

# Introduction of Measures taken by the Private Sector

**Seminar on CSR Activities for the Shipping Industry**

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# Company Profile

- **NYK LINE (Nippon Yusen Kabushiki Kaisha)**
- **Established in 1885 (126 years old)**
- **Revenue (Consolidated) 1.9 trillion yen (FY2011.3)**
- **Fleet tonnage(As of March 31, 2011)**
  - 827 ships (60 million kt)**
  - Containerships 143**
  - Bulk carriers (Panamax/Handysize) 235**
  - Bulk carries (Capesize) 109**
  - Woodchip carriers 57**
  - Car carriers 118**
  - Tankers 86**
  - LNG carriers 29**
- **Major non-shipping segment**
  - Logistics / Air cargo transportation / Cruises (3 ships) /**
  - Offshore / Real estate**

# Management Plan/CSR Organization

Medium-Term Management Plan	Major move of CSR organizations	
	2004	Established the <b>CSR Chamber/</b> the <b>Office for Corporate Citizenship (OCC)</b>
<u>NEW HORIZON 2007</u>	2005	Established the <b>CSR Management Headquarters</b> (Renamed to the <b>CSR Coordination Group</b> )
Strengthen the foundation for an enterprise    Enhancement and promotion the CSR activities	2006	Established the <b>Compliance and Risk Management Group/</b> Established the <b>Internal Control Committee</b> Announced its agreement and support for the United Nations Global Compact(GC).
	2007	Formulated the NYK Group Values 3I's
<u>NEW HORIZON 2010</u>	2008	Established the <b>NYK Cool Earth Project</b> (Became the <b>Environment Group</b> in 2010) <b>/Antitrust Law Task Force</b>
Strengthen CSR management	2010	Established the <b>CSR Headquarters</b> <b>/Global Compact Promotion Committee</b> the CSR guidelines for partners and suppliers established
<u>MTS2013</u> Foundation supporting our growth strategies : CSR	2011	Established the <b>Fair trade Promotion Group</b>
	2012	Promotion of ERM

# NYK Group CSR management chart

as of Feb, 2012



Refer to page 15 of CSR Report

General Affairs / CSR Headquarters

Chief Executive of General Affairs /  
CSR Headquarters

Managing  
Corporate Officers  
(1 officer)

CSR Coordination Group

CSR Coordination Team  
Office for Corporate Citizenship  
Risk Management Team  
NYK Maritime Museum /  
NYK Hikawamaru

Business Divisions  
in the head office

Administration Department  
in the head office

Group companies  
(Japan-based and  
international)

Assignment for CSR officers

Head office: 38 business units

In Japan: 54 companies

(consolidated companies)

Around the world: 6 regions

# The NYK Group's CSR activities



## Mission statement

**Through safe and dependable monohakobi (transport), we contribute to the betterment of societies throughout the world as a comprehensive global-logistics enterprise offering ocean, land, and air transportation.**

## Management policy

### **Together with our customers**

**Through the use of our extensive skill and expertise and by considering each business site to be of utmost importance, we always work to create new value so that our customers will consider us a trusted and reliable partner.**

### **Together with our shareholders and investors**

**We aim to enhance our corporate value by being financially responsible and by conducting business activities in an open, honest, and transparent fashion .**

### **Together with society**

**As a good corporate citizen, we positively take on the tough issues that challenge our society, such as concerns involving the preservation of our natural environment, as we work for the betterment of the world that we inhabit.**

### **Together with all staff members in the NYK Group**

**As a global enterprise that has the utmost respect for delivery in the workplace and the spirit of challenge, we emphasize the development of employee talents so that all staff members can take pride in their work and eventually fulfill their dreams.**

# Evaluation by society (SRI etc.)



## SRI (Socially Responsible Investment, etc.)

- **DJSI (Dow Jones Sustainability Index)**
  - for 8<sup>th</sup> consecutive years upto 2010 but failed in 2011
  - among 36 Japanese and 318 companies worldwide
- **FTSE (FTSE4Good Index = Financial Times)**
  - for 10<sup>th</sup> consecutive years
  - among 181 Japanese and 730 companies worldwide
- **ETHISPHERE (World's Most Ethical Companies)**
  - for 5<sup>th</sup> consecutive years
  - among 6 Japanese and 145 companies worldwide



## 7 Core Subjects

- ① Organizational governance
- ② Human rights
- ③ Labour practices
- ④ The Environment
- ⑤ Fair operating practices
- ⑥ Customer issues
- ⑦ Community involvement and development

# NYK Group's CSR activities

## The Environment (1)

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### Environmental Management Vision

Contribute to the global environment and the creation of sustainable societies by managing environmental risks and arriving at an optimal balance between environment and society

### Environmental Strategies

1. Implement reduction of greenhouse gas emissions
2. Promote social contribution through activities that protect the natural environment
3. Strengthen environmental management groupwide

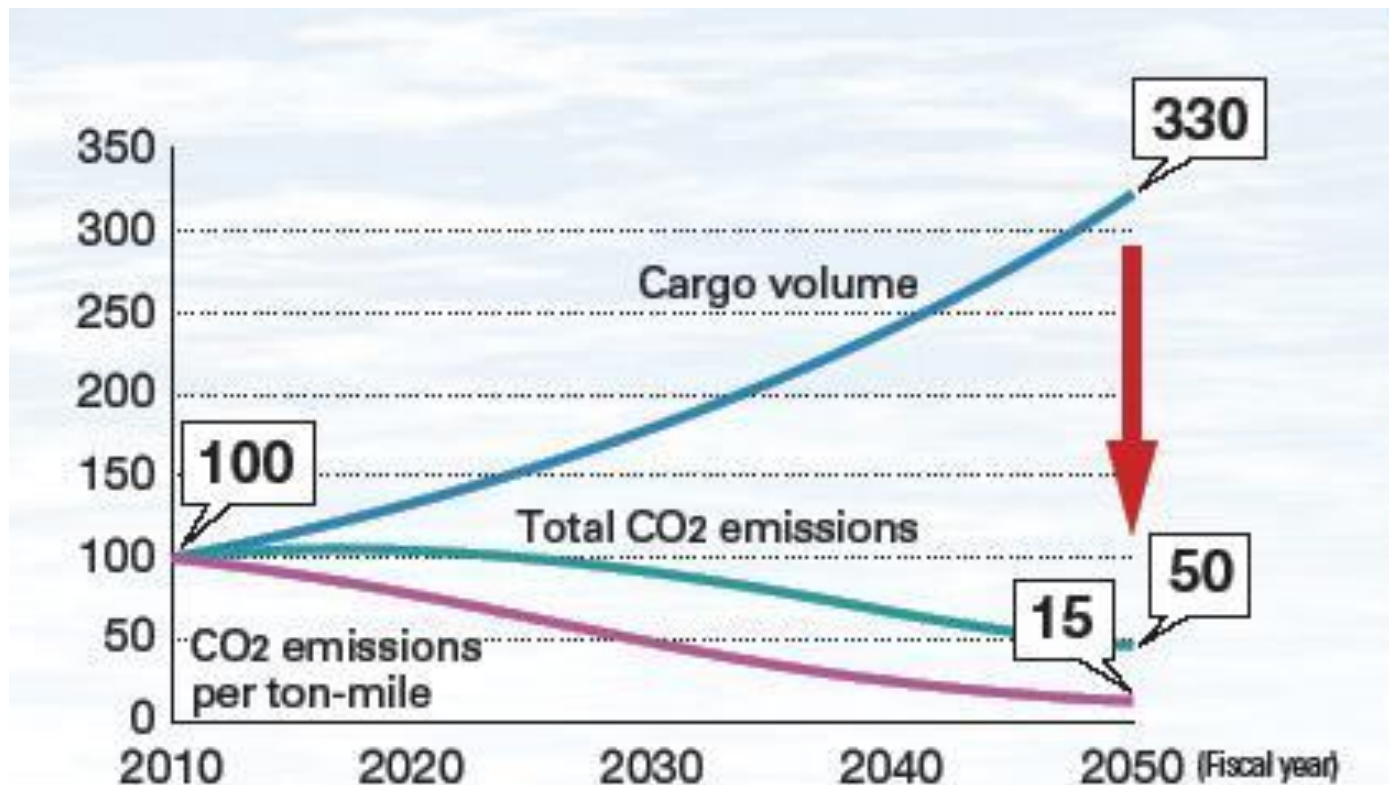
### NYK Group Green Policy

1. Preserve the marine and global environments by making continual improvements in operations
2. Comply with all relevant laws, ordinances, regulations, etc.; formulate and enforce voluntary standards
3. Ensure the safety of ocean, land, and air transportation services
4. Prevent and suppress global warming and air and marine pollution
5. Adopt environment-friendly technologies, etc.
6. Conduct employee education programs that increase environmental awareness
7. Disclose environmental information; contribute to society through environmental conservation



# NYK Group's CSR activities

## The Environment (2)



Source: Materials distributed by NYK Line at an August 2008 press conference to announce the NYK Cool Earth Project.

# NYK Group's CSR activities

## The Environment (3)



same weight the same distance (see p. 26).

Size of environmental management indicator data

Environmental management indicator data

FY 2006	FY 2010
3.4	3.1

**8.8** percent reduction

Environmental management indicator data

FY 2006	FY 2010
14.0	9.9

**29.3** percent reduction

### Containerships

Containerships transport food, apparel, machinery, and other day-to-day necessities. Their transportation volumes are predicted to increase as the world economy grows. Our emphasis is to bring greater efficiency to their operations and to develop next-generation technologies that will reduce their CO<sub>2</sub> emissions.

### Oil tankers

Oil tankers are a key lifeline for today's society and one of the most efficient kinds of ship because they are able to transport large volumes of heavy materials all at once. They are also, however, responsible for a great deal of global transportation volume and therefore a prime focus for CO<sub>2</sub> reduction efforts. NYK is taking steps to reduce oil tanker CO<sub>2</sub> while maintaining safe ship operations.

Environmental load (CO<sub>2</sub> emissions)

Approximately **850,000** tons

Value added by the business (marine transport weight)

Approximately **273.5** billion ton-kilometers

Environmental load (CO<sub>2</sub> emissions)

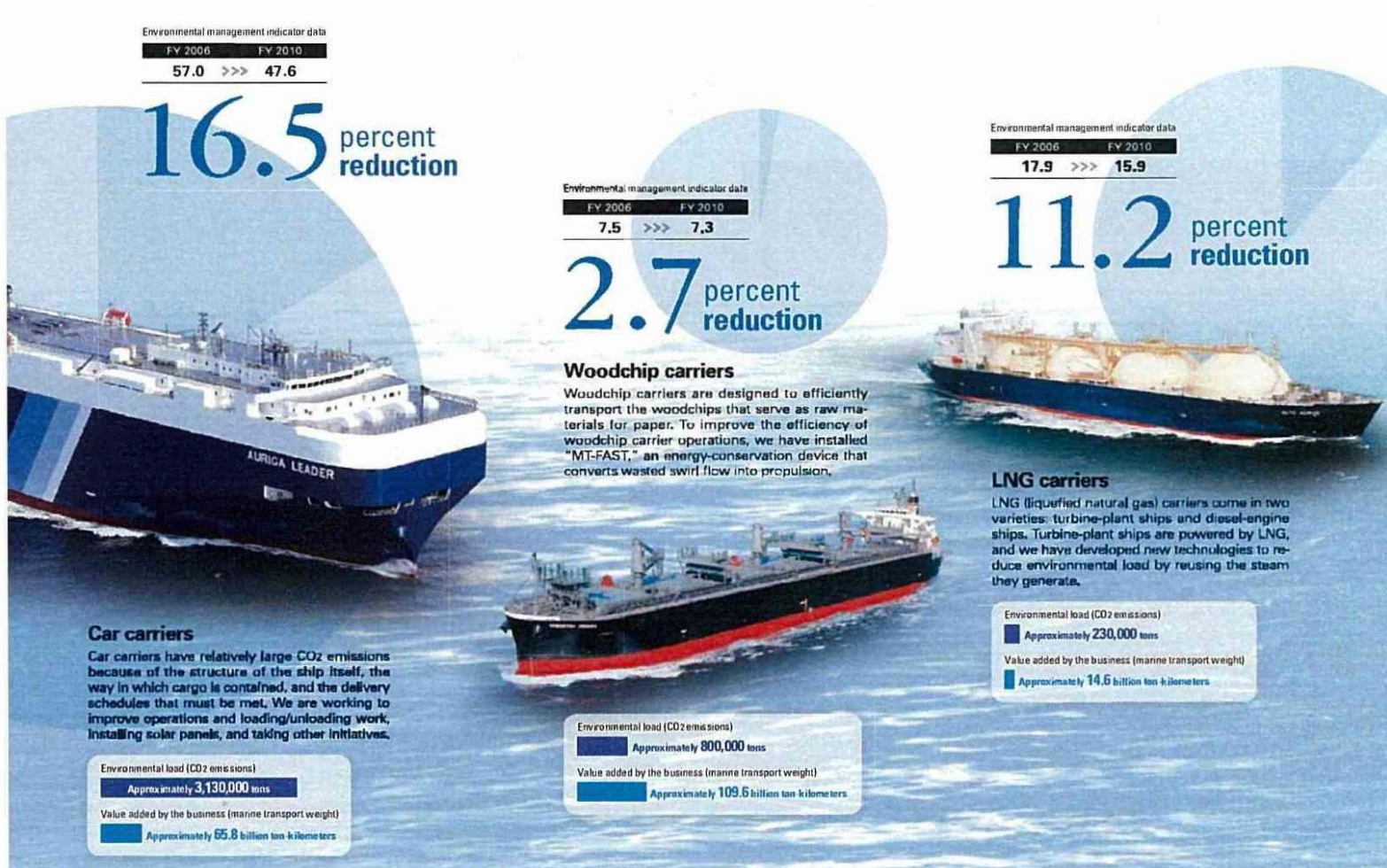
Approximately **3,670,000** tons

Value added by the business (marine transport weight)

Approximately **369.9** billion ton-kilometers

# NYK Group's CSR activities

## The Environment (4)

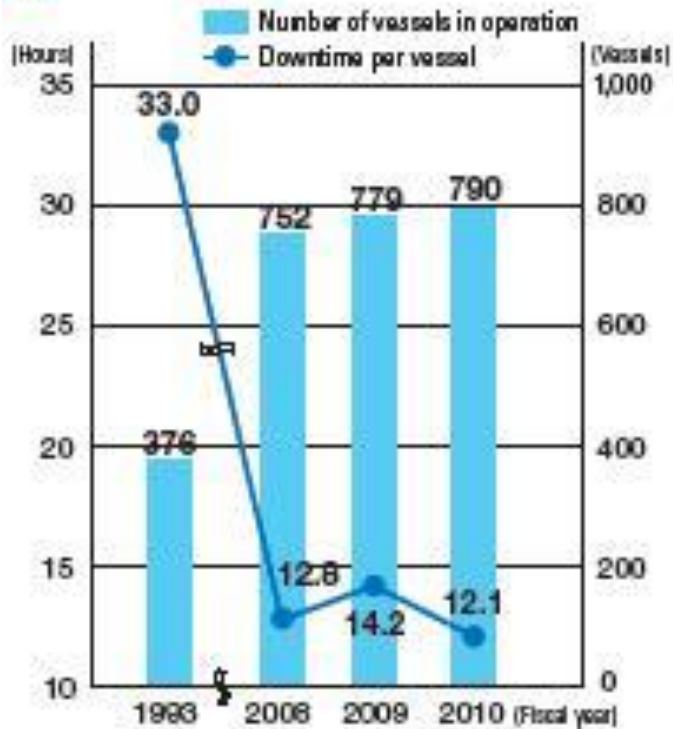


# NYK Group's CSR activities

## Safety



### Downtime data



### Safety promotion system (as of April 1, 2011)



### Breakdown of NAV9000 improvements (requests)

	FY 2008	FY 2009	FY 2010
Ship audits	308	319	306
Company audits	36	35	38
Improvements	2,898	2,946	2,783

# NYK Group's CSR activities

## Community involvement and development / Safety



### Establishment of a merchant marine academy in the Philippines

Refer to page 39 to 41 of CSR Report

- NYK depends 73% of its seafarers on Philippines.
- NYK established its own marine academy in Philippines in order to secure high-quality seafarers and also to give a great educational opportunity to the Philippine society.
- Established in 2007 with 120 students.
- Within 3 years, the academy has been ranked as one of the best marine academies.



# NYK Group CSR activities

## Human Rights:

### The Global Compact Promotion Committee

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Refer to page 15 of CSR Report

In 2006, NYK announced its agreement and support of the UNGC, the ten principles on human rights, labor standards, environment, and anti-corruption.

- The GC committee is made up of representatives from the HR Group and the CSR Coordination Group and focus on GC Principles 1-6 that deal with human rights and labor standards

Corporate Citizenship in  
The World Economy

UNITED NATIONS  
**GLOBAL  
COMPACT**



Global Compact Network  
Japan

# Global Compact : 10 Principles



## Human Rights

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2 : make sure that they are not complicit in human rights abuses.

## Labour

- Principle 3 : Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4 : the elimination of all forms of forced and compulsory labour;
- Principle 5 : the effective abolition of child labour; and
- Principle 6 : the elimination of discrimination in respect of employment and occupation.

## Environment

- Principle 7 : Businesses should support a precautionary approach to environmental challenges;
- Principle 8 : undertake initiatives to promote greater environmental responsibility; and
- Principle 9 : encourage the development and diffusion of environmentally friendly technologies.

## Anti-Corruption

- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

# The NYK Group's CSR activities

## Social Contribution (1)

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The NYK Group provided free ocean transport aid, using Yamatai, a module carrier.

- Drinking water and food loaded on Yamatai at the port of Kobe and the goods safely arrived at the port of Hachinohe in Aomori prefecture on March 27 2011



- Earthquakes in Chile, Haiti, China
- Flooding in Philippines, Thailand, Pakistan



# The NYK Group's CSR activities

## Social Contribution (2)

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- **120 volunteers in 22 groups joined the aid works in Rikuzen-Takata City, in Iwate Prefecture heavily hit by the Tsunami from October to December 2011. After a winter suspension, NYK has just restarted the same voluntary aid scheme in April.**
- **NYK will help continuously one small community recover with its people.**



# CSR guidelines for partners and suppliers (The NYK Group) 1/2

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Adopted in June 2010

## 1 Legal compliance:

Awareness that the company is a member of society and, in the interest of justice and fairness, must adhere to laws and ordinances, and must also respect the praiseworthy cultures and practices of local communities and adhere to the praiseworthy ethics and mores of local societies in all corporate activities.

## 2 Fair trade:

Companies must contribute to the betterment of global society engaging in fair, transparent, and free competition and conducting business activities in an appropriate manner in all regions of the world.

## 3 Trustworthiness:

Companies must build relationships of mutual trust by engaging in fair, transparent transactions and observing all applicable laws, ordinances, and social codes of conduct.

# CSR guidelines for partners and suppliers (The NYK Group) 2/2

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## 4 Safety and security:

The safety and security of services must be viewed as one of our highest priorities, achieved through ongoing efforts to improve.

## 5 Environment:

Companies must endeavor to protect the global environment and prevent environmental destruction and pollution.

## 6 Human rights:

Companies must respect the dignity of the individual and must not discriminate on the basis of gender, age, national origin, ethnicity, race, creed, religion, social status, etc.

## 7 Labor:

Companies must endeavor to provide safe, sanitary, and healthy working environments. Companies must not engage in inhumane employment practices or forced labor.

## 8 Anti-corruption:

Companies must work to prevent corruption in all its forms, on both the receiving and giving sides.



**Thank you !**

