

3.3 Engagement with other stakeholders

In our engagement with investors, we received feedback and suggestions on the TNFD Report 2024.

- "The publication of the TNFD Report 2024 is a precedent for other companies, We look forward to the company's leadership in this area."
- "The publication of the TNFD Report 2024 is a precedent for other companies, and we expect the company to take action as a leader."
- "We expect WtX to take action to address global water resource challenges through expansion of its water business."
- " We hope to see enhanced climate-related disclosures, including Climate SBT certification."

We also received a third-party opinion on the TNFD Report 2024 from Ms Sachiko Takami (former head of The Natural Step Japan and current senior advisor to The Sustainability Collaborative), who also reviewed Kanadevia Group's sustainability initiatives³²⁾. We received a third-party opinion on the TNFD Report 2024 (full text in **Appendix 5**). "The Four Sustainability Principles³³⁾" set by the international NGO The Natural Step reflect the core values of us. Ms Takami evaluated our strategy and information disclosure and suggested that the business has the potential to contribute to combating climate change and Nature Positive. She encouraged further challenge, as shown on the right.

Kanadevia Group will strive to achieve its Sustainable Vision³⁴⁾ by continuously improving its initiatives based on the feedback received, and by collaborating broadly to address challenges beyond its own capabilities.

Proposed strategies for 2030

[Biography]



Regident in Sweden since 1974. Involved in establishing the Japanese office of The Natural Step, an international NGO from Sweden providing environmental education for business and government bodies, from 1999. Served as Representative of the international NGO The Natural Step Japan from 2000 to 2011. Since 2012, has worked as an Associate for The Natural Step Sweden. Served on Recycling Association Committee of the Clean Japan Centre Foundation, the Maritime Utilisation Technology Development Council for the Port and Harbours Bureau of the Ministry of Land, Infrastructure, Transport and Tourism, the Nagano Prefecture Forest Ordinance Review Committee, 3R Advancement Industrial Structure Council for the Ministry of Economy, Trade and Industry, and Policy Investment Bank of Japan Council. Currently serves as a Senior Advisor for The Sustainability Collaborative, a network organisation of The Natural Step Sweden.

- 1) Of the approximately 1,000 waste incineration facilities in Japan, 38.5% are equipped with power generation facilities. The efficiency of power generation is 30% and 70% of the heat is not utilised, so a system for heat utilisation is being built in the region to increase its utilisation.
- 2) The subsidiary Kanadevia Inova has technology for biogas production, and as biogas utilisation is widespread in Europe, it will work with local authorities on methods and infrastructure building that can be expanded to Japan and other countries.
- 3) Introduce inducements to reduce the amount of plastic in waste, for example by charging a fee for the plastic content.
- 4) Consider with municipalities and recycling companies a system for recycling waste collected for incineration with further material separation into food waste, plastics and metals.
- 5) Policy risks of transition risk include "lower electricity generation due to a decrease in the amount of waste incinerated as a result of stricter recycling and other systems, the setting of recycling standards for incineration residues, and increased costs in the event of non-compliance with laws and regulations." However, backcasting from a sustainable society makes it desirable to reduce waste, so it is possible that CCS³⁵⁾, which captures and buries carbon dioxide, could become a new business if it is not seen as a risk, or if a carbon tax or emissions trading is introduced. Policy advocacy activities will also be considered.