

# Sustainability Report 2024



**DOWA LINE CO., LTD.**





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## Key Figures

**38** vessels



Operating Fleet

**7.7** years



Average Vessel Age

**894,586** tons



Total Cargo Weight

**1,698,620** NM



Total Distance Sailed

**0** case



Major Accidents

**305,524** ton



CO2 Emissions

**95%**



Waste Recycling Rate

**100%**



Renewable Energy Usage in  
Company-owned Buildings

**1** case



Childcare Leave Taken

**1** case



Financial Support for  
Newborn Babies

**9** cases



Qualification Acquisition  
Support

# Message

In the fiscal year 2023, our industry was harshly impacted by environmental changes and global tensions, including historic drought in the Panama Canal, the Red Sea Crisis triggered by Israel's Gaza strike and notably, the ongoing Ukraine conflict. In response, our company has actively employed Ukrainian evacuees and provided support for their daily lives, such as holding Japanese classes twice a week to help them settle into their new environment. Currently, we have two Ukrainians working at our headquarters and one at our office in the United States. We shall continue our support for Ukraine through employment and other means.

Sustainability is at the core of our corporate strategy, with three pillars: "Environment," "Safety," and "People." Under our vision "Always with a Vision Ahead," we aim to contribute to realizing a sustainable future through our high-quality services with social and environmental impact always in mind.

Our operating vessels are equipped with the latest energy-efficient technologies, helping to reduce CO2 emissions. On the other hand, our offices promote the use of renewable energy and recycling activities. These initiatives are crucial in protecting the global environment and passing on a better future to the next generation. Furthermore, to improve the operational efficiency and safety of our vessels, digital technologies and high-speed communication networks are being installed.



Additionally, contributing to the regions where we operate is a crucial mission. Leveraging the knowledge and experience gained in the Caribbean, we have launched "Environmental Solutions Business" to cope with local environmental issues. Although it is still in its early stages, we are committed to improving local environment by acting as a bridge between our partners in Panama and the Dominican Republic and Japanese companies with excellent technology. These activities fulfill our CSR and aim to achieve harmonious coexistence with local societies.

Our efforts for sustainable future through eco-friendly technologies and engagement with local communities remains steadfast. We pledge to continue growing and developing by embracing new challenges with our valued shareholders, customers, partners, and employees.

President & CEO

龍川和雄

Kazuo Takigawa

## About Us

Since our establishment as a domestic operator in 1957, we have expanded our operating area to international waters. Initially around Taiwan and Southeast Asia, then to the Caribbean and Latin America with operation base around New York.

Currently, we operate 38 bulk carriers: 13 vessels of 7,700 DWT and 8 vessels of 16,000 DWT in the Americas especially in the Caribbean, and 17 vessels of 38,000-40,000 DWT around the world, providing cargo transportation services.

We specialize in transporting major bulk commodities such as grains, fertilizers, salt, sugar, steel, non-ferrous metals, and other ores. Over the years, we have established long-term relationships with numerous cargo

owners, such as major grain companies and countries across Central, South America and the Caribbean.

In addition, we have diversified into real estate and marine supply & engineering. Our real estate sector manages company-owned buildings and oversees various residential properties. Our marine supply & engineering business provides ship supplies, safety equipment inspections, after-sales service for ballast water treatment systems, and machinery repairs.

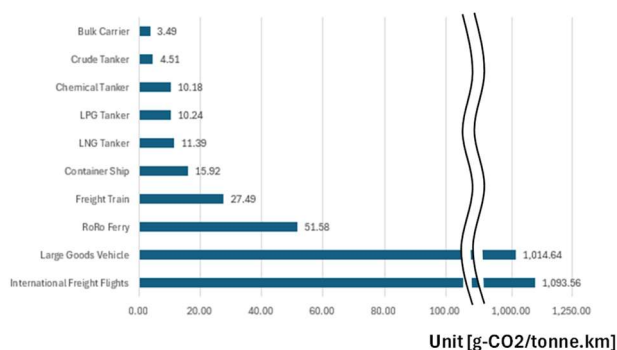


## About Our Fleet

### ■ Eco-Friendly Operations

Freighting goods by sea, bulk carriers in particular are known to have lower environmental impact compared to other mode of transportation. Moreover, we aim for further reduction through efficient operation taking oceanographic and meteorological factors into account.

CO2 Emissions Per tonne.km (Freighting Goods)



Ref: GOV.UK "Greenhouse gas reporting: conversion factors 2023 graph prepared by us

### ■ Proactive Environmental Measures

Reducing environmental impact by shipping industry is global concern. Though new regulations are successively enacted, we have taken early actions to those regulations. By doing so, we have been successful in differentiating ourselves and making our fleet more competitive, raising our presence in operating area.

#### • NOx Regulations

7 of the Vessels subject to Tier III complies with the regulation.

#### • BWTS (Ballast Water Treatment System)

All vessels were equipped with BWTS before enforcement of Ballast Water Management Conventions in 2017.

## SDGs × DOWA



The SDGs were adopted at the “United Nations Sustainable Development Summit” in September 2015. They consist of 17 goals and 169 targets that represent the international community’s common dream and action guidelines for 2030.

### Our Basic Philosophy

**Recognize that realizing a sustainable future is fundamental to corporate development and create new value for the society.**

**Provide essential services to society and strive for sustainable economic growth and solutions to social issues.**

**Always have the courage to sail toward blue ocean and steer our business in harmony with like-minded people.**

### Our Code of Conduct

- ✓ Strive to protect global and marine environment by ensuring safe operation of vessels in our shipping business.
- ✓ Regularly set and apply voluntary SDG-related goals while complying with safety/environmental laws and regulations.
- ✓ Ensure organizational crisis management to prepare against antisocial forces, terrorism, cyberattacks, natural disasters, and other threats.
- ✓ Actively engage to save energy and resources, reduce waste, and recycle.
- ✓ Strive to minimize environmental impact to the greatest extent possible by using eco-friendly products, technologies, and services.
- ✓ Work to create disaster-resistant, eco-friendly and people-friendly city by implementing earthquake resistant, energy-saving, renewable energy, barrier-free measures in our real estate business.
- ✓ Enhance each employee’s abilities, respect diversity, personality, and individuality, and create comfortable work environment with health and safety ensured.
- ✓ Raise awareness of the SDGs through education and information sharing and encourage proactive measures.



## ■ Our Goal Selection Process



Committee members assigned from each department discussed how to align the business model with the SDGs framework.

Our company operates with a business model focusing on chartering services for shipping contracts, operational management for ship navigation, as well as supervisory and maintenance services, with experience of over 150 vessels since our foundation.

Operating in environmentally conscious regions, we have always taken proactive measures in environmental regulations, such as emissions and ballast water controls.

We examined every aspect of our work and reevaluated maximum achievable goals for our business. Chartering and operating eco-friendly vessels in shipping business, setting environmental measures, and constructing eco-friendly buildings in real estate business.

We will also share and promote our SDGs principles with our partners.

## ■ Activity Monitoring

We have set numerical targets and included monitoring process in our workflow, ensuring every employee is committed to achieving the goals.

Regarding our materiality “Environment,” regulations and guidelines have been established by the IMO, considering that business activities by shipping companies have significant impact on environment. The structure we have built to comply with these regulations have been applied to our monitoring activities.

### STEP. 1 Clarifying Issues

- SDGs committee clarified global challenges and specific issues that needs to be addressed in our business activities.
- Make a list of key issues based on the SDGs guidelines.

### STEP. 2 Identifying Goals

- Narrowed down issues based on the insights from external experts like Britannia P&I CLUB.
- Categorized our goals into 3 areas: “Environment”, “Safety”, and “People”.

### STEP. 3 Selecting Goals

- Confirmed alignment between the 17 SDGs Goals and our goals.
- Selected “Environment”, “Safety”, and “People” as our materialities and have been approved by the Board of Directors.

## Materiality 1

### Environment



## Coexisting with Global Environment

To protect and improve the environment, we strive to minimize the impact of our shipping operations and implement unique measures across our business activities.

### 1. Prevention of Major Accidents

Strive for vessels' safe navigation through maintenance and prevent accidents that can severely harm the environment.

### 2. Compliance with Environmental Regulations → [Page 7](#)

### 3. Reduction of Air Pollution/GHG Emission

Implement eco-friendly operations by navigating in eco-speed and using low-sulfur fuel oil that complies with ISO 8217 standards to reduce GHG emissions.

GHG emissions will be reported in our sustainability report.  
→ [Page 7](#)

### 4. Enhance Environmental Management

Select and maintain equipment related to environmental protection to prevent pollution caused by malfunction.

### 5. Transportation of Non-Hazardous Cargoes

Focus on transporting non-hazardous cargo, considering the impact of hold-washed water to crew, stevedores, and to the ocean when discharged after completing the voyage.

### 6. Cargo Transportation to Developing Countries

Contribute to food stability and other necessities through our cargo transportation to developing countries.

### 7. Waste Recycling at Headquarter

Report recycling rate to Minato-ku, where our office is located and monitor it to maintain high level.

### 8. Green Conservation through Property Management

→ [Page 8](#)

### 9. Preparation of Sustainability Report

Since 2021, sustainability reports have been prepared and published to monitor proper implementation of SDGs.

### 10. Spread and Promotion of SDGs to Business Partners

Spread and promote SDGs by strengthened alignment with business partners through cooperation agreement and implement SDGs in business activities



# Commitment in Shipping Business

## 【Early Installation of BWTS】

Completed installation of BWTS on all our operating vessels by 2017, ahead of enforcement of the IMO Ballast Water Management Convention.

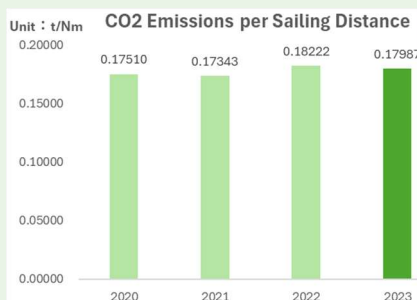
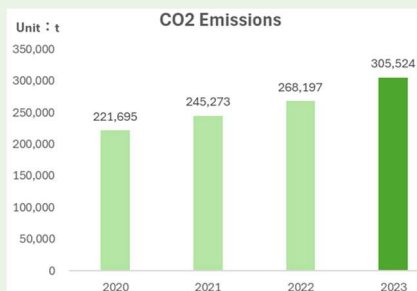
Moreover, we support other shipowners and management companies for smooth operation of the system together with the manufacturers.

## 【Compliance with Environmental Regulations】

In addition to preventing air pollution by complying with SO<sub>x</sub> (Sulfur Oxide) and NO<sub>x</sub> (Nitrogen Oxide) emission regulations, efforts are also being made to reduce GHG emissions and improve fuel efficiency based on the EEXI (Energy Efficiency Existing Ship Index) regulations, which started in January 2023.

## 【Management of CO<sub>2</sub> Emissions】

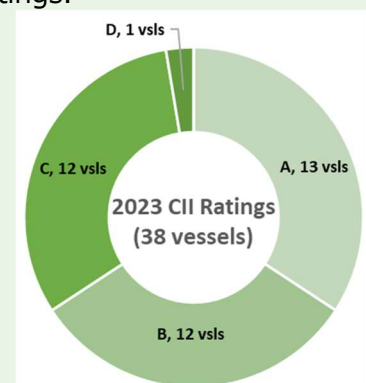
Using the IMO Data Collecting System platform, we monitor estimated emissions and sailing distances (see the graph below). Despite increased sailing distances and CO<sub>2</sub> emissions from 2020 to 2023 due to more operating vessels, CO<sub>2</sub> emissions per sailing distance have slightly decreased compared to 2022.



## 【CII (CARBON INTENSITY INDICATOR) Rating System】

The rating system, initiated in 2023, aims to improve fuel efficiency in the shipping industry by evaluating vessels based on previous year's performance. Ratings range from "A" to "E," with criteria becoming stricter every year.

In 2023, 37 out of 38 of our vessels were rated between "A" and "C," and 1 was rated "D." We will continue efficient operations to maintain high ratings.



# Commitment in Real Estate Business

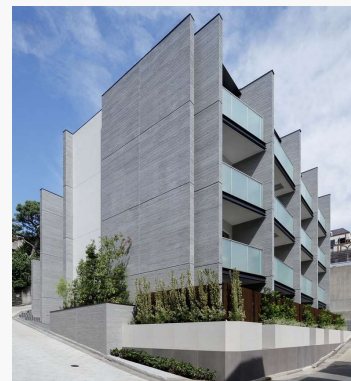
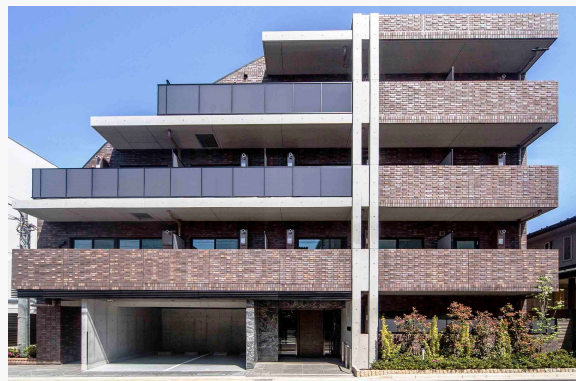
## 【Eco-friendly Office Management】

Two office buildings: Dowa Line Building and DLX Building are in our management. Dowa Line Building maintained 95.0% waste recycling rate in 2023, same as previous year. DLX Building features a natural ventilation system with a heat chimney and sunshade elements, reducing heat ingress and enhancing energy efficiency. Since 2021, both buildings have been powered entirely by renewable energy, achieving zero CO2 emissions.

## 【Community and Scenic-Friendly Building Design】

DLX Building, being awarded the “Scenic City Creation Award” by Minato Ward in November 2018, was constructed with local community in mind. The building, featuring an emergency preparedness warehouse and a shared generator, serves as a critical support hub for tenants, nearby residents, and workers during natural disasters or emergencies.

Similarly, our rental properties are designed with local community in mind. Admiral Sakurashinmachi complies with Setagaya Ward’s “Universal Design Promotion Ordinance” and on the other hand, the construction of IPSE Yoyogi-Uehara DLX was completed in September 2023.



(Top Left) Dowa Line Building

(Top Right) DLX Building

(Bottom Left) Admiral Sakurashinmachi

(Bottom Right) IPSE Yoyogi-Uehara DLX

## Materiality 2

# Safety

9 INDUSTRY, INNOVATION  
AND INFRASTRUCTURE



11 SUSTAINABLE CITIES  
AND COMMUNITIES



12 RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION



## Commitment in Safety Navigation

In the shipping industry, where operations can have significant impacts on the environment and human resources, ensuring safety is of utmost importance. Our goal is to achieve zero incidents of major accidents, including serious maritime accidents, marine pollution, and significant cargo incidents. To achieve such, we not only share information with shipowners and ship management companies but also maintain close and effective communication with our operating vessels. These efforts have successfully reduced the number of major accidents to one in 2021 and 2022, and to zero in 2023.

### 1. Prevention of Major Accidents

Strive to ensure safe navigation through technical maintenance of our operating vessels, preventing accidents that could significantly impact the environment. The goal is to achieve zero maritime accidents, and our progress will be reported annually in this report.

### 2. Vessel Safety by Enhancing IT Environment

Ensure safety through an implemented information-sharing system between the company and operating vessels.

The VSAT (Very Small Aperture Terminal) system, is being actively adopted for our operating vessels to establish a stable communication environment.

### [Examples of our Commitment]

- ✓ Participate in external seminars to improve operation skills
- ✓ Conduct joint emergency response drills together with ship management company
- ✓ Analyze every accident and malfunction quarterly
- ✓ Attend Safety Management Meeting whenever held
- ✓ Gather information of accidents/incidents from local agents
- ✓ Visit vessels by the technical department in Houston office
- ✓ 24/7 operation management together with our US offices

## Materiality 3

### People



## Foster an Empowering Environment

All employees are committed to addressing following social issues to ensure that every employee can work with peace of mind and achieve their highest performance.

### 1. Creating a Comfortable Work Environment

Strive to create an environment where individuals, regardless of gender, can actively participate and thrive.

### 2. Childcare Support

Provide congratulatory payment of 1 million yen for the birth of second child and beyond.

### 3. Promoting Employee Health

Enforce no-smoking policy within the company.

### 4. Educational Support for Families of Overseas Assignees

Subsidize educational expenses to ensure families of employees stationed overseas receive the same level of education as in Japan.

### 5. Human Resource Development

Conduct comprehensive programs to train professionals capable of thriving in the international maritime sector. This includes long-term courses at Maritime Technical University and several weeks of onboard training for new recruits, Spanish language immersion in Chile, and qualification acquisition support. Participation in external training and seminars are also encouraged.

#### 【Examples】

#### ✓ Dispatching New Recruits to Maritime Technical University (Since 2010)

Full salary is paid during the two-year dispatch. Employees dispatched in 2010, 2014, and 2020 graduated as a top.

#### ✓ Qualification Acquisition Support (Since 2022)

Provide up to 500,000 yen for qualifications in seven fields, including "Management & Legal Affairs" and "Maritime & Technical", covering about 50 qualifications.

#### ✓ Dispatch Employee to UC Chile University to learn Spanish (Since 2014)

Dispatch period is 6 months, and the salary will be fully paid. We have dispatched 4 employees so far.

#### ✓ Financial Support for Newborn Babies (Since 2006)

As a part of child raising support, we provide 100,000 yen for the first child, and 1,000,000 yen for second and subsequent children. In the fiscal year 2023, one person received the same.

Taking childcare leave is also encouraged and all female employees have taken it. Efforts are made to increase the number of male employees taking childcare leave.



## Dowa Line CSR News for Fiscal Year 2023

In the fiscal year 2023, we undertook following initiatives. Dowa Line will continue its contribution to the society, aiming for a sustainable and reassuring society.

### Young Talent Supporting Concert

We are pleased to announce our sponsorship of the Young Talent Supporting Concert Series as part of our commitment to supporting arts and cultural activities. The first concert, a cello recital was held on December 7<sup>th</sup> at Kioi Hall by the promising young cellist Yuya Mizuno, who has won the Japan Music Competition and other awards. The performance received enthusiastic applause from the audience.

The second concert is already scheduled for 2024, and we will continue to support arts and cultural activities.



### Support for Ukraine Evacuees



We are dedicated to fostering a diverse and inclusive internal environment where employees of various nationalities and backgrounds can actively contribute. As part of our commitment to supporting those who have evacuated from Ukraine, we currently employ three Ukrainian nationals as of May 2024. To further assist them not only in their work but also in their daily lives in Japan, Japanese language classes are held in the company. Our efforts have been featured on NHK's "Shutoken Network."



株式会社 同和ライン

**DOWA LINE CO., LTD.**