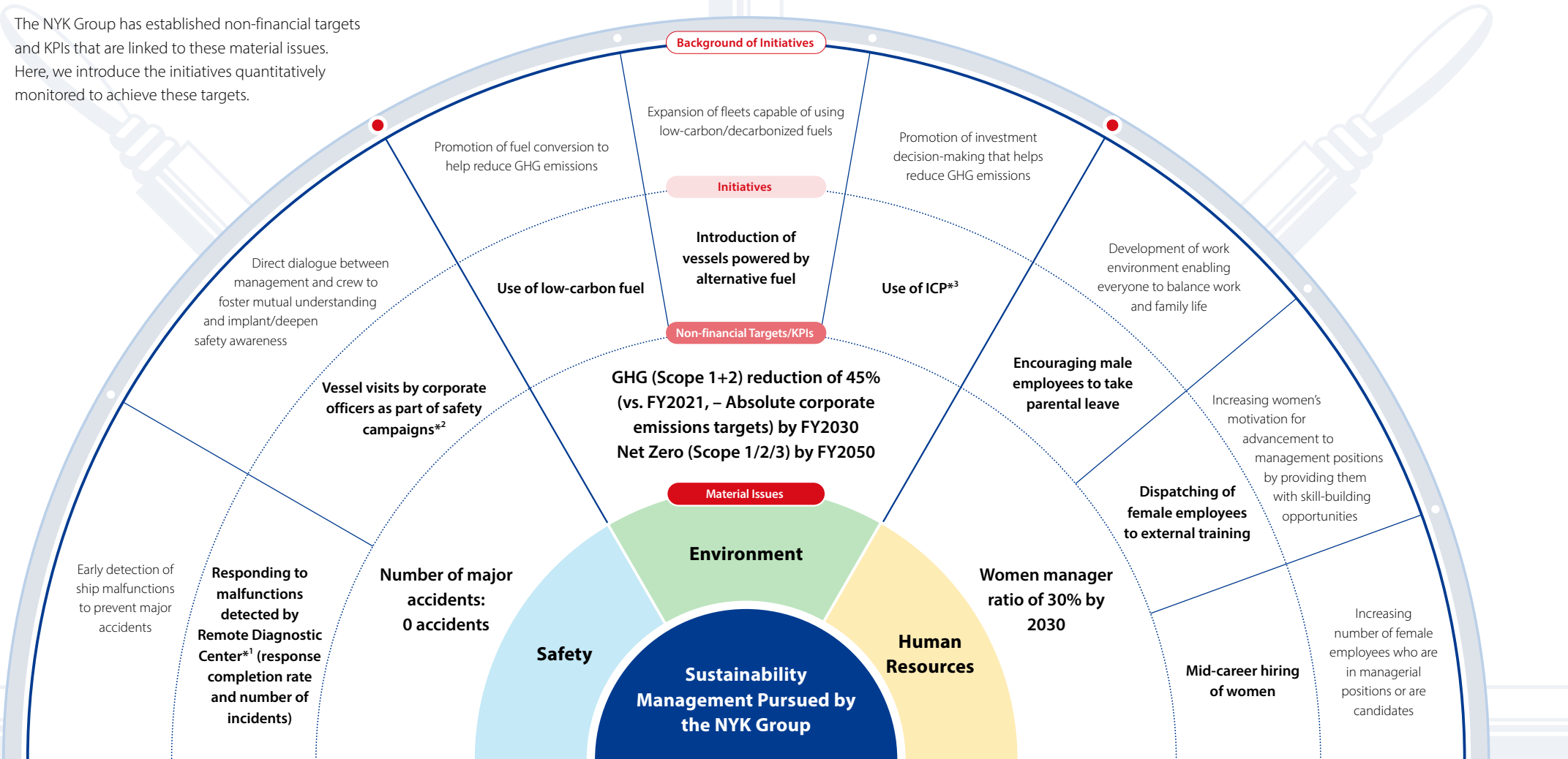
Non-financial Targets/KPIs and Initiatives linked to Material Issues

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### Non-financial Targets/KPIs and Initiatives linked to Material Issues

The NYK Group has established non-financial targets and KPIs that are linked to these material issues. Here, we introduce the initiatives quantitatively monitored to achieve these targets.



<sup>\*1</sup> Remote Diagnostic Center: Facility established in August 2020 at the maritime academy in the Philippines as part of digital ship management initiatives, with the aim of providing onshore monitoring of engine plants for SIMS-equipped vessels.

<sup>\*2</sup> Safety campaigns: Vessel visits held every summer under the Remember Naka-no-Se campaign, and every winter under the SAIL ON SAFETY campaign, for the purpose of implanting and deepening safety promotion as part of the NYK Group's corporate culture.

<sup>\*3</sup> ICP (Internal Carbon Pricing): An internal carbon pricing scheme used to inform investment decisions.

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### Target and Actual Figures

The NYK Group has established non-financial targets and KPIs that are linked to the material issues and announced them in the medium-term management plan together with its financial indicators, return on invested capital (ROIC), net income, and ROE. By advancing initiatives to achieve non-financial non-financial targets and KPIs, the NYK Group aims to realize the Material Issues'Vision.

Material Issues	Target	Target Year	Unit	FY2022	FY2023	FY2024
Safety	Number of major accidents: 0 accidents	–	incidents	2	3	0
Environment	GHG (Scope 1+2) reduction of 45% (vs. FY2021, – Absolute corporate emissions targets) FY2021 (base year): 12,724,086 t-CO <sub>2</sub> e	FY2030	ton- CO <sub>2</sub> e	Scope1		
				11,255,044	11,424,566	11,140,236
				Scope2		
				76,255	63,342	82,420
	Net Zero (Scope 1/2/3) by FY2050	FY2050	Scope1+2 (vs. FY2021)			
			11,331,299 (–11.0%)	11,487,908 (–9.7%)	11,222,657 (–11.8%)	
				Scope3		
				3,264,023	3,457,823	20,345,980
Human Resources	Women manager ratio of 30% by 2030	FY2030	%	Non- consolidated: 13.7	Non- consolidated: 13.6	Non- consolidated: 13.9
				Consolidated: 25.2	Consolidated: 26.2	Consolidated: 26.3

Initiatives	Target	Target Year	FY2022	FY2023	FY2024	Unit	Data Scope
Responding to malfunctions detected by Remote Diagnostic Center (response completion rate and number of incidents)	100%	–	100 (237)	100 (172)	100 (347)	% (incidents)	Consolidated
Vessel visits by corporate officers as part of safety campaigns	100%	–	30.3	39.4	36.4	%	Non-consolidated
Use of low-carbon fuel (utilization rate)	38%	FY2030	0.5	1.7	9.5	%	Consolidated
Introduction of vessels powered by alternative fuel (total number of vessels introduced)	51 vessels	FY2030	10	18	26	vessel	Consolidated
Use of ICP (total number of vessels using ICP, and utilization rate for this year)	–	–	20 (100)	91 (100)	203 (100)	vessel (%)	Consolidated
Encouraging male employees to take parental leave (ratio of leave taken)	100%	–	72.2	73.5	92.3	%	Non-consolidated
Dispatching of female employees to external training (ratio of women)	–	–	63.6	52.4	57.1	%	Non-consolidated
Mid-career hiring of women (ratio of women)	approx. 50%	–	19.3	22.2	27.2	%	Non-consolidated

\*Beginning fiscal 2024, the scope 3 data collecting has been expanded to include all major consolidated subsidiaries and equity method affiliates, and emissions have been collected from all categories of Scope 3.

\* t-CO<sub>2</sub>e: tons of CO<sub>2</sub> equivalent. All GHG emissions are converted into carbon dioxide equivalents.



The data related to various activities concerning material issues are disclosed in the Sustainability Data Set.

[https://www.nyk.com/english/sustainability/pdf/report\\_033en.pdf](https://www.nyk.com/english/sustainability/pdf/report_033en.pdf)