

Environment

Sustainable Finance

Policy

Strategy and Risk Management

- Strategy
- Background
- Environmental Awareness
- Risk Management

Initiatives

Policy

We have been a pioneer in sustainable finance by issuing the shipping industry's first green bond in 2018 and Japan's first transition bond in 2021. To continue supporting business sustainability from a fundraising perspective, we will further promote sustainable finance and aim to raise awareness of our growth strategy based on Sustainability Management among a wide range of stakeholders.

*sustainable finance: A framework for financing and investment that takes into account environmental, social, and governance (ESG) factors. Companies and investors fulfill their social responsibilities by aiming to realize a sustainable society through instruments such as green bonds and ESG investments.

Strategy and Risk Management

Strategy

We will raise funds in line with the "Green/Transition Finance Framework"* issued by our company in February 2025 and steadily promote decarbonization by supporting fuel conversion of vessels and improvements in operational efficiency from a financial perspective.

* We are promoting sustainable finance based on the "NYK Line Green/Transition Finance Framework" formulated in February 2025. DNV Business Assurance Japan Co., Ltd. has provided a second-party opinion confirming that this framework is aligned with the Green Bond Principles 2021 (ICMA), Sustainability-Linked Bond Principles 2023 (ICMA), Green Bond and Sustainability-Linked Bond Guidelines 2024 (Ministry of the Environment, Japan), Green Loan and Sustainability-Linked Loan Guidelines 2024 (Ministry of the Environment, Japan), Green Loan Principles 2023 (LMA and others), Sustainability-Linked Loan Principles 2023 (LMA and others), Climate Transition Finance Handbook 2023 (ICMA), and the Basic Guidelines on Climate Transition Finance (May 2021) issued by the Financial Services Agency, Ministry of Economy, Trade and Industry, and Ministry of the Environment, Japan.

Link

For more information, click the link below
<https://www.nyk.com/english/sustainability/envi/esg-finance/>

> Green Finance

- Proceeds from green finance are allocated to green projects*¹
(Project example) Ammonia-fueled ammonia transport vessel

> Transition Finance

- Proceeds from transition finance are allocated to transition projects*²
(Project examples) LNG-fueled vessel, LPG-fueled vessel

*1 Green project: Project with clear environmental improvement effect

*2 Transition projects: Projects that follow a long-term transition strategy toward decarbonization

Background

The practical use of next-generation fuels such as hydrogen and ammonia is essential for achieving net-zero emissions by 2050. In line with the "Ship Fuel Conversion Scenario for 2050," we are promoting worldwide efforts to decarbonize ships by spearheading the development of an ammonia-fueled tugboat (scheduled for completion in 2024) and an ammonia-fueled ammonia carrier (targeted for completion in 2026).

We recognize that, in order to achieve effective emissions reduction, it is essential not only to pursue zero-emission next-generation fuel vessel projects, but also to advance projects aligned with our transition strategy toward decarbonization—such as promoting energy efficiency and introducing LNG-fueled vessels.

For more information, click the link below

P.033 Decarbonization Strategy

Environmental Awareness

In May 2023, Japan enacted the Act on Promotion of Smooth Transition to a Decarbonized Growth-Oriented Economic Structure (GX*¹ Promotion Act), which incorporates the government's decarbonization strategy. By investing more than JPY 150 trillion in GX between the public and private sectors over the next 10 years, we aim to achieve net zero emissions by 2050, strengthen industrial competitiveness, and achieve economic growth at the same time.

In December of the same year, the "Field-specific Investment Strategy" was announced, which specifies measures to promote investment toward the realization of GX. Based on this strategy, the "Growth-Oriented Carbon Pricing Initiative" has made progress, including the implementation of measures to promote investment and the operation of the GX League*², and companies are steadily considering and implementing GX investments. In relation to the Group's business, "ships," "hydrogen, etc.," "next-generation renewable energy (floating offshore wind energy)," and "CCS"*³ have been designated as priority areas.

In this environment, the use of green/transition finance and other finance will enable the Group to accelerate investment while reducing fundraising costs.

*1 GX: Green Transformation

*2 GX League: GX League is a platform where companies and organizations present and share their environmental initiatives, aiming to achieve carbon neutrality and drive social transformation.

*3 CCS: Carbon dioxide Capture and Storage

Environment

Sustainable Finance

Policy

Strategy and Risk Management

Strategy

Background

Environmental Awareness

— Risk Management

Initiatives

NYK Group's
Sustainability Management

Safety

Environment

Human Resources

Others

Governance

Environmental Management

Decarbonization

Preservation of Marine Environment and Biodiversity

Circular Economy

Prevention of Air Pollution

Raising Awareness Among Group Employees

Sustainable Finance

Sustainable Finance

Risk Management

Sustainable finance, which is a financial method to promote the shift to a new industrial and social structure and realize a sustainable society, is expected to become increasingly popular in the future. However, if green/transition finance, which is a type of sustainable finance, cannot be utilized, there is a risk that it may be difficult to procure funds on an appropriate scale based on procurement plans, or that the Company may be forced to procure funds under less competitive terms than its competitors. To that end, we actively communicate the importance of the international shipping industry's contribution to decarbonization through our website and integrated report (NYK Report), while promoting sustainable finance to support related funding initiatives.

Initiatives

For details about our track record, please refer to our website "Sustainable Finance."

Link

For more information, click the link below

<https://www.nyk.com/english/sustainability/envi/esg-finance/>