Environment — Emissions and Energy

Policy KWE Group Environmental Policy

In addition to our corporate philosophy to contribute to the development of a global community through logistics services, KWE Group sets forth the following policy to conserve the earth's valuable natural resources and strive to preserve the environment:

1. We promote global pollution prevention.
2. We comply with the environmental protection laws, regulations, and requirements in each country in which we operate.
3. We define the following items as the key environmental management objectives related to business activities:
   - Reducing greenhouse gas emissions
     - Reducing electricity consumption
     - Reducing exhaust from vehicles and equipment
   - Reducing waste and promoting recycling
4. We work to prevent environmental pollution in cooperation with clients, affiliated companies, and subcontractors.
5. We make KWE group employees and the public aware of our environmental protection policy through internal and external communications.

Creating Corporate Value

The KWE Group has built an extensive global network for its forwarding business of 655 locations in 294 cities and 44 countries (as of March 31, 2025). All our locations worldwide are focused on the short-, mid-, and long-term targets that will result in achieving carbon neutrality by 2050.

Of our short-term goals, first, we received third party certification of Kintetsu World Express (non-consolidated) Scope 1 and 2 CO_2 emissions for FY2022. In FY2024, we expanded the verification scope to the entire KWE Group, excluding APLL, and published consolidated Scope 3 data. In 2025, we achieved a "B" score in the CDP evaluation for the second consecutive year. In addition, to reduce Scope 3 emissions, we were among the first forwarders in Japan to participate in a sustainable aviation fuel (SAF*1) program.

In the mid-term, our GHG reduction targets were certified by the SBTi in July 2025. As our reduction targets, we aim to reduce Scope 1 and 2 emissions by 42% and Scope 3 emissions by 25% by FY2030 compared with FY2023. In addition, we are currently focusing on developing and providing low-emission transport services using synthetic fuels, improving our GHG emissions visualization tools, and obtaining third-party verification of consolidated Scope 3 data while establishing reduction targets.

We are steadily pursuing our short- and mid-term initiatives, and we are working toward achieving our long-term target, certified by the SBTi, of a 90% reduction in GHG emissions by FY2050 compared with FY2023.

*1 Sustainable aviation fuel (SAF) is produced from biomass, waste cooking oil, tallow, and other replenishable resources, reducing life cycle CO_2 emissions by approximately 80% compared to conventional jet fuels.

Player's Voice

Promoting SAF in the Industry

Major airlines have set a goal of replacing 10% of fuel used with SAF by the year 2030, however, the supply of SAF is still less than 1% of aviation fuel consumption worldwide. Increased awareness and active participation by all stakeholders involved in air transport is needed to promote the use of SAF. When I explained the SAF program to our customers, they listened with great interest and appeared very positive about it. We believe the ability to quantify CO_2 emission reductions also serves as a valuable indicator for customers working to reduce their environmental impact. As this area is expected to become increasingly important, we will continue promoting the SAF program to as many customers as possible, contributing to both economic activity and environmental sustainability.

Ryo Naniwa
Kyoto Export Sales Office
Export Sales Department

Air freight accounts for almost 35% of KWE Group consolidated sales, and we will continue moving forward on reducing our Scope 3 emissions by participating in SAF programs and offering related services as low-carbon transport options for our customers who are working to mitigate their impact on the environment. This will support the reduction of CO_2 emissions throughout the supply chain, the decarbonization of international transport, and assist in achieving carbon neutrality by 2050.

Disclosures Based on TCFD Recommendations

Support of Task Force on Climate-related Financial Disclosures (TCFD) Recommendations

In December 2021 KWE announced its support of the recommendations made by the Task Force on Climate-related Financial Disclosures, an organization established by the Financial Stability Board to consider the financial impacts of climate change on business and financial planning. We analyze the risks and opportunities for our business associated with climate change and continue to provide information to our stakeholders about the potential financial impacts. Our current scenario analysis is as shown on the following page.

*The Task Force on Climate-related Financial Disclosures (TCFD) was established by the Financial Stability Board (FSB) based on a G20 request to investigate how to disclose climate-related information and respond to financial institutions. The task force issued its final report in June 2017, encouraging companies and others to disclose climate change-related risks and opportunities.

FY2024 Agenda Related to Climate Change

- Deliberation on participation in various SAF initiatives
- Reporting on the status of GHG reduction measures (e.g., transitioning to EV trucks and electric forklifts)
- Improving value chain and supply chain management to reduce CO_2 emissions (e.g. switching to renewable energy, introducing energy-efficient equipment, installing solar power systems, investing in wind power)
- SBTi target certification application, low-emission transport services using synthetic fuels, sustainability-related sales support, and other action

Governance

The KWE Group Sustainability Committee, headed by the President & CEO, addresses basic policy, material topics, and risks and opportunities related to climate change. The committee meets at least twice a year, with additional meetings as necessary. The committee met twice in FY2024. The topics related to climate change that were discussed are shown on the right (FY2024 Agenda).

Committee members include company directors, corporate department general managers, regional headquarters general managers, and representatives from APLL, ensuring diversity in its deliberations. Matters discussed and decided by the committee are presented to the Corporate Management Meeting*2 and reported to the Board of Directors as needed.

Under the oversight of the Board of Directors, matters discussed and decided by the Corporate Management Meeting are disseminated to all divisions within the organization and reflected in their management plans and business operations.

Strategy

We have identified climate change as a mid to long term risk. We have analyzed long term scenarios to 2050 for potential impact on our business, with reference to International Energy Agency (IEA) and Intergovernmental Panel on Climate Change (IPCC) scenarios (Below 1.5℃*3 and 4℃*4) for risks and opportunities in order to consider the resilience of our business strategy and organization (see **p.45**).

Risk Management

Our climate change-related risk working group is planning, implementing, and managing the progress of our response to the risks and opportunities we have identified. Scenario analysis began in February 2022 and is reviewed at least once a year. We are focusing on addressing the risks and opportunities shown on the next page (see **p.45**) based on likelihood and degree of impact. Climate change-related risks will continue to be analyzed by the KWE Group Sustainability Committee, reported to the Corporate Management Meeting, and integrated into our overall risk management.

Metrics and Targets

We are using total GHG emissions (CO_2) as a metric to assess and manage the impact of climate-related issues on our business. In line with the SBTi approval obtained in July 2025, we have revised our FY2030 reduction targets as follows. The Scope 1, 2, and 3 emissions for FY2023 and FY2024 are shown below.

	Emissions*5		
	Scope 1	Scope 2	Scope 3
FY2023	25,379t	47,871t	1,875,255t
FY2024	19,994t	51,864t	1,846,352t

	Targets	
	Scope 1 and 2	Scope 3
FY2030	42% reduction from FY2023	25% reduction from FY2023
FY2050	90% reduction from FY2023	

*2 The Corporate Management Meeting is composed of the company's full-time directors, fulltime Audit & Supervisory Board members, executive officers, and division managers. It meets at least twice a month to decide important matters related to overall business policy and the conduct of business.
*3 Below 1.5℃: IEA SDS, IPCC AR6, RCP2.6, etc.
*4 4℃: IPCC AR6, RCP8.5, etc.
*5 All KWE Group companies (including APLL)

Environment — Emissions and Energy

Climate-Related Risks and Opportunities (Scenario Analysis)

	Category	Risk	Business Impact	Timeframe	Impact 1.5℃ Scenario	Impact 4℃ Scenario	Strategy
Transition Risk	Policy and Legal	Carbon tax	Risk: Higher operating costs due to stricter national environmental regulations	Mid – long term	High	Low	❶ Set GHG emissions targets and fulfill them on an ongoing basis ❷ Shift to eco-friendly vehicles and electric forklifts ❸ Change to renewable energy source electric power ❹ Pass along freight charges appropriately
	Technology	Next generation air, sea, and land vehicles	Risk: Higher operating costs due to development and introduction of new technologies	Short – long term	High	Low	❶ Plan investments while monitoring social trends and new technology ❷ Participate in pilot programs and consider implementation while evaluating cost
			Opportunity: Lower carbon tax and other regulatory costs with reduced GHG emissions	Short – long term	High	Medium	
		New fuels (such as SAF and bio-fuel)	Risk: Slower adoption and higher procurement costs with inadequate supply	Short – mid term	High	Low	❶ Actively participate in SAF programs and promote social implementation ❷ Approach governments and associations toward increasing adoption in the industry
			Opportunity: Lower carbon tax and other regulatory costs with reduced GHG emissions	Mid – long term	Medium	Low	
	Market	Modal shift	Risk: Reduced revenue due to increase in use of sea and rail with higher demand for transport modes with less impact on the environment	Short – mid term	High	Medium	❶ Develop sea and rail transport services in line with customer needs and build a business model adapted to the changing market ❷ Develop low environmental impact air transport products leveraging SAF in collaboration with airlines ❸ Propose low CO_2 emission routes and transport modes leveraging AI
			Opportunity: Development of new services and expanded business areas	Short – mid term	Medium	Low	
	Reputation	Corporate environmental reputation	Risk: Reduced revenue due to loss of orders and exclusion from bidding with falling reputation, negative impact on recruiting	Short – mid term	High	Low	❶ Improve reputation with customers by including active environmental initiatives in business strategy
			Opportunity: Increase in revenue by acquiring more business with improved reputation, increase in opportunities to hire talented human resources	Short – mid term	High	Low	
Physical Risk	Acute	Extreme weather	Risk: Reduced revenue with fall in freight volume due to difficulty in providing transport services and increased recovery costs	Short – mid term	Low	High	❶ KWE and service providers respond to flood and other damage in the case of logistics warehouses owned by KWE, and KWE coordinates with lessors to respond in the case of rented warehouses ❷ Select alternative forwarding warehouse facilities and routes to build a stable logistics network ❸ Manage risks in coordination with the KWE Risk Management Committee
	Chronic	Rising sea levels with rising average air temperature	Risk: Difficulty using ports and airports in low elevation areas. Also limited usable facilities.	Mid – long term	Low	High	❶ Work with local authorities and business partners to respond to flood and other kinds of damage ❷ Manage risks in coordination with the KWE Risk Management Committee

Impact timing Short term: within 3 years Mid term: by 2030 Long term: by 2050

Specific Initiatives and Topics

Decarbonizing with Electric Forklifts

At KWE Ireland, electric forklifts have been actively deployed for some time, delivering lower-carbon operations, reduced running costs, lower maintenance expenses, and a cleaner, healthier working environment compared with engine-powered forklifts.

In addition, in May 2024, the Narita Distribution Center introduced KWE's first lithium-ion battery electric forklift. Compared with conventional lead-acid battery forklifts, it offers higher energy efficiency and faster charging, contributing to further CO_2 emissions reductions.

Almost 75% of the forklifts required for KWE Group terminal operations are now running on battery power, and we will continue actively introducing lithium-ion battery forklifts to advance decarbonization.

Electric forklift equipped with a lithium-ion battery

Power Consumption by All KWE Sites and Affiliated Companies in Japan is 100% Renewable Energy Sourced

We are working on a number of initiatives to reduce Scope 2 CO_2 emissions, the greenhouse gases associated with our energy consumption worldwide. In March 2025 Kintetsu World Express purchased renewable energy certificates (with tracking)*1 as we did in FY2023, totaling 25.5 million kWh, which reduced our Scope 2 CO_2 emissions of approximately 11,770 tons*2 in FY2024 to essentially zero. We will continue this initiative to shrink our CO_2 emissions in Japan, as well as other initiatives to reduce emissions from our business activities worldwide.

*1 Renewable energy certificate with tracking: A certificate attesting to the environmental attributes of not emitting CO_2, including through electricity generated from non-fossil fuel sources such as solar power, wind power, and biomass.
*2 Greenhouse gas tonnage calculated using electric power company adjusted emission factors.

Renewable Energy Certificate

Using the Green Power Certificate System and Supporting Renewable Energy

In 2024 we purchased a Green Power Energy Certificate*3 for 1,500,000 kWh of electric power for use at our Misato Green Warehouse in Japan. The Misato Green Warehouse is ISO 14001 certified for environmental management and has obtained LEED certification*4 for its green roof and walls, LED lighting, and other measures to protect the environment.

*3 The Green Power Certificate System is a framework for trading renewable energy certificates that represent the environmental attributes of renewable energy. Certification is conducted by the Japan Quality Assurance Organization.
*4 LEED: Leadership in Energy and Environmental Design. Certification issued by the U.S. Green Building Council based on building operations, site management, energy efficiency, and other evaluation categories.

Green Power Certificate

100% Renewable Energy at Our Headquarters in Japan

Our headquarters in Japan are located in the Shinagawa Intercity office complex in Tokyo. The building boasts efficient energy use with a local area heating-cooling system and LED for shared lighting, and has earned superior rank certification from the Comprehensive Assessment System for Built Environment Efficiency (CASBEE). Starting in April 2022, all the power consumed at this location is obtained from 100% renewable energy sources. Renewable energy certificates for the environmental attributes of solar and other renewable energy sources can also leveraged for RE100*5, leading to further reductions in our Scope 2 emissions.

*5 RE100: A collaborative initiative in which businesses commit to 100% renewable energy for the electricity they use in their operations. By bringing together businesses as consumers, it is intended to send a signal to policymakers and investors to accelerate the energy transition.

Environment — Emissions and Energy

Third Party Verification of GHG Emissions

Our GHG emissions and energy consumption figures have been verified and certified since FY2021. In FY2021 verification was conducted for Kintetsu World Express on a non-consolidated basis, and in FY2022 for all KWE locations in Japan. In FY2023 and FY2024, our GHG emissions and energy consumption figures for all locations outside Japan were also verified and certified by LRQA Group Limited based on ISO14064-3:2019 standards.

In the future we will expand the scope of third party verification to include Scope 3 emissions in order to increase the accuracy and reliability of our CO_2 emissions data.

Period covered by the FY2024 verification:

April 1, 2024 - March 31, 2025

Scope of verification:

Scope 1 and 2 GHG emissions, Scope 3 Category 4 GHG emissions, and energy consumption (including KWE (non-consolidated) and all locations outside Japan)

Other Initiatives Across Our Global Sites

Below are some other initiatives we are taking to reduce emissions at our facilities worldwide with the aim of decarbonizing and reducing the risks of climate change.

Narita Terminal

We started generating solar power for use at our Narita Terminal in 2009. From 2017 to 2019 we replaced a total of 40 warehouse air conditioners with more efficient models and updated the office air conditioning equipment in 2020, resulting in reduced CO_2 emissions.

Narita Terminal solar power generation

Penang Logistics Center solar panels

Penang Logistics Center

Our Penang Logistics Center in Malaysia installed a solar power generating system in January 2023, generating enough energy to cover about 40% of the center's electricity consumption.

Participation in Japan Airlines SAF Pilot Program

In March 2024 KWE began participating in the JAL Corporate SAF Program as a launch customer. JAL has set a target of switching 10% of its aviation fuel consumption to SAF by the year 2030. This program for both cargo transport and business travel visualizes actual CO_2 emission amounts, and issues third party SAF certificates for its corporate customers, aiming to reduce Scope 3 emissions. We will continue to partner with JAL to help promote the use of SAF and decarbonize the industry as a whole.

Contract with IAG Cargo to Expand SAF Use

In June 2024 KWE signed a contract for expanded SAF use with IAG Cargo, International Airlines Group's cargo division, and purchased the environmental attributes for 640,000 liters of SAF. The SAF purchased is certified by ISCC (International Sustainability and Carbon Certification) and produced from used cooking oil and food waste, reducing lifecycle emissions by over 90% compared to conventional jet fuel. KWE will continue to leverage this kind of opportunity to decarbonize.

Contract with ANA and Kyocera to Reduce CO_2 Emissions with SAF

In July 2024 KWE signed a tripartite contract with All Nippon Airways and Kyocera for the SAF Flight Initiative: For the Next Generation cargo program run by ANA. In 2021 KWE participated as a launch customer in ANA's SAF Flight Initiative to visualize and reduce indirect CO_2 emissions in the industrial value chain through air cargo transport using SAF. Since then, we have continued to purchase SAF CO_2 emission reduction environmental attributes from ANA to reduce our supply chain Scope 3 emissions. At the same time, we had discussions with ANA and other stakeholders, resulting in certification of the validity of the CO_2 emission reduction certificate issuance process, making it possible for ANA to issue certificates to the attention of both KWE and the shipper. The certificates are issued by ANA to shippers that use KWE consolidation services on ANA flights, after calculating the emissions based on actual usage and allocating the SAF environmental attributes required for reductions. The shipper can then report their Scope 3 emission reductions to CDP and SBTi.

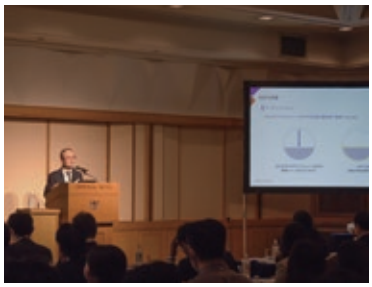
Re-Selected by Tokyo Metropolitan Government as a Designated Forwarder for its Program Promoting SAF Use in Air Cargo Transport for Corporate Scope 3 Initiatives

KWE applied for the Tokyo Metropolitan Government's program promoting SAF use in air cargo transport for corporate Scope 3 initiatives and was selected as a designated forwarder for the second consecutive year in June 2025. Under the program, TMG subsidizes part of the cost of SAF environmental attributes, which is in addition to the normal freight cost, on the premise that our customers purchase and use the SAF environmental attributes for air cargo transport to and from Haneda and Narita airports and receive a CO_2 emission reduction certificate issued by KWE (certified by a third party organization).

Increasing Demand and Awareness of SAF

Recognizing the need to increase demand for and awareness of SAF, in March 2025 we co-hosted a logistics industry decarbonization forum on international air transport with MUFG Bank, Ltd.

More than 120 persons attended, participating in panel discussions with SAF-related companies and our executive officer Yoshikazu Yashiki to share the current status and challenges of SAF and exchange views among stakeholders. We will continue these initiatives to enhance understanding of sustainability activities, facilitate information sharing, and strengthen relationships with our customers.



Keynote speech

Strategic SMF Partnership with Roper Rhodes

In August 2023 KWE UK entered into a strategic partnership with UK bathroom furniture and product supplier Roper Rhodes for the use of sustainable maritime fuel (SMF)*. Under the program, SMF is used for cargo transport from China to Portbury, Somerset, in southwest UK, replacing conventional maritime fuel. KWE has been actively promoting SAF for some time, and is now moving forward on promoting SMF in order to reduce CO_2 emissions in both air and sea transport.

* Sustainable maritime fuel is produced from biomass, waste cooking oil, tallow, and other sustainable resources, reducing life cycle CO_2 emissions.

Environment — Emissions and Energy

KWE Participates in Fry to Fly Project

KWE participated in the Fry to Fly Project in December 2023. The project was established through participation and partnership between JGC Holdings and a wide variety of businesses, local governments, and associations, with the aim to create a world where aircraft fly fueled by SAF made from used cooking oil. Almost no waste cooking oil from individual households is recycled in Japan, unlike that from restaurants, and about 100,000 tons of the waste oil actually collected is exported outside the country. KWE is actively involved in promoting participation from individual consumers and all other stakeholders in the stable manufacture and supply of SAF, and in creating an environment for the collection of waste cooking oil.

Official Member of the Smart Freight Centre

In July 2023 KWE officially joined the Smart Freight Centre, an international non-profit organization in The Netherlands dedicated to reducing greenhouse gas emissions from freight transportation. With an ambitious goal of reducing global greenhouse gas emissions from freight transport by 1 billion tons by 2030, and zero emissions by 2050, the SFC is developing guidelines for calculating emissions and setting reduction targets specific to various sectors of the logistics industry. Before becoming an official member, KWE participated in the SFC's SAF Book & Claim demonstration project*1 in April 2023. KWE provides its knowledge on SAF to the SFC, helping to promote SAF and other biofuels and set international standards.

*1 The Book & Claim demonstration project verified the reliability of the book and claim model of SAF environmental attribute allocation to users utilizing a block chain technology system developed by Shell Aviation, the aviation fuel division of the major petrochemical company Shell PLC.

Smart Freight Centre

KWE Canada Achieves SmartWay Certification

SmartWay Transport Partner
Getting There With Cleaner Air

KWE Canada has obtained SmartWay certification, a North American program that promotes fuel efficiency and reduces GHG emissions in the transportation sector. Through this certification, we will work with our customers to advance a cleaner supply chain. SmartWay was established in 2004 by the U.S. Environmental Protection Agency (EPA) as a voluntary, collaborative initiative to measure, compare, and improve fuel consumption and emissions across the transportation supply chain. In Canada, Natural Resources Canada has managed SmartWay since 2012, supporting companies with benchmarking and annual fuel and GHG data management. The EPA collaborates with Canadian and Mexican authorities to implement and harmonize the program across North America.

Purpose of Certification

- To externally demonstrate our commitment to environmental conservation and net-zero, and contribute to GHG reductions across the industry
- To meet customer demand for transportation partners that are genuinely committed to sustainability
- To continuously monitor and improve our own fuel efficiency and emissions performance based on cross-industry data (measurement, calculation, comparison, peer benchmarking, and annual tracking)

Key Initiatives

- Fleet operation optimization: Implement advanced fleet management technologies to optimize routes, reduce idling, and minimize empty runs, visualizing vehicle activity to curb fuel waste and GHG emissions
- Monitoring and disclosure: Monitor fleet carbon emissions monthly and evaluate and manage performance annually using the SmartWay framework
- Electrification assessment: Explore opportunities for vehicle electrification in major metropolitan areas

KWE Thailand Gets New EV Trucks

In June 2024 KWE Thailand introduced electric vehicle trucks (one van, two 4-wheel trucks, and two 6-wheel trucks) and installed charging stations at KWE Thailand headquarters and the Navanakorn Distribution Center. The Thai government has set a goal of 30% of domestic automobile production being EV by 2030, so more and more delivery vehicles are sure to be EV in the future. The KWE Group is moving forward on reducing CO_2 emissions by using EV trucks for pickup and delivery in Bangkok and the Navanakorn district.

New EV trucks

Promoting Shift to Rail Transport

Shifting shipping transport modes from air, sea, and truck to rail where possible is an effective way to reduce KWE's Scope 3 CO_2 emissions. In May 2021, KWE Japan began actively pursuing domestic rail shipping options, both to reduce environmental impacts and to secure domestic cargo capacity.

In collaboration with Japan Freight Railway Company, we provided rail transport to a customer in July 2022 that had previously been using trucking to ship cargo from Tokyo to Niigata. This solution was possible in light of increasing awareness of the importance of decarbonization, and as a way to address the 2024 problem concerning trucking in Japan. The customer was eager to collaborate, stating that they wanted to help fulfill their social responsibility as a corporation, despite lead times for rail being longer than those associated with trucking. Niigata is about 350 km away from the Port of Tokyo. Using rail instead of trucking between these locations reduced per-shipment emissions by about 75%. We will continue to actively offer our customers the option of rail instead of truck for long-distance transport in order to reduce Scope 3 CO_2 emissions.

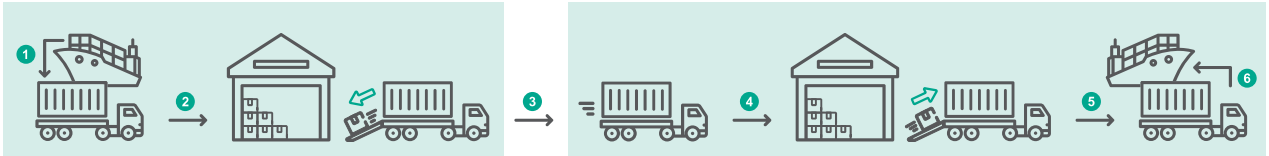
Rail transport (terminal station image)

Reusable Containers and Matching Services

We are promoting reusable container use and matching service for sea freight to help reduce Scope 3 emissions. Reusable containers in this context means using empty import containers for export from the destination instead of immediately returning them to the port. This technique reduces the cost of shipping and the burden on the environment. Container matching services find the optimal match between an empty container and export cargo, facilitating container reuse.

KWE Indonesia was able to reduce annual GHG emissions by 35 tons in FY2022 by reusing containers with the help of matching services. We will roll out the use of this technique to more sites worldwide to reduce our Scope 3 CO_2 emissions.

Container Matching Services



After arrival, imported freight is devanned*2 at customer site A

The empty container is moved to customer site B, matched to optimal export cargo and then exported

*2 Devanning: Unloading a container

Environment — Emissions and Energy

KWE CO_2 Calculator

The KWE CO_2 Calculator went online in June 2022, providing customers with estimated CO_2 emissions for their air and sea shipments and helping to visualize Scope 3 emissions, as part of our worldwide decarbonization efforts. The online calculator uses data from EcoTransIT World provided by IVE mbH*1, using shipment origin, destination, and cargo volume inputs. KWE customers can enter their shipment waybill number to calculate emissions.

As part of our responsibility as a freight forwarder, KWE is working on setting specific targets and goals to reduce direct CO_2 emissions from its operations (Scope 1 and 2). We are also helping reduce our indirect emissions (Scope 3) that result from customer use of KWE-purchased airline and ocean carrier services by enabling the visualization of greenhouse gas emissions using the KWE CO_2 Calculator.

*1 The EcoTransIT World CO_2 calculator provided by IVE mbH is used by many international freight forwarders and other global enterprises to estimate greenhouse gas emissions attributable to cargo transport.

KWE CO_2 Calculator

Reduced Use of Paper

KWE is actively reducing the use of paper documents in its operations. This initiative serves not only to reduce the environmental impact of operations but also to improve service quality with reduced operation times, higher employee and customer satisfaction, and more business in the future.

Kintetsu World Express in Japan has been working on digitizing internal forms and procedures since 2021. The company is seeing positive results from improved efficiency while saving over 50,000 sheets of paper annually. In 2021, KWE Japan performed a trial run of automatically sending selected documents to the customer in electronic format instead of paper. This trial resulted in clear benefits including fewer delays at KWE and fewer reminders from customers. “Going paperless” also creates the opportunity to streamline verification and other manual operations as well, for even higher quality in the future.

Business Card Material Contributes to Sustainability

KWE started using FSC*2 certified paper for business cards for KWE employees in Japan in March 2024. Using FSC certified paper indirectly helps address climate change by preserving biodiversity. And showing the FSC logo on the cards helps raise awareness of environmental issues and KWE sustainability efforts among employees and customers.

*2 FSC is the Forest Stewardship Council established in 1994. The FSC logo shows that lumber, wood products, and paper products come from forests managed under global standards for sustainability.

FSC certification logo

Environment — Biodiversity

Specific Initiatives and Topics

KWE Indonesia Plants 100 Mangroves

In July 2023 thirty KWE Indonesia employees helped plant 100 mangroves at Mangrove Ecotourism Centre PIK in North Jakarta. Mangrove forests play an important role in lowering the risk of climate change and preserving biodiversity with the capacity to absorb and store carbon dioxide, and provide a rich environment for living organisms. After learning about the benefits of mangrove forests, the participants had the opportunity to deepen their understanding by actually planting mangrove saplings. KWE intends to continue participating in this kind of activity to promote biodiversity.

KWE Indonesia staff

Planting mangroves

The newly planted mangroves

KWE Thailand Plants Mangroves in Klong Kone

In March 2024 ten KWE Thailand employees participated in planting trees at the Klong Kone Mangrove Forest Conservation Center in Samut Songkhram in central Thailand. The KWE Thailand employees worked alongside staff from Canon Marketing (Thailand) and its affiliated companies as well as other participants to plant 1,000 mangrove saplings. The KWE Thailand domestic transport team also gifted the conservation center with tables constructed from wood leftover from pallet construction.

KWE Thailand staff

Initiating Disclosure in Line with the TNFD Framework

Through these activities and engagement with our customers and business partners, the KWE Group has deepened its understanding of the importance of biodiversity and natural capital. We have begun preparing disclosures in line with the Taskforce on Nature-related Financial Disclosures (TNFD) framework. Going forward, we plan to gradually assess our business sites and value chains using the LEAP (Locate, Evaluate, Assess, Prepare) approach to evaluate our dependence on, and impact on, natural capital in our operations.