



July 2023

“K” LINE Sustainability News

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(1) G7 Ministers' Meeting on Climate, Energy and Environment in Sapporo

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The G7 Ministers' Meeting on Climate, Energy and Environment was held in Sapporo City, Hokkaido from April 15 to 16, 2023 in which Japan chairs the G7. Ahead of the G7 Hiroshima Summit held in May, delegates had discussed on several issues including decarbonization, energy security such as energy crisis accompanied with Russia's war of aggression against Ukraine, climate change, Green Transformation (GX), organization of a circular economies, plastic pollution and biodiversity. The workshops concerning recycled carbon fuels such as e-fuel and e-methane, and carbon recycling technologies such as carbon dioxide capture, utilization and storage (CCUS) were held and reports were announced by international organizations including OECD and IEA.



Source of reference: Nikkei

- ◆ **Participating Countries** France, the United States, the United Kingdom, Germany, Japan: G7 presidency in 2023, Italy, Canada, European Union (EU)
- ◆ **Invited Countries** India: G20 Presidency, Indonesia: ASEAN Presidency, United Arab Emirates: COP28 Presidency
- ◆ **Guest Organizations** United Nations Framework Convention on Climate Change (UNFCCC), Organization for Economic Co-operation and Development (OECD), International Energy Agency (IEA), International Renewable Energy Agency (IRENA), Economic Research Institute for ASEAN and East Asia (ERIA), International Union for Conservation of Nature (IUCN), World Business Council for Sustainable Development (WBCSD)

(1) G7 Ministers' Meeting on Climate, Energy and Environment in Sapporo

An environmental event also took place at the Sapporo Dome.



The G7 Minister's Meeting on Climate, Energy and Environment is one of the 15 ministerial meetings held in conjunction with the G7 Summit, held from May 19 to 21, 2023, and forms the basis for discussions at the Summit.

At the previous meeting in 2022, an ambitious "G7 Ocean Deal" on marine conservation was adopted. The treaty states the necessity to prevent overfishing and to tackle antipollution measures in order to deal with the importance of rich marine ecosystem, biodiversity and climate change.

□ Communiqué

The G7 Minister's Meeting on Climate, Energy and Environment closed on April 16th with the adoption of Communiqué and Annex.

METI Minister Nishimura at the Toyota booth



Source of reference: Jidosha Shimbun

◎ Environment Conservation

- Committed to Conserve and Manage at least 30% of terrestrial and inland water areas, and at least 30% of marine and coastal areas by 2030 nationally and globally.

- Green House Gas (GHG): Specify 60% reduction by 2035 comparing to 2019

Strengthen the initiatives to achieve GHG zero emission by 2050

- Biodiversity: Promote formulation of National Biodiversity Strategies

- Fishing: Reaffirm the initiatives to end "illegal, unreported and unregulated" fishing

- Plastic litter: End plastic pollution and reduce additional pollution including marine plastic litter to zero by 2040

(1) G7 Ministers' Meeting on Climate, Energy and Environment in Sapporo

◎ Transportation

- International shipping: Strengthen the initiatives to achieve GHG zero emissions by 2050
- Vehicles: Agreed to confirm the progress every year and to advance initiatives by each country toward the reduction of GHG emissions by 50% before 2035 comparing to 2000 based on the number of vehicles including gasoline-powered, hybrid, and engine car owned in G7 countries

◎ Energy

- Fossil fuels : To achieve net zero in the energy systems by 2050 at the latest, emphasize the commitment to accelerate the phase-out of unabated fossil fuels including natural gas
- Fossil fuel subsidies: Reconfirm the elimination of inefficient fossil fuel subsidies by 2025
- Coal-fired power generation: No specification of the time to end coal-fired power plant which Europe and Canada had insisted
- Agreed to introduce and extend Renewable energy: Expand offshore energy generation to 150 GW by 2030
- Recognized the need for Recycled carbon fuels such as e-fuels or e-methane and for carbon capture technologies including CCUS.
- Critical Mineral: To develop lithium that is necessary for producing batteries for electric vehicles and batteries themselves, G7 invests approximately 13 billion dollars, develops mines in collaboration, collects used products and promotes recycling.

In international shipping, along with that the initiatives toward zero GHG emissions by 2050 are required anew, the measures against biodiversity are further paid attention from now on.



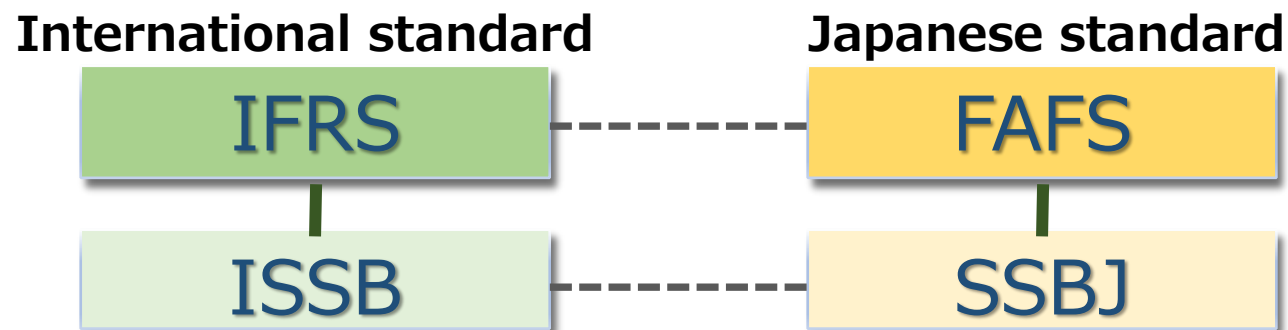
(2) The Trend of Sustainability Disclosure Standards

(2) The Trend of Sustainability Disclosure Standards

As initiatives to sustainability are becoming more important management issue, disclosures on sustainability-related information, such as climate change, biodiversity, diversity and human rights, are increasingly being used by investors for their decisions.

On the other hand, there has been no unified standard for sustainability disclosure while there exist lots of standards established by various organizations. Leading examples are THE GRI STANDARDS developed by **Global Reporting Initiative (GRI)** , an NPO based in Holland, or SASB STANDARDS developed by **Sustainability Accounting Standards Board (SASB)**.

The existence of various standards formulated by several organizations is resulting in varied sustainability disclosures by companies, that are causing difficulty in side-by-side comparison. In order to develop unified standards for sustainability disclosures, **International Sustainability Standards Board (ISSB)** was established under **IFRS Foundation** in November,2021. In Japan, Sustainability Standards Board of Japan (SSBJ) was also founded under Financial Accounting Standards Foundation(FAFS) to organize standards.



(2) The Trend of Sustainability Disclosure Standards

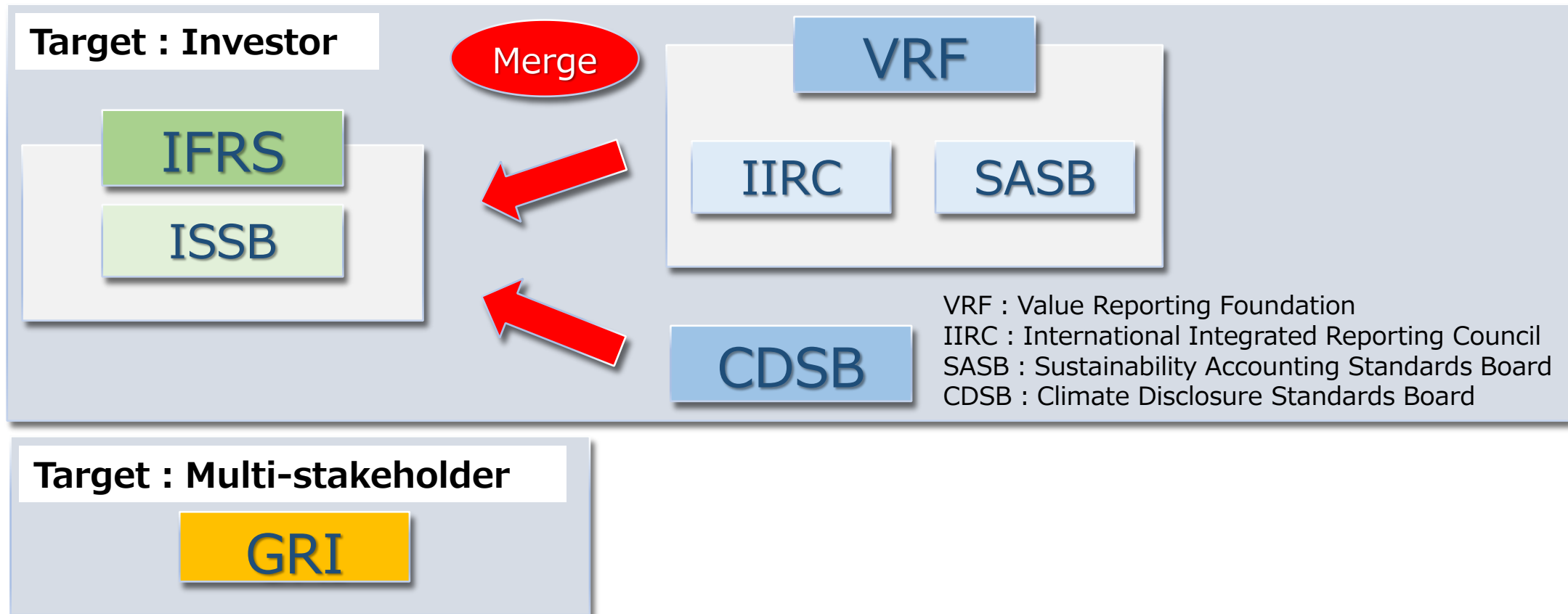
~ Recent Changes in Disclosure Standards ~

June 2021 The International Integrated Reporting Council (IIRC) and the Sustainability Accounting Standards Board (SASB) were merged to form the Value Reporting Foundation (VRF).

Nov 2021 To unify disclosure standards, International Sustainability Standards Board (ISSB) was established.

June 2022 ISSB and the Global Reporting Initiative (GRI) agreed to unify disclosure standards.

June 2022 The Climate Disclosure Standards Board (CDSB) was merged to VRF



(2) The Trend of Sustainability Disclosure Standards

The International Sustainability Standards Board (ISSB) has issued **IFRS S1** and **IFRS S2** as its inaugural sustainability disclosure standards.

Standard	Outline
IFRS S1	<ul style="list-style-type: none"> ● General requirements for the disclosure of sustainability-related information ● Designed to enable companies to communicate to investors about their Governance, Strategy, Risk management, and Metrics and Targets for their sustainability-related risks and opportunities they face over the short, medium and long term.
IFRS S2	<ul style="list-style-type: none"> ● Designed to enable companies to communicate to investors about their Governance, Strategy, Risk Management, and Metrics and Targes for their Climate-related risks and opportunities. ● Specific disclosure requirements include Scope 3 GHG Emissions, Internal Carbon Prices, and Planned Use of Carbon Credits.

Following the above, it is expected that the standardization for disclosures on other sustainability aspects such as biodiversity, human capital, and human rights will be discussed in the future. We will continue to update the progress on this newsletter.

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(3) Worldwide Cleanup Activities conforming with World Oceans Day

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～What is the World Oceans Day (8th JUNE) ? ～

The day was officially designated by the United Nations in 2009 to raise global awareness of the benefits humankind derives from the ocean and our individual and collective duty to use its resources sustainably.

On that day, awareness-raising events such as ocean cleanup are held over 100 countries every year.

These days, threats on ocean environment such as plastic pollution are becoming hot issues, while protection of ocean is set as one of Sustainable Development Goals (SDGs) , namely, “Conserve and sustainably use the oceans, seas and marine resources for sustainable development.”

“As a logistics company rooted in the shipping industry, we help make the lives of people more affluent” – it is the corporate principle of the “K” Line Group. For our business, the ocean is essential.

To remind ourselves of the importance of the ocean, we proposed that all executives and employees of our group participate in cleanup events etc. during the month of "World Oceans Day". As a result, 16 companies, around 470 colleagues joined this events.

In this issue, we would like to introduce you an overview of activities held on this occasion. We will provide you with a booklet introducing details of each company’s activity later.



(3) Worldwide Cleanup Activities conforming with World Oceans Day

The List of Activities by Fellow Companies

Approximately 470 people from 16 companies in total around the world participated in the event, and 7,800 liters of garbage were collected.

Japan				
NO	Date	Company	Activities	Participants
1	5/20, 6/13	"K" LINE	Beach Cleaning, Cleaning around the office	55
2	5/22,29,31	Daito Corporation	Cleaning around the warehouse	14
3	5/24	Nitto Total Logistics Ltd.	Cleaning around the office	40
4	6/7,21	Seagate Corporation	Cleaning around the office and the wharf	70
5	6/23	Nitto Tugboat Co., Ltd.	Cleaning around the office and the canal	15
Overseas				
NO	Date	Company	Activities	Participants
1	5/10	"K" Line (Australia) Pty Limited	Tree Planting	16
2	5/26,6/2	KRBS (Manila Office)	City Cleaning	64
3	5/31	PT. K Line Indonesia	Beach Cleaning	51
4	6/7,8,14	"K" Line Bulk Shipping (UK) Limited "K" Line LNG Shipping (UK) Limited. "K" Line (Europe) Limited	Beach and Canal Cleaning Quiz competition	40
5	6/10	"K" LINE (India) Private Limited	Beach Cleaning	15
6	6/16	K Line Peru S.A.C	Beach Cleaning	18
7	6/21	K Line Pte Ltd.	Beach Cleaning	43
8	6/30	"K" Line Chile Ltda	Park Cleaning	16
9	7/7	"K" Line (Deutschland) GmbH	Channel Cleaning	12
Total		16 companies		469 people

(3) Worldwide Cleanup Activities conforming with World Oceans Day

~JAPAN~

① "K" LINE

Beach Cleaning (Chiba)



Cleaning around the office (Tokyo)



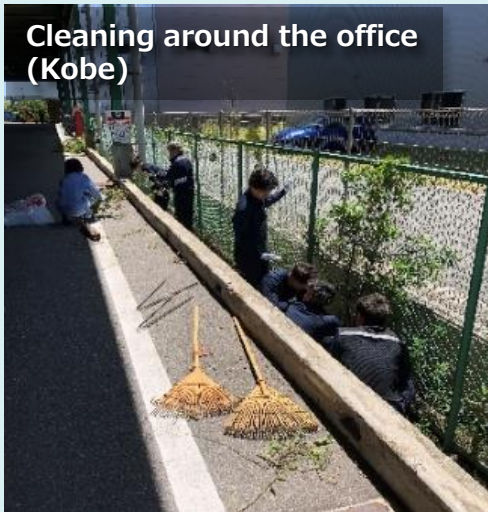
② Daito Corporation

Cleaning around the warehouse (Tokyo・Yokohama)



③ Nitto Total Logistics Ltd.

Cleaning around the office (Kobe)



④ Seagate Corporation

Cleaning around the office and the wharf (Hiroshima)



⑤ Nitto Tugboat Co., Ltd.

Cleaning around the office and the canal (Okayama)



(3) Worldwide Cleanup Activities conforming with World Oceans Day



① “K” Line (Australia) Pty Limited

Tree Planting



② KRBS(Manila Office)

City Cleaning



③ PT. K Line Indonesia

Beach Cleaning



④ “K” Line Bulk Shipping (UK) Limited “K” Line LNG Shipping (UK) Limited. “K” Line (Europe) Limited

Beach and Canal Cleaning Quiz competition



⑤ “K” LINE (India) Private Limited

Beach Cleaning



⑥ K Line Peru S.A.C

Beach Cleaning



⑦ “K” Line Pte Ltd

Beach Cleaning



⑧ “K” Line Chile Ltda

Park Cleaning



⑨ “K” Line (Deutschland) GmbH

Channel Cleaning



If you have any comments, suggestions, or requests for this issue of Sustainability News, please feel free to leave a comment at the link below.

[Comment Form Link](#)



We will continue our effort to improve the contents of our newsletter, and your feedback would be highly appreciated.