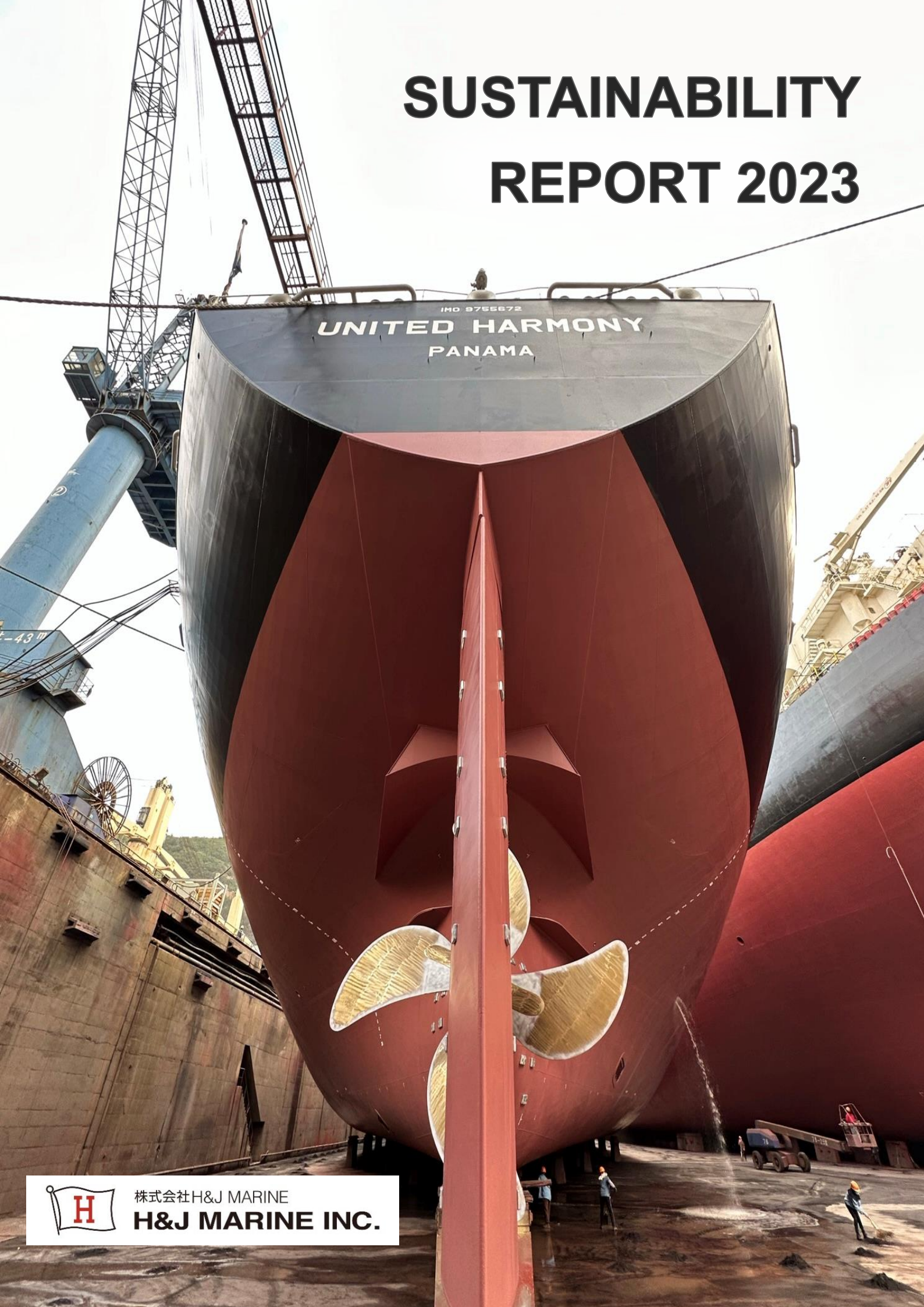


# SUSTAINABILITY REPORT 2023



株式会社H&J MARINE  
**H&J MARINE INC.**

## Sustainability Report 2023 Publication

In recent years, shipowners have been implementing various initiatives to realize a sustainable society, such as reducing greenhouse gas emissions and constructing new ships that comply with the latest environmental regulations. As a ship management company being a member of the maritime industry, we as well are called to support such shipowners' efforts.

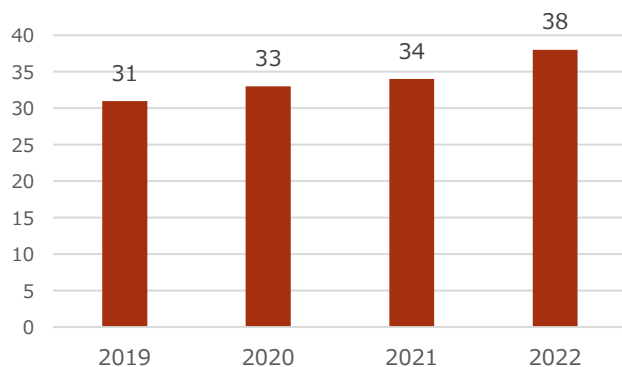
The purpose of this Sustainability Report is to report to shipowners, financial institutions, business partners, and other stakeholders our materiality (key issues) formulated from SDG (Sustainable Development Goal) perspectives, and our efforts to address this materiality.

### Company Profile

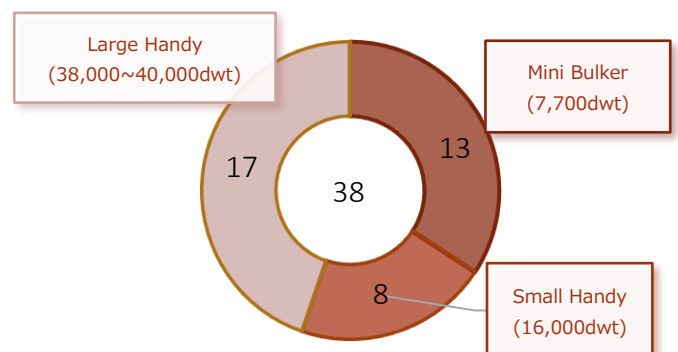
H&J MARINE INC. (formerly known as HIONG GUAN NAVEGACION JAPAN CO., LTD.) was established in 1982 as a subsidiary of HIONG GUAN NAVEGACION CO., LTD. in Hong Kong. As a ship management company, we provide a wide range of services from ship safety management to crew support, insurance arrangement, and dispute resolution.

Company name & address	H&J MARINE INC., 2-37-5 Nishi Shinbashi, Minato Ku, Tokyo, Japan
Established	1982
Capital	JPY 50,000,000 (100,000 shares)
Shareholders	HIONG GUAN NAVEGACION CO., LTD. Unit 1308A, 13th Floor, Tower 1, Lippo Centre, 89 Queensway, Hong Kong
Number of employees	Approximately 20
DOC certification	1997
Number of managed vessels	38 (as of May 2023)

Number of Managed Vessels



MANAGED VESSELS (SIZE-WISE)





# Formulation of SDG Action Guidelines and Materiality (Key Issues)

The ship management industry supports the world's maritime logistics and meets the demand of Charterers and Shippers/Receivers by maintaining the seaworthiness and the cargoworthiness of vessels entrusted by shipowners, complying with all laws and regulations.

Based on the role of ship management companies in the maritime industry, we have created action guidelines incorporating the SDG perspectives, and have organized our materiality (key issues) and corresponding SDG targets.

SDGs are the Sustainable Development Goals adopted at the United Nations Sustainable Development Summit in September 2015, and are a collection of common dreams and action plans set forth by the international community for what humanity should be like in 2030, consisting of 17 goals and 169 targets, including the pursuit of peace, the eradication of poverty, and the preservation of the global environment.



## H&J MARINE SDG Action Guidelines

1. Provide safe ship management services with the aim of achieving zero marine and occupational accidents
2. Comply with and support shipowner SDG policies
3. Respect diversity in terms of gender, nationality, and other characteristics of employees, and create a work environment that takes health and well-being into consideration
4. Support employee autonomy and development of skills



# Materiality (Key Issues) and Corresponding SDG Targets

## Key Issue 1: Preventing Marine and Occupational Accidents

- Prevent marine accidents, cargo damage, and work-related accidents
- Hold Safety Control Committee meetings
- Prepare quarterly accident claim records
- Promote IT for ship management



## Key Issue 2: Supporting Shipowner SDG Policies

- Comply with and support shipowner SDGs

[Shipowner Initiatives]

Compliance with the MARPOL Convention/Ship Recycling Convention

New shipbuilding compliance with environmental regulations/Support for seafarer's maritime license acquisition



## Key Issue 3: Creating a diverse workplace where health and well-being are respected

- Create a comfortable work environment that respects gender, nationality, and individual values
- Encourage childcare leave
- Childbirth congratulatory bonus programs



## Key Issue 4: Supporting employee autonomy and development of skills

- Qualification acquisition support program
- Study abroad program



## Key Issue 1: Preventing marine and occupational

### Preventing marine accidents, cargo damage, and industrial

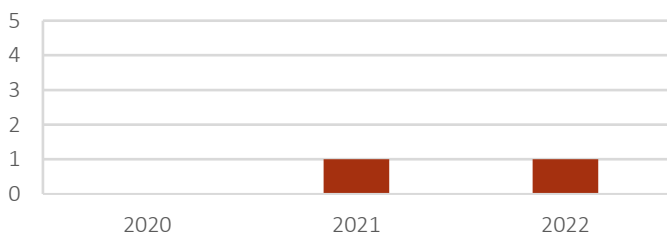


H&J Marine makes every effort to prevent marine and work-related accidents and cargo damage while operating a safety management system (SMS) based on the International Safety Management (ISM) Code in accordance with the requirements of the SOLAS Convention (International Convention for the Safety of Life at Sea) and working in cooperation with our business partners.

In 2012, we established the Ship Safety Management Department with the aim of further developing our safety management system. This department analyzes trends in marine accidents, crew injuries and illnesses, and equipment malfunctions, manages the status of Port State Control (PSC) inspections, and provides feedback to crew members. The department also collaborates with a manning company in the Philippines to provide crew members with pre-boarding training and improve safety awareness.

### Accident Incidents in FY2022 (Total period: April 2021-March 2022)

Fig. 1. Number of Major Maritime Accidents



In Figure 1, a “major accident” refers to an accident classified as the five major perils (sinking, stranding, grounding, fire, collision) with rescue and repair costs exceeding USD 30,000.

One stranding accident occurred in FY2022. No human casualties, marine pollution, or cargo damage occurred as a result of the accident. The incident has been reported to the classification society, flag state, and local authorities, and an investigation into the cause of the accident and an internal audit have been conducted, and all vessels under our management have been alerted to the incident.

Fig. 2: Number of Crew Illness

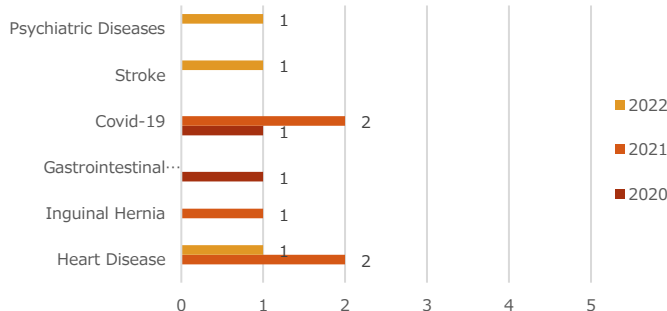


Figure 2 shows the number of crew illnesses for which medical and replacement costs exceeded USD 30,000. In FY2022, one case each of mental illness, stroke, and heart disease occurred. As a measure to prevent recurrence of mental illness, Filipino employees are working in Marine Department to create an atmosphere where crew can easily seek advice at any time. In addition, there were no confirmed cases of Covid-19 in FY2022. We will continue to place the highest priority on the health and safety of our crew members, and strive to prevent the transmission of Covid-19.

### Promotion of IT for ship management & establishment of cyber security system

H&J Marine promotes the use of IT in ship management and establishes a Business Continuity Plan (BCP) that enables the continued management of ships being operated worldwide, even in the event of an emergency such as a natural disaster or the epidemic of infectious diseases, through the remote working and cloud-based management of ship operations. We have also incorporated a cyber security manual into our Safety Management System (SMS) in accordance with IMO guidelines, appointed a ship IT manager, and conduct IT risk assessments.



## Key Issue 2. Complying with and supporting shipowner SDGs



### Complying with shipowner SDGs and supporting initiatives

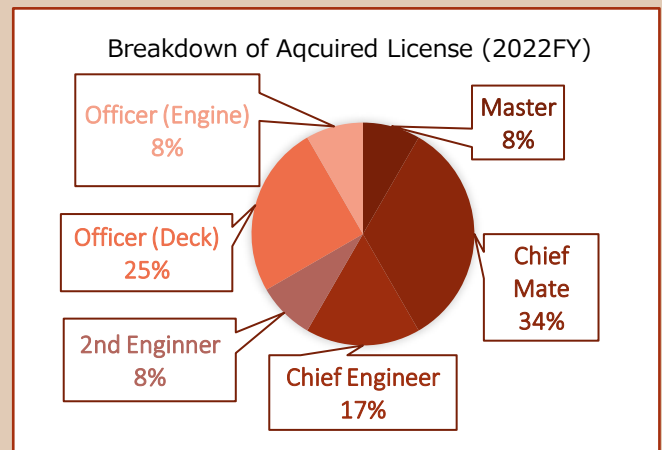
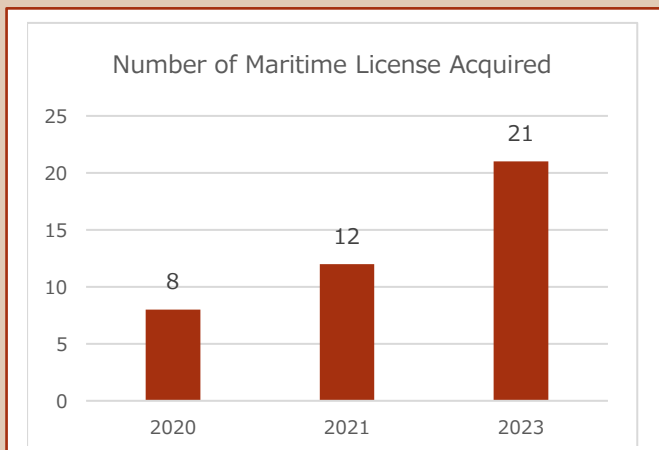
As a management company, we comply with shipowner SDG policies, provide information on the latest environmental regulatory developments, and support shipowner initiatives.

### [Examples of Shipowner SDG-related Initiatives]

- Prevention of marine pollution & compliance with MARPOL Convention
  - ▶ Installed Ballast Water Management System (BWMS) ahead of regulations
- Compliance with Ship Recycling Convention
- Construction of new vessels in compliance with environmental regulations
  - ▶ Newly built vessels compliant with NOx Tier III (Tier III nitrogen oxide emissions regulations)

### Maritime license acquisition support for crew members

H&J Marine helps shipowners manage their maritime license acquisition support programs. We assist in the management of incentive payments to crew members who have passed maritime license exams and are working with the acquired licenses.



## Key Issue 3: Creating a diverse workplace where health and well-being are respected



### Creating a comfortable work environment that respects gender, nationality, and individual values & encouraging employees to take childcare leave

Aiming to provide a work environment in which both men and women can play an active role, we encourage both men and women to take childcare leave. In addition, to improve ship management and communication with seafarers, we employ people with maritime experience regardless of nationality and create an environment in which they can play an active role in the field of ship management.

As of May 2022, we have two foreign nationals working for the company, making the best use of their expertise. In addition, as support for Ukraine, we employed one Ukraine refugee this

### Childbirth congratulatory bonus program

Our company provides 100,000 yen for the birth of a first child and 1,000,000 yen for the birth of second and subsequent children as congratulatory gifts.

## Key Issue 4: Supporting employee autonomy and development of skills



### Qualification acquisition support program

Our qualification acquisition support program covers approximately 50 official qualifications in seven fields, including management & legal affairs, information, languages, general affairs & personnel affairs, accounting, real estate, and maritime affairs & technology, and rewards are provided according to difficulty level.

In FY2022, one employee used the qualification acquisition support program.

### Onboard training and study abroad programs

We provide several weeks of onboard training to develop knowledge to play an active role in the maritime industry.

In addition to language study abroad programs at overseas universities, we actively encourage participation in external training and seminars, such as seminars by The Japan Shipping Exchange, Inc. and P&I Club training and workshops in the UK.



P&I insurance training in the UK (organized by the Britannia P&I Club)

