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# **“K” LINE** **Sustainability News**

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Kawasaki Kisen Kaisha, Ltd.



## Articles

- **(1) Taskforce on Nature-related Financial Disclosures (TNFD)**
- **(2) Results of Quick Survey on "Materiality"**
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## **(1) Taskforce on Nature-related Financial Disclosures (TNFD)**

# (1) Taskforce on Nature-related Financial Disclosures (TNFD)

## ■ TNFD

TNFD stands for the Taskforce on Nature-related Financial Disclosures. In July 2020, it was started by the four organizations, the United Nations Development Programme (UNDP), the World Wide Fund for Nature (WWF), the United Nations Environment Programme Finance Initiative (UNEP FI) and Global Canopy, UK based environmental NGO.

By Evaluating and reporting risks and opportunities caused by corporate business activities toward natural resources appropriately, support “nature positive” economic activities and a shift in global financial flows toward activities to conserve and recover nature, make people prosper naturally and aim to give resilience to the global economy.

COP26 of the United Nations Framework Convention on Climate Change was held last year, where climate change and decarbonization attract attention as the main topics of the measures against environmental preservation. On the other hand, biodiversity is focused rapidly. This year, as a beta version of TNFD was released, interest grows in the relation between biodiversity and business in the industry.



# (1) Taskforce on Nature-related Financial Disclosures (TNFD)

## ■ The Possibility of influence over natural resources on "K" LINE business activities

- greenhouse gas emissions caused by vessel operation
- influence on ecosystem caused by ballast water emissions
- heavy oil spill over the sea by an accident
- influence toward marine animals caused by noises on vessel operation  
etc.



## ■ What is natural capital?

According to the 2014 edition of "Annual Report on the Environment, the Sound Material-Cycle Society, and the Biodiversity" by Japanese Ministry of the Environment, natural capital shows that "capital, stocks formed by nature such as forests, soil, water, atmosphere and bioresources" and the flow generated by these natural resources are treated as ecosystem service.

Ecosystem service, namely, "the blessings of nature" and the natural environment that brings the blessings are natural capital.

The reason using the word "stock" is based on the idea that keeping on consuming forests and marine resources not only reduces the blessings of nature but also deteriorates biodiversity, the capacity to produce the blessings of nature over time.

# (1) Taskforce on Nature-related Financial Disclosures (TNFD)

September 2023 : Final framework to be published

## ■ About TNFD “K” LINE countermeasures to be required hereafter

Regarding the information to disclose, 4 items below are expected to be recommended as well as Task Force on Climate-related Financial Disclosures (TCFD). “K” LINE needs to consider countermeasures for biodiversity and its disclosure with a similar viewpoint.

- 1) **Governance:** what kind of system do you use to consider and reflect it to the corporate management
- 2) **Strategy:** how does it influence the corporate management from a short, mid to long term, and how do you think about it
- 3) **risk management:** about nature-related risks, how do you identify, evaluate and attempt to reduce.
- 4) **Metrics and Targets:** about assessment of risks and opportunities, what kind of indicator do you use to judge and how do you assess the progress to targets

The final version of TNFD guideline is scheduled to be released September 2023. We would like you to recognize TNFD in the first place and pay further attention not only to countermeasures for climate change but also to one for biodiversity.





## **(2) Results of Quick Survey on "Materiality"**

## (2) Results of Quick Survey on "Materiality"

We would like to express our gratitude to the many of our colleagues who responded to our survey, conducted in July, regarding the review of materiality. Thanks to your cooperation, we received as many as 871 valid responses in total.

In this issue of Sustainability News, we would like to introduce the top 10 material issues selected from the two perspectives of "importance to the company" and "importance to stakeholders."

Ranking	<b>(1)The issue you consider "K" Line Group should address with the highest priorities, in terms of those where the Group's business activities have the largest impact on the economy, environment, and society.</b>	<b>(2)The issue you consider "K" Line Group should address with the highest priorities for your own interests from the standpoint of a stakeholder</b>
<b>1</b>	Improving energy efficiency	Improvement of the home environments and housing benefit
<b>2</b>	Prevention of accidents during navigation, cargo operation and land transportation.	Expanding commercial opportunities by strengthening development of digital human resources
<b>3</b>	Promoting innovation (promotion of sustainable industrialization)	Ensuring safe and secure working environments
<b>4</b>	Protecting and helping to restore marine ecosystems	Childcare support
<b>5</b>	Working toward a stable supply of affordable energy	Eliminating inequality
<b>6</b>	Preventing the release of harmful chemical substances and the resulting damage	Measures to support the domestic responsibility sharing
<b>7</b>	Ensuring safe and secure working environments	Retention measures for young employees
<b>8</b>	Enhancing climate change countermeasures	Ensuring access to medical care and health services
<b>9</b>	Expanding commercial opportunities by strengthening development of digital human resources	Expanding education programs
<b>10</b>	Promoting innovation (utilization of global partnerships)	Improving energy efficiency

In the current materiality review process, in addition to the results of the aforementioned survey, we are identifying issues by incorporating perspectives of various stakeholders, including those of customers, investors, local communities, and the international community, while taking into account the relationship with our business activities. The revised materiality is planned to be determined by the end of this year after discussion at the Corporate Sustainability Management Committee and the Board meeting.





## **(3) Trial for recommencement of The Lunchtime Volunteer**

### (3) Trial for resumption of The Lunchtime Volunteer

Corporate Sustainability, Environment Management, IR and Communication Group (SEICG) recently conducted a trial run with Sojitz Corporation and Iino Kaiun Kaisha, Ltd. to recommence a litter cleanup activity called The Lunchtime Volunteer. This activity is a joint effort with Sojitz and Iino Kaiun, both residing in the same building, to clean up the area around the Iino Building, where our head office is located, during lunch breaks with the aim of raising environmental awareness and contributing to the local community. The program has been ongoing since February 2015 but was suspended after the last activity in the fall of 2019 due to the COVID-19 pandemic.



As the behavioral restriction by COVID-19, including restrictions on commuting to work, have recently begun moderating, the trial was conducted on Wednesday, October 12 during lunch break for the official recommencement of the program.

A total of 18 people, limited to six persons from each company in charge of environment and sustainability, participated in this trial activity.

On the day of the trial, the activity was limited to the area around Hibiya Park in the center of Tokyo, but even in a short period of time, more litter was found than expected. We confirmed once again the importance of this activity. Based on the results of this trial, SEICG will consider the recommencement of this activity on a full-scale basis.

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.