

January 2023

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

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# (1) The United Nations Framework Convention on Climate Change COP27

The 27th Conference of the Parties of the United Nations Framework Convention on Climate Change (COP27) was held from 6 to 20 November 2022 welcoming around 200 countries and 45,000 participants.

Countermeasures against climate change consist of the following 3 pillars, "Mitigation" to reduce greenhouse gas (GHG) emissions, "Adaptation" to prepare for the climate change influences and "Loss and damage" to relieve from the damage caused by global warming. Among three topics, "Loss and damage" was especially the biggest issue to be discussed at the COP this time. In the background of "Loss and damage", there are climate disasters including a disastrous flood in Pakistan that made some 1,700 victims in 2022. Additionally, at COP15 in 2009, although developed countries have pledged developing countries to fund about \$100 billion, it was not achieved yet.



## ■ What is COP, Conference of the Parties?

COP stands for "Conference of the Parties" and means the meeting held regularly by member countries of the United Nations Framework Convention on Climate Change that sets the ultimate target to stabilize the intensity of GHG in the atmosphere and discusses the concrete measures against global warming. It has been held every year since 1995.

Every COP participating countries are required to formulate plans to reduce GHG emissions including concrete measures, to enforce them and to publicize their GHG emissions performances.

The countermeasures for global warming toward 2020 were agreed on the Kyoto Protocol adopted at COP3 in 1997. The new framework after 2020 was decided according to the Paris Agreement adopted at COP21 held in 2015.

## Main points of controversy in COP27

(3 phases of countermeasures for climate change)

### **"Mitigation"**- Restrain and ease climate change

Take countermeasures for GHG reduction

### **"Adaptation"**- Prepare for disasters to strike

Strengthen measures for flood and develop infrastructure

### **"Loss and Damage"**- Respond to the damages that still strike

Support for countries harmed

# (1) The United Nations Framework Convention on Climate Change COP27

## ■ Main Outcome

Considering geological stresses, COP27 came to a positive conclusion such as establishing a fund, “Loss and Damage”, however, it turns out not to be ambitious regarding mitigation.

### Cover decision “Sharm el-Sheikh Implementation Plan”

This is the COP27 overall outcome requiring the enhanced initiatives in each field of countermeasures for climate change. Following the contents of “Glasgow Climate Pact”, the cover decision of the last year’s COP26, it requires member countries to reinforce their climate change measures in the fields such as mitigation, adaptation, Loss and Damage and climate fund.

### Initiatives

#### “Mitigation”

Although the importance of “the 1.5C target” that limits the average temperature rise well below 1.5 degrees Celsius was reaffirmed, “phase-down and phaseout of fossil fuels” were not referred in the final text due to the oppositions from the countries such as oil producing nations. It stays to require all the countries to accelerate the efforts towards “the phase-down of coal-fired power without emissions reduction measures such as Carbon Capture and Storage (CCS)” and “the phase-out of inefficient fossil fuel subsidies”.

The overall outcome turned out to lack concrete measures.

#### “Adaptation”

Formulated the future work plan on the Global Goal on Adaptation, GGA.

#### “Loss and Damage accompanied by adverse effects from climate change”

Agreed to establish “a Loss and Damage Fund “ (a tentative name) that supports Developing countries influenced badly from floods and droughts caused by climate change.

Setting up a committee to consider the way to raise and operate funds was decided.

This is regarded as significant results.



## (1) The United Nations Framework Convention on Climate Change COP27

### ■ In relation to Shipping

#### “Influences on the reduction of GHG emissions from international shipping”

At COP27, strong opposing opinions toward “phase-down and phaseout of fossil fuels” mean t that there is still a big difference among countries in the way to consider the reduction of GHG emissions to achieve each country’s “1.5C target”. It is likely that it has influences over IMO discussions on reducing GHG emissions from international shipping.



Source of reference: United Nations Framework Convention on Climate Change

#### “Initiatives”

Many initiatives and partnerships from shipping were announced in and outside of COP27. Some of them are shown below.

##### • Green Shipping Challenge

The initiative composed of 9 countries including United States and Norway. It encourages each government, shipping company, port and shipper to take concrete actions for GHG reductions and supports to implement. It also includes “Green Corridor” to restrain GHG emissions on specific routes.

##### • Green Shipping Corridor Hub

Global Maritime Forum and Maersk Mc-Kinney Moller Center for Zero-Carbon Shipping support to develop green shipping corridors. An interactive online platform to promote zero-emission vessels.

##### • Mapping a Maritime Just Transition for Seafarers

Measures to upskill seafarers necessary for shipping decarbonization such as handling alternative fuels.

The next COP28 will be held in Dubai, United Arab Emirates (UAE) in November 2023.

UAE produces oil as a major industry and plans for extending to produce oils and gases, but on the other hand it invests in solar projects. As the host country is said to have an influence over COP, the next one will also be paid attention.

## (2) Selected on the CDP A-List for 7 years in a row

“K” LINE was selected as an “A List” company for 2022, the highest rating in the CDP Climate Change Questionnaire, on December 13th.

This is the **seventh consecutive year** that “K” LINE has been selected as an “A List” company, after being selected an “A List” company in 2016, in recognition of its leadership in transparency and performance in corporate sustainability on climate change.

In 2022, the number of companies certified as “A List” companies for CDP Climate Change is 283 worldwide, 74 for Japanese companies including “K” LINE.

(200 worldwide, 55 for Japanese companies in 2021)



### (3) Continuous selection as a Dow Jones Sustainability Index component

“K” LINE has been selected again as an Asia Pacific Index component of the Dow Jones Sustainability Indices (DJSI), one of the leading global indices for ESG investing, for the **12th consecutive year** since 2011. DJSI, the index provided by S&P Dow Jones Indices, measures the performance of companies in terms of economic, environmental, and social criteria, through a corporate sustainability assessment, and only includes companies with remarkable performance. Among those indices, Asia Pacific Index for 2022 selects 156 companies in the Asia-Pacific developed region (including 74 Japanese companies) as components, as a result of sustainability assessment of 609 largest companies in the region.

Member of  
**Dow Jones  
Sustainability Indices**

Powered by the S&P Global CSA

## (4) “K” LINE Group companies’ Social Contribution Activities

The “K” LINE Group sets forth in its Charter of Conduct that “The “K” Line Group as a Good Corporate Citizen will make ongoing efforts to contribute to social development and improvement and support employees’ voluntary participation in such activities.” In the past few years, social contribution activities such as volunteering have been affected by behavioral restriction due to COVID-19. However, such activities have been recommenced little by little as the restrictions have been eased gradually.



In this year’s Sustainability News, we are going to post a series of articles on our group companies’ own social contribution activities.

We hope that this newsletter will provide you with information on the activities of the peer group companies that may help you consider your own activities, or may stimulate the activities of the entire group, such as intra-group cooperation.



## (4) "K" LINE Group companies' Social Contribution Activities

### SEAGATE CORPORATION Co.,LTD.

#### Hiroshima Dejima Area Wharf Cleaning (April 2021 ~December 2021)

From the perspective of preventing plastic bottles from being discharged into the sea from harbour facilities nearby the head office, the company had been conducting cleanup activities on the last Saturday of every month, mainly in around the Dejima area and Dejima West Coast, Hiroshima.

#### Cleaning up the area around the Hiroshima Head Office (June 2009 ~)

With the aim of building a better working environment for employees and keeping the local community clean, the company has been cleaning up the area nearby its head office. The activity is carried out in the morning on every Wednesday for about 30 minutes starting at 8:30 a.m. on a rotating basis.



## (4) "K" LINE Group companies' Social Contribution Activities

### K Line (Thailand) Ltd.

18 staffs joined the mangrove plantation by customer invitation at Bangpu in Samutprakarn province, a suburb of Bangkok.

(November 2022)



189 staffs of KTL and affiliated companies joined Annual CSR 2022 Dam building at "Kaeng Krachan National Park", close to the border with Myanmar. 6 dams were built in total.

(September 2022)



Collected the used/old calendars from staff and donated them to the blind organization in Thailand. The old calendars will be recycled to braille cards and other for the blind students.

(2022[385 items] /2021 [470 items] /2020 [930 items])

Donated the unused furniture to Suan Kaew Foundation which is a public organization for social development for low-income people or laborers who lack funds.

Total donated were 32 items (20 Office chairs, 6 desks, 3 desk phones and 3 wooden cabinets)

(September 2021)

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.