



UNIPRES CORPORATION

TCFD Report 2022

June 20, 2022



(Reference) TCFD Recommendations

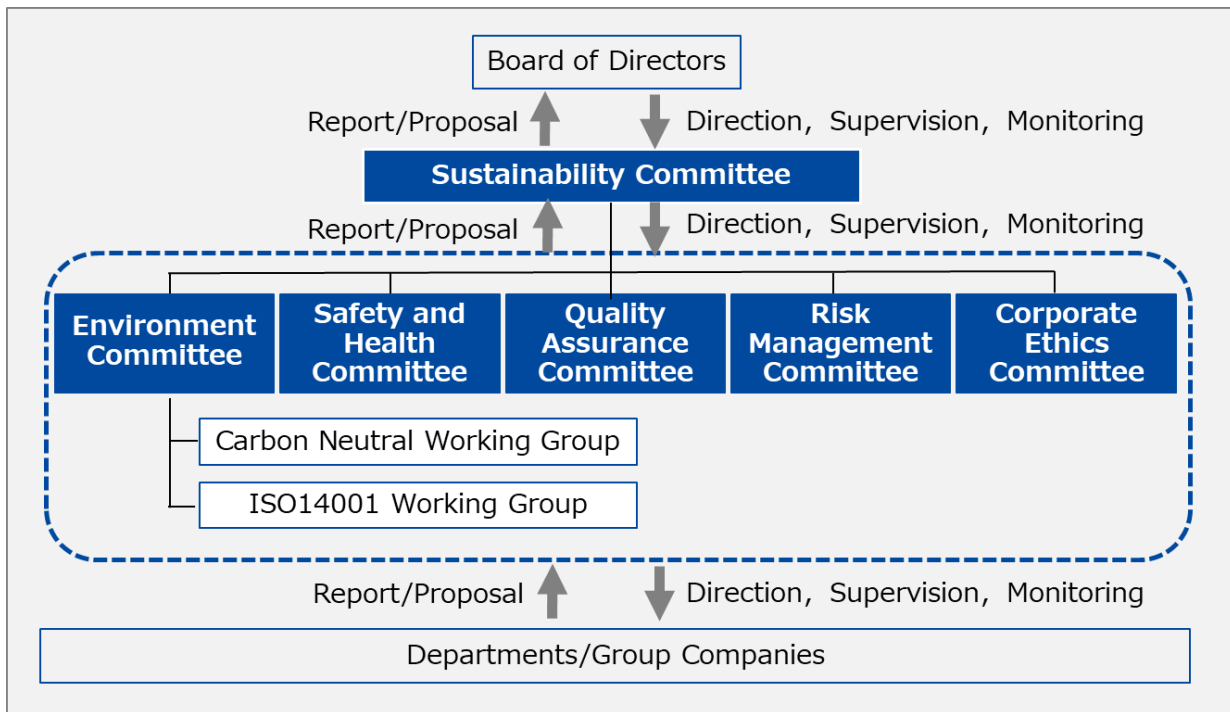
Item	Overview	Recommended disclosures
1.Governance	Governance of the organization on climate-related risks and opportunities.	a) Supervisory system of the Board of Directors on risks and opportunities.
		b) The role of management in assessing and managing risks and opportunities.
2.Strategy	Organizational climate-related risks and opportunities and their impact on business, strategy and finances.	a) Short-, medium- and long-term risks and opportunities.
		b) Impact on business, strategy and financial condition.
		c) Resilience of organizational strategies that take into account various climate scenarios, such as the 2°C target.
3.Risk Management	Status of identification, evaluation and management of climate-related risks.	a) Process of identifying and assessing climate-related risks.
		b) Climate-related risk management process.
		c) Integration into organization-wide risk management.
4. Metrics and Targets	Indicators and targets used to assess and manage climate-related risks and opportunities.	a) Indicators used to manage climate-related risks and opportunities.
		b) Targets and achievements for managing climate-related risks and opportunities.
		c) Greenhouse gas emissions (Scope1,2,3)

Source : TCFD Consortium "Guidance on Climate-related Financial Disclosures 2.0.(TCFD Guidance 2.0)"

<Governance> Entities Concerned with Climate-related Risks and Opportunities

At the Unipres Group, the Sustainability Committee works on issues related to climate change, with the work of assessing and managing climate-related risks and opportunities being delegated to the Environment Committee because of its specialty nature. The President, who assumes the chair of the Sustainability Committee, has the primary responsibility of addressing issues surrounding sustainability. The Sustainability Committee meets about eight times a year and reports the results of deliberation at such meetings to the Board of Directors at least once in a quarter.

The Board of Directors directs, supervises, and monitors business execution with regard to every measure aimed at addressing matters related to climate change in line with our medium- and long-term sustainability goals. The primary responsibility for such direction, supervision, and monitoring regarding sustainability issues, including climate-related issues, rests with the chair of the Board of Directors.

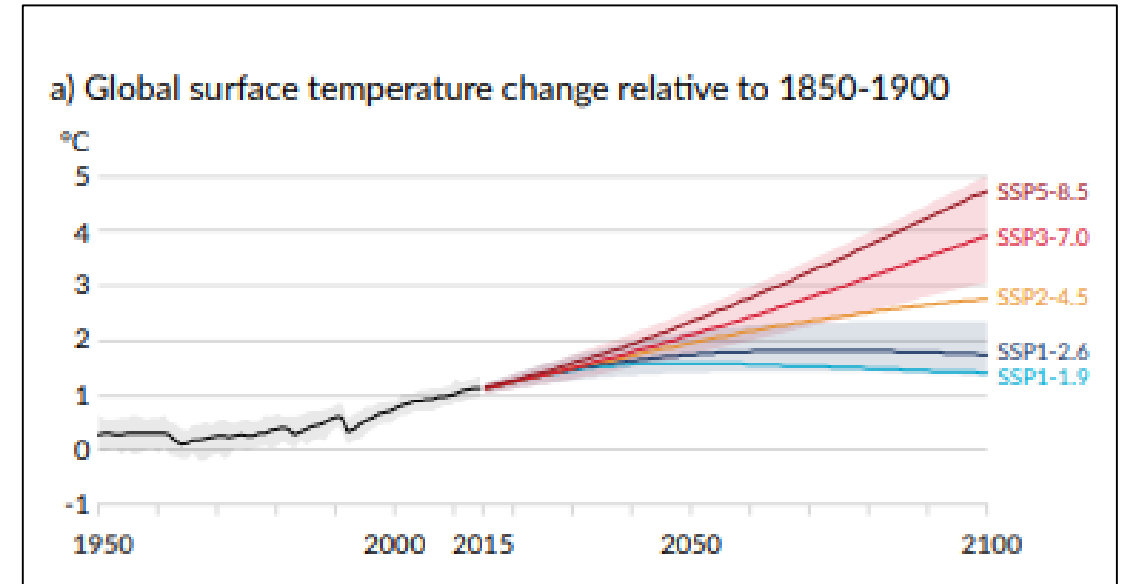


Entities concerned	Roles	Meeting frequency
Board of Directors	- Directing, supervising, and monitoring the adoption and execution of our business planning with regard to ESG	12 times /year
Sustainability Committee	- Deciding on policies and strategies for ESG activities - Setting targets, checking progress, and assessing activities - Studying other important matters needed to promote ESG	8 times /year
Environment Committee	- Executing plans regarding environment-related matters	4 times /year
Risk Management Committee	- Assessing and analyzing enterprise risks and implementing activities designed to reduce them	4 times /year

■ Conditions for Analysis

The Unipres Group has analyzed two scenarios—a below 2°C scenario and a 4°C scenario—as recommended by TCFD. The idea is to find out what business challenges could manifest themselves in anticipation of an uncertain future associated with a transition to a decarbonized society.

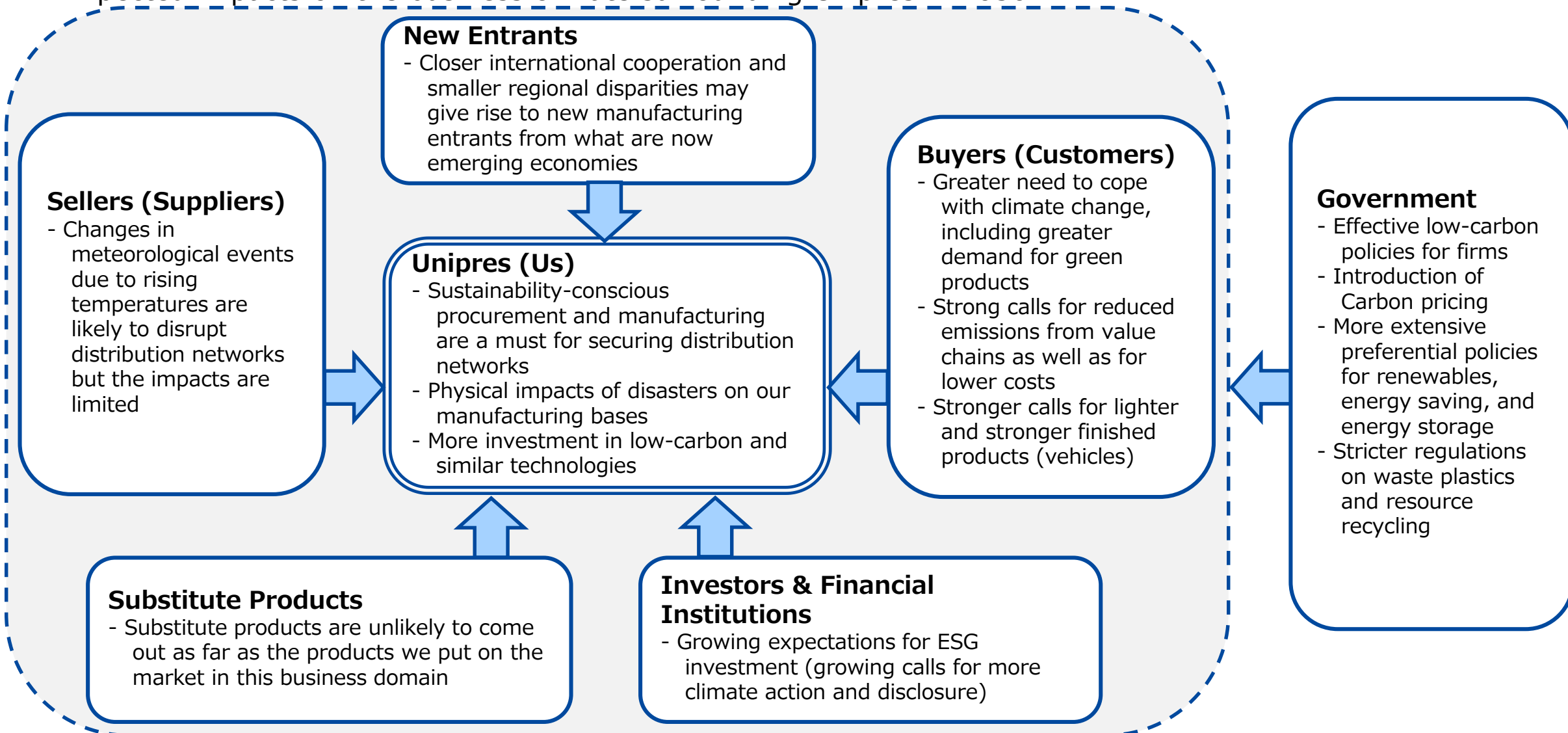
The scenario analyses cover two periods consistent with our CO₂ emissions reduction targets—one up to 2030 and the other up to 2050—with all our businesses, including our offices and plants overseas, being examined. These analyses encompass not only our direct operations but also our entire supply chain that covers everything from material procurement to transportation, in addition to our customers.

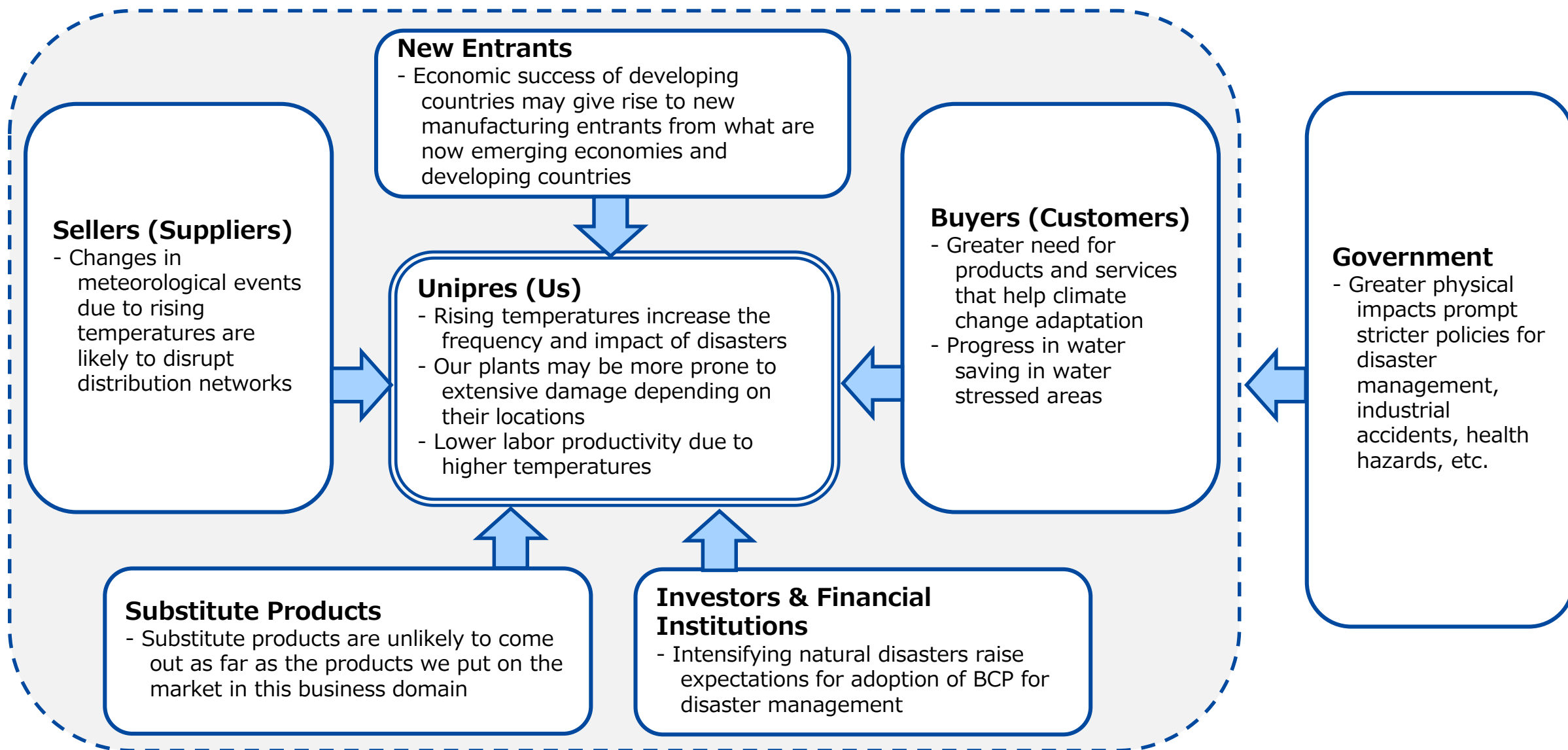


Source : IPCC_AR6_WGI_Full_Report

Scenario	Risk	Reference value	Expected environment
the Below 2°C Scenario	Physical	SSP1-1.9 SSP1-2.6	A scenario in which new policies and regulations aimed at decarbonizing society will keep global warming below 2°C from pre-industrial levels. This scenario entails higher transition risks but lower physical risks than the 4°C scenario.
	Transition	IEA SDS	
the 4°C Scenario	Physical	SSP5-8.5	A scenario in which only ongoing and already announced policies will be implemented. Without no new policies or regulations, global CO ₂ emissions will continue to grow. This scenario entails lower transition risks but higher physical risks.
	Transition	IEA STEPS	

Expected impacts on the business climate surrounding Unipres in 2030:





<Strategy> Risks and Opportunities Perceived by the Unipres Group

Category			Observation	Applicable Scenario	Metrics	Timing of emergence*	Scale of financial impact**	Major actions to take
Risks	Physical Risks	Acute	Greater wind and flood damage due to more powerful typhoons (damage to facilities and buildings)	2°C/4°C	Costs up	mid-term	Major Fuji Plant (Fuji)	Upgrading BCP (developing a flood response manual)
		Chronic	Impacts that water shortages arising from drastic changes in meteorological events have on production	2°C/4°C	Sales down	mid-term	Medium Unipres India Unipres Mexicana	Recycling water as much as possible Providing water tanks
			Greater health hazards due to rising average temperatures	2°C/4°C	Sales down	long-term	medium	Scale up air conditioning and, where appropriate, replacing it with a more heat-resistant system
			Failure of production systems (control equipment, etc.) due to rising average temperatures	2°C/4°C	Costs up	long-term	minor	
	Transition Risks	Markets	Inadequate response to customers' calls for carbon neutral	2°C	Sales down	long-term	Major	Investing in the development of more eco-friendly products to achieve the CO ₂ reduction target
		Policies & regulations	More extensive bans on the sale of internal combustion vehicles	2°C/4°C	Sales down	mid-term	Major	Investing in the development of products for exclusive use for EVs
		Technology	Growing calls for a lower-carbon hot stamp process	2°C	Costs up	long-term	minor	Aiming for energy transition or 100% renewable energy
			Changing production technology to reduce Scopes 1 and 2 emissions from Unipres	2°C	Costs up	Short-term	medium	
			Switching to lighter products to meet the calls for high fuel-efficiency	2°C/4°C	Costs up	Short-term	medium	Driving the development of technologies for expanding the application of ultra-high tensile strength steel

<Strategy> Risks and Opportunities Perceived by the Unipres Group

Category		Observation	Applicable Scenario	Metrics	Timing of emergence*	Scale of financial impact**	Major actions to take
opportunities	Energy sources	Use of renewable and low-carbon energy sources at our facilities	2℃	Costs down	long-term	minor	Defining investments needed to realize opportunities
		Participation in renewable energy programs and adoption of energy-efficiency measures	2℃	Sales up	long-term	minor	
	Markets	Use of subsidies in introducing high-efficiency equipment	2℃	Costs down	mid-term	minor	
		Market expansion for products for EVs	2℃	Sales up	mid-term	Major	Investing in the development of products for exclusive use for EVs
	Products & services	Development of products for EVs (e.g., battery cases)	2℃	Sales up	mid-term	Major	
		Development of new products and services that meet the demand for fuel-efficiency vehicles through R&D and technological innovations	2℃/4℃	Sales up	mid-term	Major	Driving the development of technologies for expanding the application of ultra-high tensile strength steel sheets
		Weight reduction achieved through tapping into the demand for fuel-efficiency vehicles	2℃	Sales up	mid-term	Major	
		Increased market share through the application of LCA amid calls for low-carbon products	2℃	Sales up	mid-term	minor	Driving data computation for the carbon footprint of products

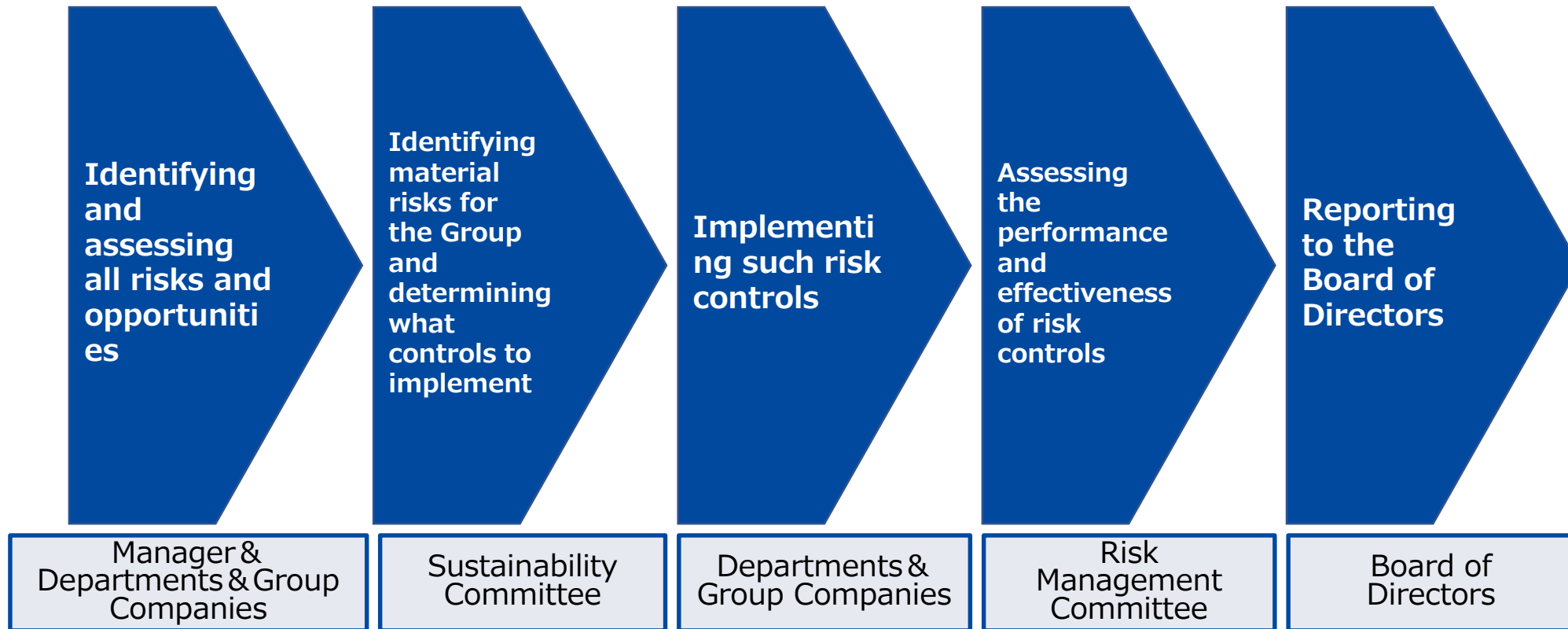
* When risk emerges: "Short-term" denotes 2022–2025, "mid-term" 2026–2030, and "long-term" 2031–2050, with fiscal 2030 and fiscal 2050 being the target years for reducing CO₂ emissions to achieve carbon neutral.

** Scale of financial impact: "Major" denotes more than 10 billion yen in operating profits, "medium" 1–10 billion yen, and "minor" less than 1 billion yen

<Risk Management> Risks and Opportunities in Climate Change

At the Unipres Group, the Risk Management Committee plays a central role in implementing a range of processes, including identifying and assessing all risks and opportunities, determining what controls to implement, implementing such risk controls, and assessing their effectiveness, as well as reporting to the Board of Directors.

The identification and assessment processes cover not only climate-related risks but also business risks and risks related to information security and regulatory compliance.



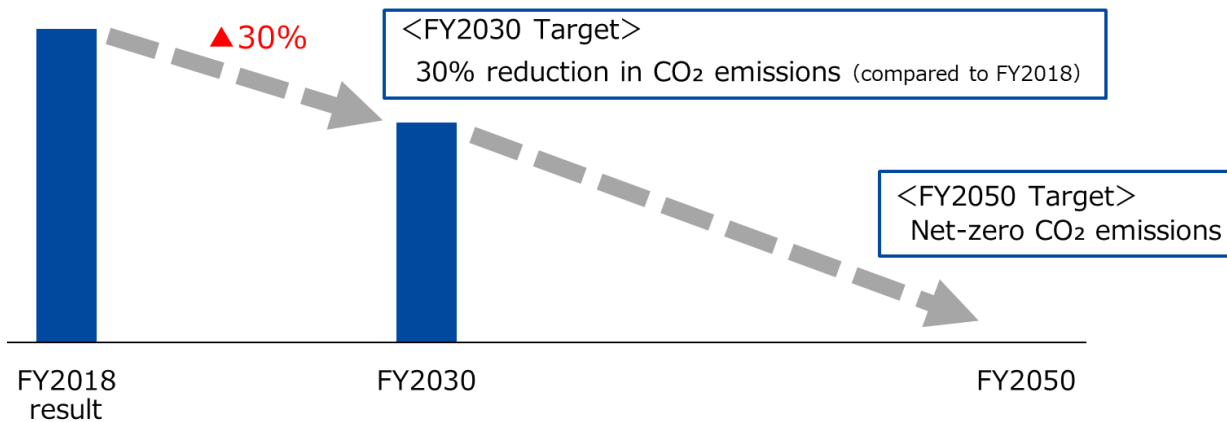
■ Our Policy and Stance on Climate Change

Unipres Group aims to reduce CO₂ emissions from its business activities to net-zero by FY2050, and is promoting thorough energy-saving activities and the active use of renewable energy.

In addition, as a challenge by FY2050, we will work together with our suppliers to achieve net-zero CO₂ emissions.

<CO₂ emissions reduction targets>
 FY2030 CO₂ emitted by business activities 30% reduction (compared to FY2018)
 FY2050 CO₂ emitted by business activities Net-zero
 (FY2050's challenge)
 Addressing net-zero CO₂ emissions together with suppliers

■ Image of CO₂ emissions reduction by business activities



<CO₂ emissions>

Unit : t-CO₂

	FY2018 (Base Year)	FY2021	Targets
Scope1,2 (*)	198,138	115,566	FY2030 : 30% reduction FY2050 : Net-zero
Scope3 (**)	2,209,644	1,681,424	FY2050's challenge : Net-zero

* Scope1,2 Boundary : Unipres,Consolidated Subsidiary

** Scope3 Category1,2 : Unipres,Consolidated Subsidiary

Category4,6,7 : Unipres,Unipres R&D

Category5 : Unipres,Unipres R&D,Unipres Kyushu



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