

Presentation 4

Nature-related Financial Disclosures based on the Task force on Nature-related Financial Disclosures (TNFD) Recommendation

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Shimizu's Promise and Progress toward the Realization of a Sustainable Society

SHIMZ Beyond Zero2050



Initiatives for Information Disclosure Based on TNFD Recommendation

April 1, 2021	Establishment of the Environmental Strategy Office
June 1, 2021	Formulate Shimizu Group Environmental Vision SHIMZ Beyond Zero 2050
February 6, 2023	Participation in the TNFD Forum
January 12, 2024	TNFD Early Adopter Registration
September 16, 2024	TNFD Final Recommendation Released
June 24, 2024	Disclosure of nature-related financial information based on the TNFD Final Recommendation on the corporate site

Structure of TNFD Nature-Related Information Disclosure

[Governance]

- (1) Shimizu Group's governance of nature-related issues
- (2) Human rights policy and other activities related to nature-related issues
- (3) Engagement process with local communities

[Strategy]

- (1) Identification of dependence on nature and its impact
- (2) Identification of material issues in business
- (3) Identification of risks and opportunities based on scenario analysis
- (4) Shimizu Corporation's strategy for nature positive
- (5) Identification of priority areas

[Risk and Impact Management]

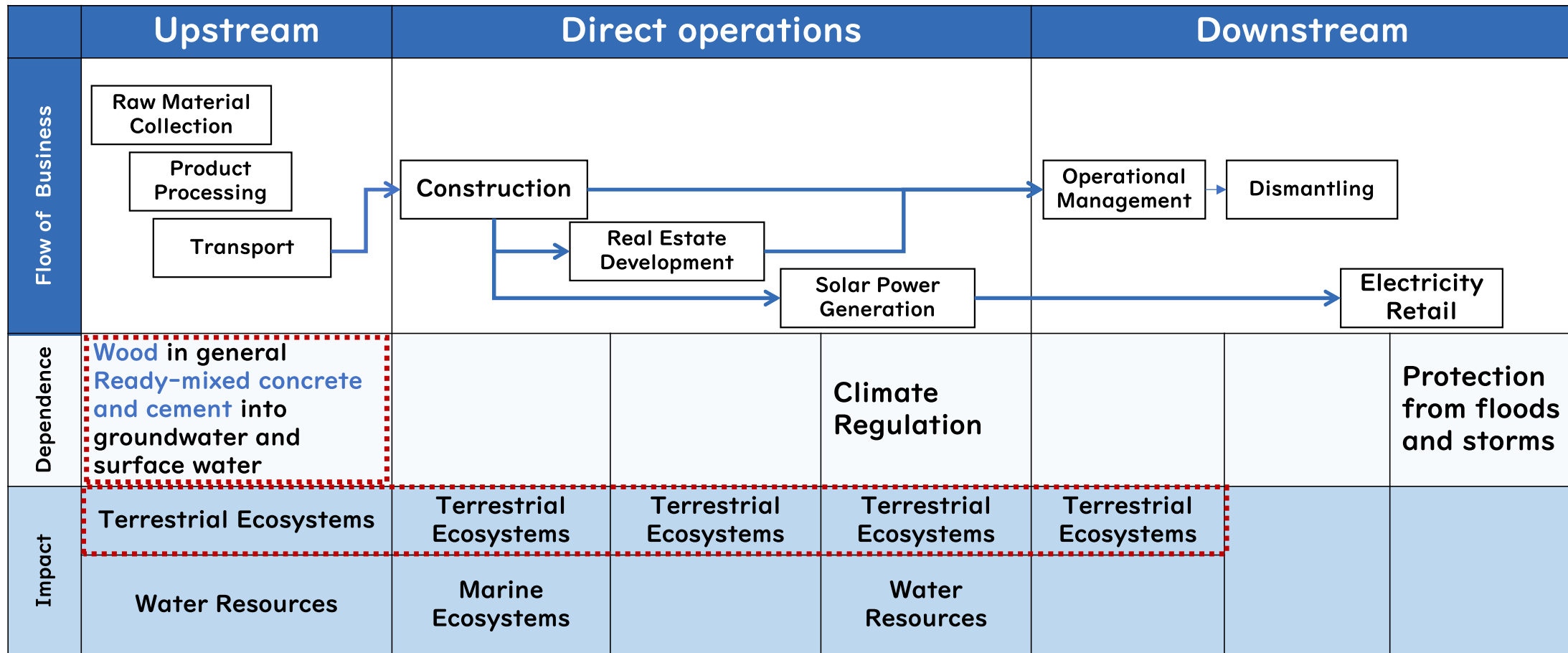
- (1) Evaluation process
- (2) Management process
- (3) Integration into the risk management process

[Indicators and Targets]

- (1) Indicators and targets related to dependence and impact
 - (I-A) Land use
 - (I-B) Construction by-products
 - (I-C) Use of Resources
- (2) Indicators and targets for risks and opportunities

Identification of dependence and impact on nature

- Target: Construction business, Real estate business and Green energy development business (Solar power generation business)



Identification of Risks and Opportunities Based on Scenario Analysis (Excerpts)

		Risks(R) and Opportunities(O)	impact	Timing	Our Response
Upstream	Demand for traceability and environmental certification	R Competition resulting from market consolidation, price increases, and quantity limitations	↓ ↓	Short to medium term	<ul style="list-style-type: none"> Relationship building with suppliers Plywood formwork initiative
		O Securing an advantage through new technology	↑ ↑ ↑	Short to medium term	<ul style="list-style-type: none"> Development of new technologies for recycled and new construction materials
Direct operations	Tight restrictions on land modification and a fundamental review of land use	R Decrease in new construction demand	↓ ↓ ↓	Long term	<ul style="list-style-type: none"> Investment in new construction domains Improvement of technical skills to address advanced land use
		O Increase in renovation and renewal work and implementation of nature-friendly and reclamation projects	↑ ↑	Long term	<ul style="list-style-type: none"> Technologies to address next-generation demand Relaxation of regulations for nature-related technologies
Direct operations	Tighter nature-related regulations and monitoring at construction sites	R Reputational risk and brand damage	↓ ↓	Short to long term	<ul style="list-style-type: none"> Implementing measures based on a unique nature-related assessment (the Nature KY)
Downstream	Strong demand for recycling, including regulation of total emission	R Tight restrictions from design stage	↓ ↓ ↓	Long term	<ul style="list-style-type: none"> By-product management using Shin-Kan-Tasu Thorough implementation of 4R activities from the design and construction stage anticipating future building demolition and removal
		O Demolition technology directly ties into construction skills	↑ ↑ ↑	Long term	<ul style="list-style-type: none"> By-product management using Shin-Kan-Tasu Cultivation and active adoption of recycling routes

Strategies for Nature Positive (Sustainable Formwork Plywood Use)

■ Conducted a survey of partner companies in FY2023

Breakdown of formwork types used at our construction site (FY2023)

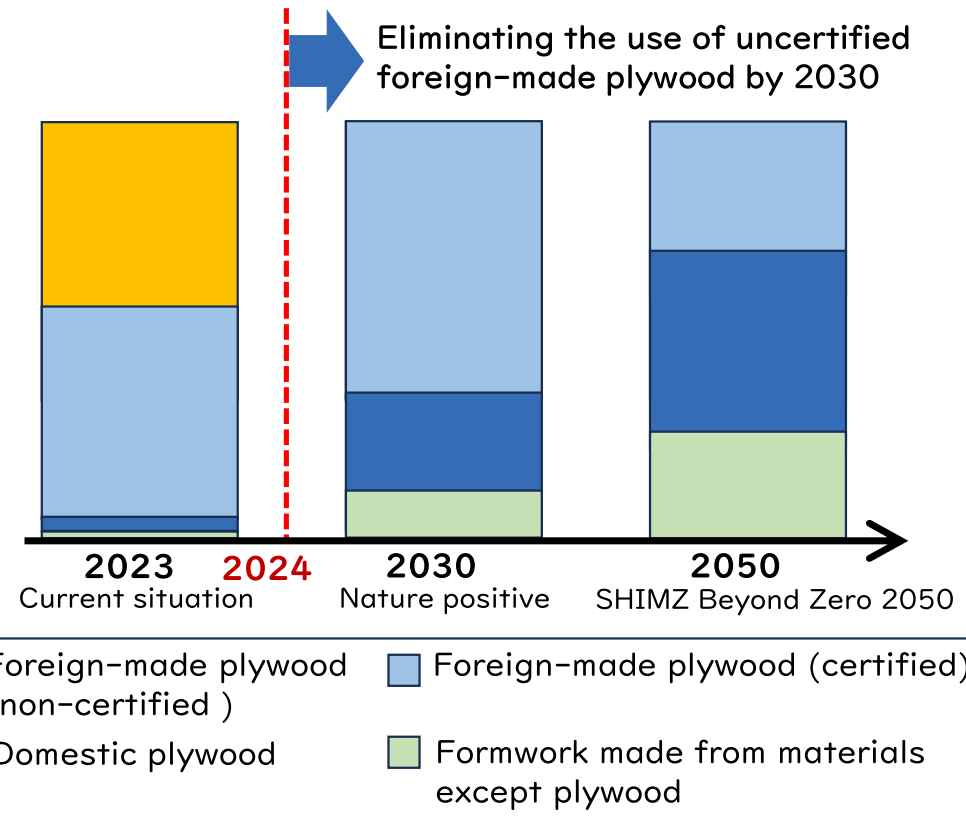
Types of formwork	Results
Foreign-made plywood (certified)	52%
Foreign-made plywood (non-certified)	45%
Domestic plywood	3%
Hybrid plywood	0%
Formwork made from materials except plywood	1%

■ Interviews with Formwork contractors, Plywood manufacturers, Academia, Researchers, NPOs were also conducted.



<Initiatives from FY2024 onward>

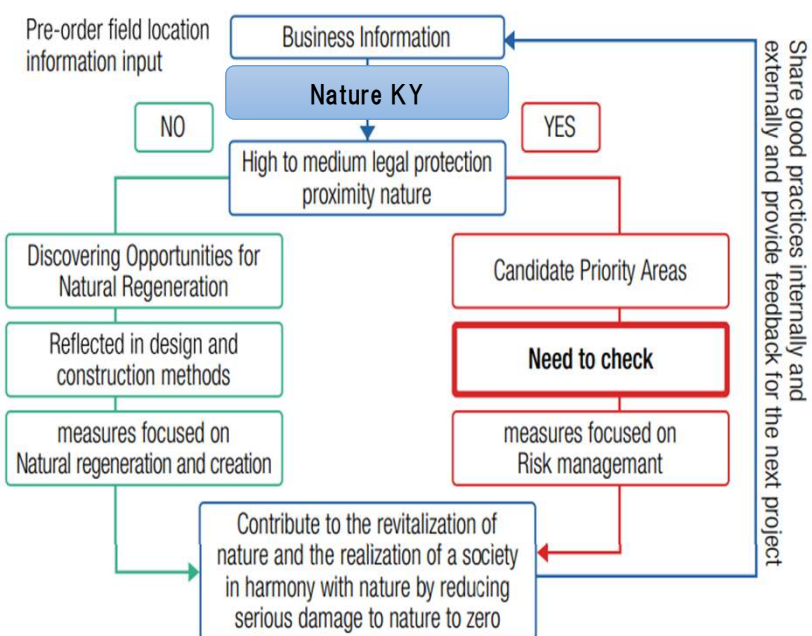
- Building a network by exchanging opinions and workshops
- Promotion of formwork other than foreign-made plywood (Provision of trial products, etc.)
- Collaboration for new development



* The ratio in the bar graphs are for reference only

Strategies for Nature Positive (The Nature KY)

■ Independent natural environment assessment as a strategy for “impact on terrestrial ecosystems” to figure out the nature-related risks in advance and avoid or reduce them and to revitalize nature by anticipating opportunities for natural regeneration.



Managing Risk and Predicting Opportunities for Natural Regeneration with “Nature KY”

Ex) High degree of naturalness

Damage to nature?
KY for "Hazard Prediction"

Ex) Low degree of naturalness

Recovery or creation?
KY for "Opportunity Prediction"

Visualize information

Use as a material for business decisions

Currently, based on the Ministry of the Environment's vegetation naturalness, a value from 1-10 is taken, and scored by the load average according to the area.

We plan to expand the requirements in the future.