

BIPROGY Group TCFD/TNFD Report

April 2025

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Introduction

Introduction

TCFD
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Sustainability Management



We aim to generate sustainable growth and solve social issues by raising employees' sensitivity to sustainability even in an era of uncertainty and greater complexity.

Koji Katsuya
Representative Director, Executive Corporate Officer, CSO

The BIPROGY Group's purpose is to "create a sustainable society using foresight and insight to unlock the full potential of technology." Under our Vision 2030, we will "develop the Digital Commons, which is a platform that helps create a society where everyone can live happily." Guided by these principles, we are committed to generating both social and economic value. As the Chief Sustainability Officer (CSO) responsible for overseeing BIPROGY's sustainability management strategy, my role is to establish a foundation for the Group's sustainable growth in an era of uncertainty. My mission is to expand the creation of Group solutions and services that promote environmental and social sustainability.

The Group continues to strengthen environmental management in pursuit of mitigating and adapting to climate change and establishing a circular economy system. Based on Vision 2030, we have set forth our Long-Term Environmental Vision 2050, seeking to help build a world of net-zero emissions. To achieve this vision, engagement with various stakeholders is essential. In April 2020, we endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), and we have been actively participating in climate change partnerships and initiatives in and outside of Japan. Furthermore, in February 2025, we announced our support for the framework of the Task Force on Nature-related Financial Disclosures (TNFD).

Recognizing that sustainability challenges can only be addressed by strengthening management and governance, the Group has established an internal framework to tackle these issues. The CSO is a member of the Board of Directors, and as CSO, I am responsible for the Group's sustainability initiatives. The Group has established the Sustainability Committee, chaired by the CSO, and the Environmental Contribution Committee, which is subordinate to the Sustainability Committee and dedicated to environmental issues. Sustainability Committee meetings are attended by outside auditors, who as observers provide rigorous, constructive feedback each time. The Board of Directors receives reports from the CSO, who chairs the Sustainability Committee, as well as from other committee chairs. These cover progress made on materiality indicators, new target-setting, key ESG evaluations, and challenges. The Board then discusses the issues and oversees the committee activities.

Under Vision 2030, which envisions where the Group will be by that year, we are strengthening our environmental management to appropriately address today's increasingly complex environmental challenges. We recognize that natural capital—encompassing forests, air, water, soil, and biodiversity—is fundamental to corporate activities. Embracing a nature-positive approach not only mitigates nature-related risks and strengthens our business foundation but also unlocks new business opportunities. With this perspective in mind, we are committed to integrating natural capital and water security considerations into our business activities, driving progress toward a nature-positive future. Accordingly, the Group has published its first-ever TCFD/TNFD Report, consolidating climate-related disclosures previously released across various media with its recently initiated analysis of nature-related data. Together with our stakeholders, we will continue working to promote carbon neutrality and a nature-positive society.

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Approach to Climate Change and Natural Capital

The current degradation and loss of natural capital present environmental challenges that pose nature-related risks across the value chain. However, the BIPROGY Group also sees opportunities to contribute to solving environmental issues through our business activities. To share this perspective group-wide, we have established the BIPROGY Group Environmental Policy.

Under this policy, we are implementing initiatives such as energy efficiency improvements, the effective use of water resources, and investments in biodiversity conservation. By advancing these efforts, we aim to promote nature positivity while enhancing our competitive strength. The Group is also committed to strengthening relationships of trust with its business partners, including suppliers and clients, to co-create business ecosystems that provide value to society. Through this approach, we seek to address social challenges while achieving mutual sustainable growth.

BIPROGY Group Environmental Policy (August 20, 2024)

Basic Philosophy

As a corporate group that draws on foresight and insight to unlock the potential of technology for creating a sustainable world, we continue to address environmental concerns across all of our business activities.

Basic Policies

We have built a business ecosystem that spans sectors and business models linking various companies, and we contribute to sustainable development and preserve the environment.

1. We build environmental management systems and work to continuously improve environment conservation activities.
2. We comply with laws and regulations on environmental conservation and other requirements to which the Group has consented.
3. We pursue business activities that use resources and energy effectively, address climate change, and give full consideration to preserving biodiversity and ensuring water security.
 - (1) We pursue green procurement in business activities.
 - (2) We strive to provide products and services that improve productivity and conserve energy in customers' business activities, in ways that are technologically and economically feasible.
 - (3) In our offices, we strive to reduce electricity use, adopt paperless practices, manage waste and water, and help to build a circular economy.
4. We contribute to the popularization of power generation from natural energy sources to help reduce society's environmental impact.
5. We proactively offer employees educational opportunities to ensure that everyone recognizes the importance of environment conservation.
6. We share these policies widely with everyone who works in or for the organization and with the general public.

Scope of Application

These policies apply to the entire BIPROGY Group. In line with these policies, we require our business partners and suppliers to comply with the Environmental Conservation section of the BIPROGY Group Sustainable Procurement Guidelines. These policies also apply to matters of distribution, logistics, due diligence in mergers and acquisitions, and to partners not subject to the above guidelines.

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Disclosure Scope

Based on the results of our evaluation and analysis, as of February 2025, this report discloses the Group's climate- and nature-related issues using the TCFD and TNFD frameworks.

		TCFD	TNFD
Characteristics	Scope	Climate-related issues (climate-related risks and opportunities)	Nature-related issues (dependence on and impacts on nature, risks and opportunities)
	Environmental focus	Climate change, mainly atmospheric	Natural capital in general (atmosphere, land, ocean, and freshwater)
Disclosure framework pillars	Governance	Integrate and disclose governance regarding climate- and nature-related issues	
		Board of Directors oversight, and role of senior management	<ul style="list-style-type: none">• Board of Directors oversight, role of management• Organization's human rights policy, engagement activities <p>Note: Describes "Governance C," which was recently added to the TNFD recommendations</p>
	Strategy	Explanation of risks and opportunities related to climate change	Explanation of dependence on and impacts on nature, risks and opportunities revealed in the summary evaluation*
		Scenario analysis, and quantification of financial impacts	Conducted a Locate evaluation of the Group's bases
	Risk (and impact) management	Integrate and disclose management of risks (and impacts) related to climate- and nature-related issues	
	Indicators and targets	GHG emissions	Water resources <small>Note: Water usage is considered an important impact driver for the IT sector, and is therefore recognized as an important issue for the Group.</small>

*Details will be provided in the future based on the results of analysis in line with the LEAP approach.

Response to the Six General Requirements of the TNFD

The Group is taking the following response to the general requirements set out in the TNFD Framework.

General Requirements	BIPROGY Group Responses
Application of materiality	We are assessing impacts on stakeholders as well as the Group's business operations, identifying key issues based on the double materiality perspective, which considers the significance of the impacts on both sides.
Scope of disclosures	Our analysis covers direct operations and key stages of the value chain across all six revenue-generating business areas of the Group. The key stages of the value chain primarily include the upstream supply chain.
Location of nature-related issues	We have conducted a location-based analysis of our offices (both owned and leased) and data center locations, where we provide services to our customers.
Integration with other sustainability-related disclosures	Regarding nature-related challenges, our aim is to reduce and manage business risks across the entire value chain, particularly in areas related to human rights and environmental impact, as identified in the Group's material issues. Rather than addressing individual issues in isolation, we are taking an integrated approach to problem-solving while working to mitigate trade-off risks.
Time frames	We have defined the time frames for climate- and nature-related risks and opportunities as follows: Short-term: 1–3 years; Medium-term: 4–10 years; Long-term: Over 10 years
Engagement with indigenous peoples, local communities and affected stakeholders	The Group's Human Rights Policy stipulates respect for the rights of indigenous peoples and local communities. As part of our human rights efforts, we are committed to effective stakeholder engagement, ensuring full and meaningful consultations with all stakeholders. Through this approach, we are working to recognize the rights of existing communities, protect local resources, and preserve the identity and culture of indigenous peoples.

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Oversight Structure and Roles of Directors Regarding Climate and Nature-Related Issues

The Chief Sustainability Officer (CSO), the member of the Board of Directors who is responsible for climate- and nature-related issues, has overall responsibility for the Group's initiatives that contribute to the Sustainable Development Goals (SDGs) and the Group's sustainable management strategy. The CSO also regularly reports on the Group's sustainability activities, including response to the climate change, to the Board of Directors each fiscal year, which provides an opportunity to receive supervision and instructions.

As for the Group's response to environmental issues, including climate change and natural capital, related issues are deliberated and decided upon at the Sustainability Committee, the decision-making body chaired by the CSO, or its subordinate body, the Environmental Contribution Committee. The Environmental Contribution Committee is responsible for examining policies related to environmental contributions, designing mechanisms to promote environmental contributions, and managing and supervising the implementation status (Please refer to the image below).

Long-term performance conditions, including conditions related to climate-related response, were incorporated into the executive compensation system introduced in June 2021. Long-term performance conditions KPIs related to material issues include ESG indicators, such as GHG emissions reduction targets, which are material issues KPI for achieving Vision 2030. The Board of Directors decides on compensation following deliberations based on reports by the Nomination & Remuneration Committee, an advisory body. The Group is also considering incorporating efforts to address nature-related issues into the executive compensation system.

Sustainability Promotion Structure (As of June 27, 2024)

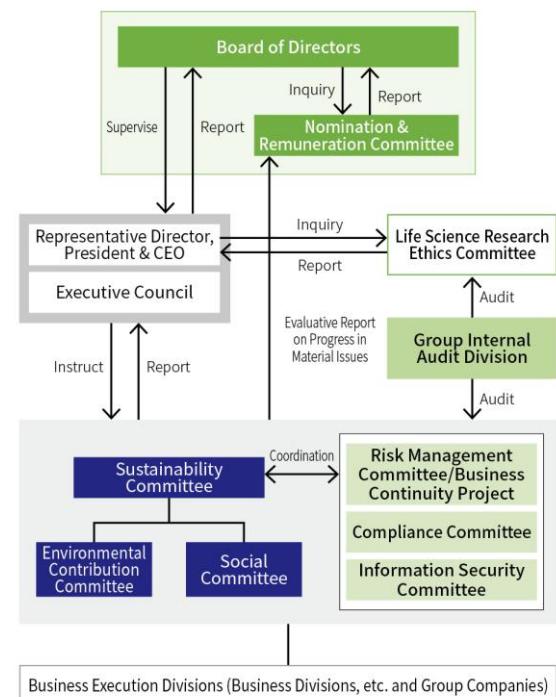
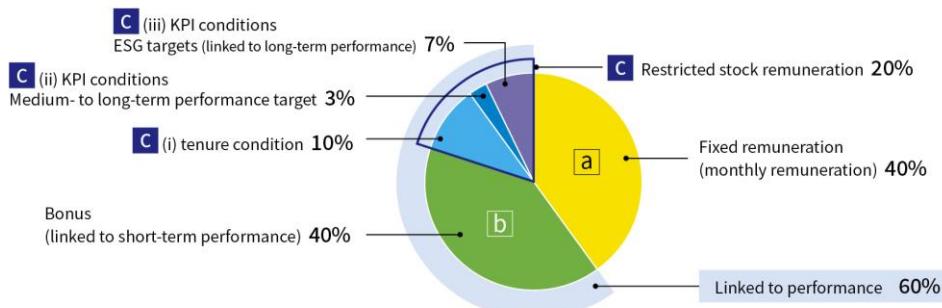


Illustration of Executive Director Remuneration



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Human Rights Policy and Engagement Activities on Nature-Related Issues

The BIPROGY Group is committed to respecting the rights and cultures of indigenous peoples and local communities and has established a Human Rights Policy to ensure that its business activities do not cause or contribute to rights violations or environmental degradation. As part of our human rights efforts, we engage in dialogue with indigenous and local communities, working to recognize the rights of existing communities, protect local resources, and preserve the identity and culture of indigenous peoples. Through these initiatives, we aim to uphold and promote respect for human rights in all aspects of our business activities.

Key Stakeholders for Group Engagement
Customers
Employees and their families
Shareholders and investors
Business partners
Local communities (including indigenous peoples and local communities)

The BIPROGY Group recognizes the need to promote respect for human rights throughout the entire supply chain. We support international norms such as the Universal Declaration of Human Rights and the ILO Core Labour Standards, and recognize respect for human rights as an important element of corporate activities.

To fulfill our responsibility to respect human rights across the entire value chain, we conduct human rights due diligence—a series of processes aimed at identifying, preventing, and mitigating negative human rights impacts within the Group and among our suppliers. We also evaluate the effectiveness of these efforts and disclose information on how we address human rights-related issues.

In June 2020, we published the BIPROGY Group Human Rights Policy based on the United Nations Guiding Principles on Business and Human Rights. In August 2024, we updated our Human Rights Policy to clarify our commitment to respecting human rights across our value chain and to incorporate guidelines addressing nature-related human rights issues.

BIPROGY Group Human Rights Policy:

https://sustainability-cms-biprogy-s3.s3-ap-northeast-1.amazonaws.com/pdf/humanrightsmonkey_e.pdf

Chapter 2. Strategy

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The Group conducts analysis of climate and nature-related issues.

Evaluation and Analysis of Climate-Related Issues

The Group believes that addressing climate change is an important management issue that affects corporate value in many ways. Recognizing that it is important to have a strategy and the flexibility to respond to changes in uncertain circumstances, we are working to mitigate climate-related risks and expand opportunities. Since 2021, we have not only promoted material issue-centered initiatives but also continued to conduct impact evaluations, which are part of the climate-related scenario analysis, based on company-wide projects as part of Environmental Contribution Committee activities.

Category	Quantification Conditions
Time frames	The following time frames were adopted Short term: 1-3 years Medium term: 4-10 years Long term: Over 10 years
Scope	BIPROGY Inc. and 28 consolidated companies
Climate change scenarios	<ul style="list-style-type: none">• 1.5 °C scenario: Global average temperature rise ranging from 1.5 °C to just under 2 °C The IEA Net Zero Emissions by 2050 Scenario (NZE) was used, supplemented by similar scenarios, such as the IEA Sustainable Development Scenario (SDS) for scenarios under 2 °C.• 4 °C scenario: Global average temperature rise ranging from 3 °C to 4 °C IPCC RCP8.5 was used to calculate the 4 °C scenario and IEA Stated Policies Scenario (STEPS) was used for the 3 °C scenario.

In the analysis results up to now, despite the increase in business expenditures related to activities such as the development and innovation of technology to transition to decarbonization and introduction of resources to create new businesses, the impact of greater opportunities through the provision of technology and services that meet needs to solve climate-related issues exceeds the impact of the risk of greater expenses.

We will increase the effectiveness of material issues by appropriately reflecting the results of the impact assessment into the Group's various strategies and risk management. Furthermore, we are accelerating initiatives to develop and provide new products and services that contribute to the solution of climate-related issues, such as carbon neutrality and the circular economy.

In the Management Policies (2024-2026), the Group aims to expand profit opportunities in order to resolve social issues. By identifying areas where the Group's strengths can be put to use and by focusing our management resources, we will enhance both profitability and value creation that contributes to resolving social issues, including the realization of a decarbonized society, the revitalization of local economies, and supply chain reform. We will also continue promoting the development of new services, business alliances, and participation in public-private demonstration projects aimed at resolving environmental issues.

For example, in the energy area, the Group provides VPP-related services, such as Enability CIS and Enability EMS, a demand forecast/power generation forecast system, and a distributed power supply management system, respectively. Additionally, we provide EV-related services and, in the environmental value area, services such as Re:vis through which we facilitate the streamlining of the procurement and management of non-fossil certificates. In addition to enhancing these service functions and expanding other related services, we endeavor to differentiate ourselves by combining the service solutions we have provided thus far, and work towards the creation of new businesses. Our aim is to do our part for the realization of a decarbonized society, one of the social issues we face, by providing services aimed at the various stakeholders in the energy-related value chain.

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Major Climate-Related Risks for the Group

Note: The monetary amounts represent the estimated financial impacts for a single year

	Risk Category	Risk Factors and Their Impact on the Group's Finances	Until 2030 (Medium Term)		Until 2050 (Long Term)	
			1.5–2 °C	3–4 °C	1.5–2 °C	3–4 °C
Transition risks	Policy and legal	Increase in direct operating costs due to carbon tax on direct GHG emissions	Medium ¥130M	None	Low ¥80M	None
		Increase in operating costs at the company level due to fluctuations in electricity and fuel prices caused by changes in power generation costs due to changes in the power source mix	Low - ¥50M	Low ¥60M	Low ¥60M	Low ¥50M
		Cost impact due to increased procurement of renewable energy	Low ¥30M	Low ¥30M	Low ¥50M	Low ¥20M
		Capital investment costs due to the shift to EVs	Low Less than ¥10M	Low Less than ¥10M	Low Less than ¥10M	Low Less than ¥10M
	Technology	Reduction in revenue due to reduced demand for products and services caused by a decline in technological capabilities and service development capabilities due to delayed response to advances in low-carbon technology	Low	None	Low	None
	Market	Reduction in revenue due to reduced demand for products and services caused by a decline in competitiveness if changes in demand and supply of low-carbon products and services cannot be properly reflected in our own products and services	Medium	None	Medium	None
	Reputation	Reduced access to capital resulting from a decline in corporate evaluation due to inadequate information disclosure and failing to provide services in response to the changing needs of low-carbon-oriented customers and investors	Medium	None	Medium	None
	Physical risks	Damage to business sites due to increasingly severe wind and flood damage, loss of sales due to suspension of operations, and the burden of recovery costs Note: Assessment of flood depth and number of days affected by river flooding	Low	Low	Low	Low
		Damage to offshore companies due to increasingly severe wind and flood damage	Medium	Medium	Medium	Medium
		• Disruption of supply chains due to weather disasters • Increased costs for adjusting operations and procuring replacement personnel	Medium	Medium	Medium	Medium
		Increased employee illnesses due to climate change	Medium	Medium	Medium	Medium
	Chronic	Increased air conditioning costs due to higher demand for cooling and refrigeration due to rising temperatures	Low Less than ¥10M	Low Less than ¥10M	Low Less than ¥10M	Low Less than ¥10M

Notation: Estimated financial impact levels (operating profit/cost) "Medium": 100 million yen or more; "Low": less than 100 million yen

Key Climate-Related Opportunities for the Group

	Opportunity Category	Opportunity Factors	Potential Impact on the Group's Finances	1.5 °C scenario	4 °C scenario
Market opportunities	Products and services	Increased demand for services that contribute to improving energy use efficiency and promoting the spread of renewable energy through the use of IT	Increase in revenue from the development of new products and services through R&D and technological innovation Increase in revenue from the development and expansion of low-carbon products and services	•	•
		Increased demand for services that enable enhanced efficiency and reduction of losses associated with production and consumption of goods using IT		•	•
		Increased demand for mechanisms that allow remote decision-making without needing to go to the site		•	-
		Increased demand for schemes for green cities using digital technologies		•	•
		Increased demand for schemes utilizing digital technologies that do not rely on the movement of people		•	-
		Increased demand for services that contribute to the promotion of companies' net-zero management		•	•

Legend • : Positive impact - : No positive impact

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Assessment of Nature-Related Issues

While identifying our nature-related dependencies and impacts at the business level, we have also organized the Group's nature-related risks and opportunities as we see them at the time of publishing this report. The scope covers the direct operations of the Group's six main business areas and its upstream supply chain.

Note: The percentages in parentheses () indicate the revenue share of each business for the fiscal year ending March 2024

Business Area	Description
System services (34%)	<ul style="list-style-type: none"> ICT strategy consulting services Software development contracts Technical support services
Support services (15%)	<ul style="list-style-type: none"> Software and hardware maintenance services Software and hardware implementation support services
Outsourcing (21%)	<ul style="list-style-type: none"> Information system operation contracts Service-based and fee-based services through cloud applications, etc.
Other services (4%)	<ul style="list-style-type: none"> Communication line services Electrical equipment construction, etc.
Software sales (10%)	<ul style="list-style-type: none"> Sales of internally developed solutions Software sales
Hardware sales (16%)	<ul style="list-style-type: none"> Hardware sales

To understand the dependencies and impacts of the IT sector, which is highly relevant to the Group, we used UNEP-NCFA's ENCORE, one of the nature-related analysis tools recommended by the TNFD framework. The results are presented in a heatmap.

The analysis confirmed that in direct operations, several factors may have a significant impact, such as GHG emissions from overall business activities and water usage in data centers. Additionally, due to the nature of transportation processes, the upstream supply chain influences are prominently reflected in the heatmap.

Business area	Main value chain categories	Subcategories of the value chain	Impact on nature											
			Changes in land, freshwater and seawater use			Climate change	Resource use/restoration		Pollution/pollution removal				Invasive alien species	
			Use of terrestrial ecosystems	Use of freshwater ecosystems	Use of marine ecosystems		Water use	Other resource use	Waste	Non-GHG air pollution	Soil pollution	Water pollution	Ecosystem disruption	
System services	Upstream	Consignment	-	-	-	-	-	-	M	-	-	-	-	-
	Direct	-	-	-	-	-	-	-	M	-	-	-	-	-
Support services	Upstream	Procurement	-	-	-	H	VH	-	M	M	H	H	M	-
	Upstream	Transportation of goods	H	VH	VH	VH	H	-	H	H	H	H	H	VH
	Direct	-	-	-	-	-	-	-	M	-	-	-	-	-
Outsourcing	Upstream	Procurement	VH	-	-	VH	H	-	M	H	H	H	H	M
	Direct	-	H	-	-	H	H	-	M	H	H	H	H	M
Other services	Upstream	Procurement	-	-	-	H	VH	-	M	M	H	H	M	-
	Upstream	Transportation of goods	H	VH	VH	VH	H	-	H	H	H	H	H	VH
	Direct	-	-	-	-	-	L	-	L	L	L	L	-	-
Software sales	Upstream	Procurement	-	-	-	-	-	-	M	-	-	-	-	-
	Direct	-	-	-	L	L	-	-	L	L	L	L	L	L
Hardware sales	Upstream	Procurement	-	-	-	H	VH	-	M	M	H	H	M	-
	Upstream	Transportation of goods	H	VH	VH	VH	H	-	H	H	H	H	H	VH
	Direct	-	-	-	M	VH	-	-	H	L	L	H	H	H

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Understanding Nature-Related Risks and Opportunities in the IT Sector

We have identified the major nature-related risks and opportunities in the IT sector. We plan to continue our analysis in line with the LEAP approach and evaluate the risks and opportunities specific to the Group.

		Category	Related Dependencies and Impacts	Potential Factors
Risks	Transition risks	Government policies/regulations	Use of terrestrial ecosystems	Stricter regulations on the infringement of biological habitats, conflicts with regulations during construction, and administrative sanctions
			Water use	Capital investments to comply with water withdrawal regulations due to the depletion of water resources
	Reputation, liability			Reduction in water availability for surrounding stakeholders due to excessive use of water resources; criticism, deterioration of reputation, and liability for damages
	Physical risks	Chronic risks	Water use	Reduction in sales due to drought-related water usage restrictions affecting offices and data centers
	Opportunities			Rising hardware prices due to a decline in semiconductor component supply capacity caused by water resource depletion
	Cash flow and fundraising	General nature-related issues		Accelerated efforts to conserve nature and biodiversity, and improved ESG ratings based on enhanced information disclosure
	Reputation	Use of terrestrial ecosystems		Improvement of corporate image through measures to mitigate the impact of land modification on ecosystems (e.g., corporate green space activities)

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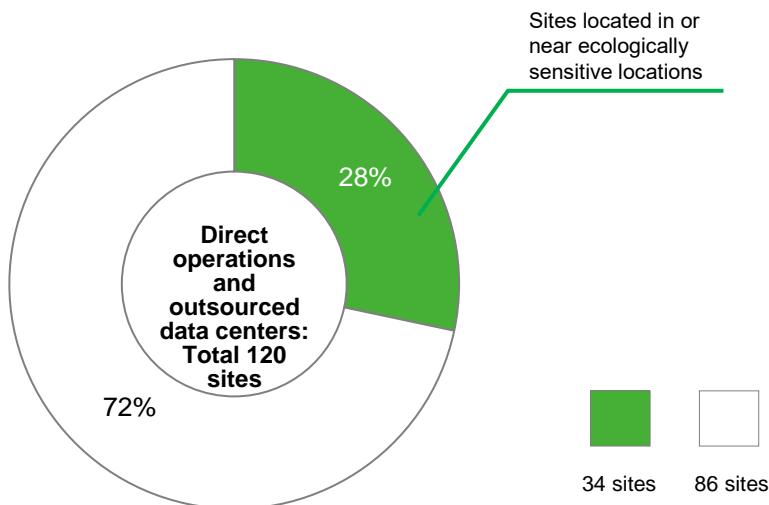
Priority Location Identification

The following shows the results of the analysis from the Locate phase of the LEAP approach. We identified ecosystem types (biomes) and assessed priority locations from a nature-related perspective, focusing on the 115 business locations of the Group worldwide and five outsourced data centers. The assessment covered 100% of these locations.

Criteria for Ecologically Sensitive Locations	Evaluation Perspectives
Biodiversity importance	<ul style="list-style-type: none">Protected areasAreas that are recognized as important for biodiversity
	<ul style="list-style-type: none">Importance of species and habitats
Ecosystem integrity	<ul style="list-style-type: none">High ecosystem integrity
	<ul style="list-style-type: none">Areas with declining integrity
Ecosystem service delivery importance	<ul style="list-style-type: none">Areas important for the provision of ecosystem service benefits, including to indigenous peoples and local communities
Water physical risk	<ul style="list-style-type: none">Availability of water
	<ul style="list-style-type: none">Areas at risk of flooding due to river flooding
	<ul style="list-style-type: none">Declining water quality

The results of identifying sites located in or near ecologically sensitive locations are shown below. While some worldwide Group sites require attention in terms of biodiversity importance, ecosystem integrity, and ecosystem service delivery importance, we have confirmed that such cases are relatively limited. On the other hand, we found a significant number of sites located in areas at risk of flooding due to river overflow.

The findings from this analysis will be integrated into our natural risk and impact management processes and used to prioritize sites for environmental impact reduction and ecosystem conservation initiatives.



Chapter 3. Risk and Impact Management

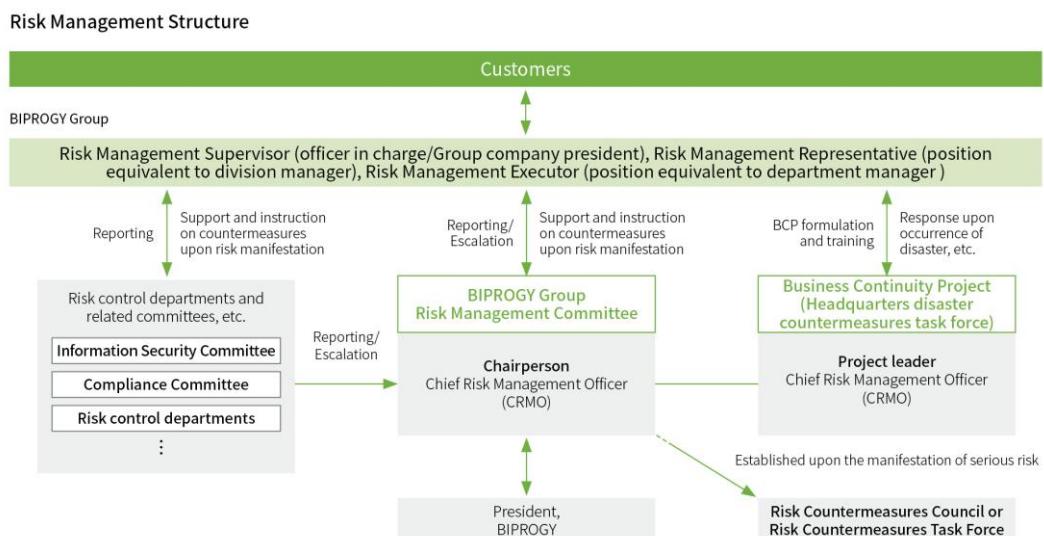
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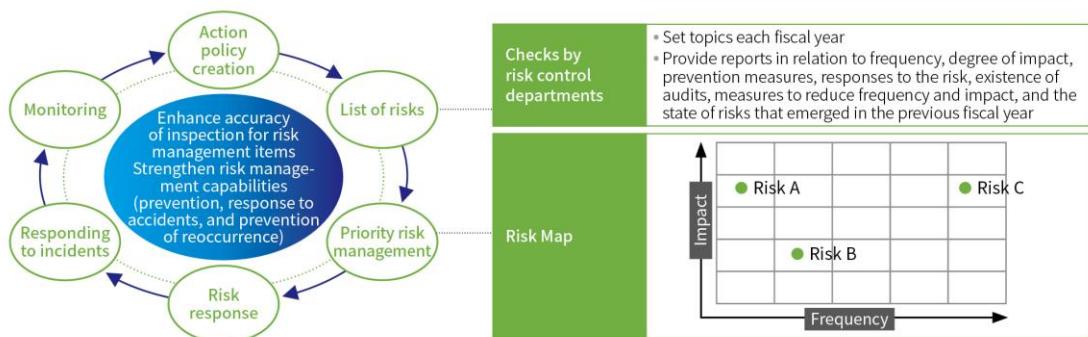
Management Structure and Process for Climate and Nature-Related Issues

The BIPROGY Group has identified certain climate-related risks as material issues and is managing them by integrating them into its risk management system. The Risk Management Committee, as a controlling body, has created a common risk classification system for the Group, so that risks to be managed are shared throughout the Group and managed in an integrated manner. Currently, risk management items are classified into 130 categories, including climate-related risks. For each item, the back-office department, committee, or other party responsible for addressing that sort of risk formulates administrative rules, concrete preventive measures and measures to be taken in the event a risk materializes. The Risk Management Committee informs risk control departments of the risk management categories each year and sets themes every fiscal year so that risk management departments can identify new risk management items on their own. For each risk management item, the department responsible for addressing that sort of risk reports to the Risk Management Committee in relation to frequency, degree of impact, prevention measures, responses to the risk, existence of audits, measures to reduce frequency and impact, and the state of risks that emerged in the previous fiscal year.

We are also in the process of integrating nature-related risks into the Group risk management system.



The Risk Management Committee uses a risk map, formulated based on level of impact and frequency, to categorize the size of the impact of each risk, identifying risks that require focused attention. In identifying and monitoring risks, risk management policies and risk control items are subject to continual review.



Chapter 4. Indicators and Targets

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The BIPROGY Group has started collecting data on nature-related indicators, including core global disclosure indicators, with the goal of measuring and disclosing this information. Similar to GHG emissions and renewable energy procurement rates, we are also considering establishing targets and beginning to monitor progress in the near future.

Regarding water usage, which the heatmap has identified as an important impact driver, we conducted a water risk assessment for each watershed where our sites are located. As a result, we have determined that the current risk is limited, thus the need for setting specific targets is low. We will continue with our efforts to monitor and manage water risks.

GHG Emissions

The Group is steadily working to achieve the targets it has set, such as those related to GHG emission reductions among the Group's material issues in 2021. Most of the GHG emissions by the Group, whose core businesses are digital and ICT services, are from the use of electricity. Therefore, we joined RE100 and are moving forward with switching to renewable energy for electricity we purchase. As of the end of fiscal 2023, the percentage of energy purchased that is renewable had risen to 27.2%.

We are also promoting energy conservation measures based on the efficient use of offices and equipment. Because of these initiatives, we reduced the Group's fiscal 2023 Scope 1 + Scope 2 (market-based) GHG emissions 37.5% compared to fiscal 2019. Furthermore, the Group has set GHG emission reduction targets to be achieved by 2030. These targets have been recognized as science-based targets aligned with the 1.5 °C target of the Paris Agreement. We obtained Science Based Targets (SBT) verification in July 2024. The Group's recently certified GHG reduction targets are shown below. To achieve these targets, we will continue our efforts to reduce GHG emissions across the entire supply chain.

Indicator	Climate-Related Targets and Progress Made	SBT-certified Target
GHG emissions (Scope 1 + Scope 2) (Market-based)	Target: Reduce GHG emissions by 50% or more by FY2030 compared to FY2019 Result: 37.5% reduction (FY2023)	
	Target: Reduce GHG emissions by 45% by FY2030 compared to FY2021 (aligned with Paris Agreement 1.5 °C target)	✓
GHG emissions across the value chain (Scope 3)	Target: Ensure suppliers who account for 40% of the total procured value of purchased goods and services (Category 1) set targets equivalent to SBT by 2027 Result: 19.1% (FY2023)	✓
	Target: Reduce GHG emissions by 25% during the use phase of products already sold by FY2030 compared to FY2021	✓
Renewable energy procurement rate	Targets: 50% or more (FY2030), 100% (FY2050) Result: 27.2% (FY2023)	
Scenario analysis impact assessment and risk response rate (100%)	Identify business opportunities and risks and continue to manage identified risks through Group risk management systems Result: 100% (FY2023)	
Zero emission achievement rate	Target: 100% or more (annually until FY2030) Result: 232.8% (FY2023) Note: The zero emission achievement rate is sales of environmentally friendly products and services multiplied by the GHG reduction contribution coefficient and divided by the total Scope 1 and 2 emissions of the BIPROGY Group.	

Scope: BIPROGY Inc. and 28 consolidated companies (covering main sites worldwide, and 100% of total BIPROGY Group personnel)

Chapter 4. Indicators and Targets

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Water Resources

Water damage and droughts resulting from changing rainfall patterns attributable to climate change, as well as rapid urbanization due to increased populations and economic development, are leading to water resource shortages around the world, and there is growing global concern about these water risks. The Group consumes water directly, mainly in its offices. Based on the BIPROGY Group Environmental Policy and the Environmental Long-term Vision 2050, we strive to ascertain and reduce the amount of water used in our business activities.

Moreover, all suppliers in the Group's supply chain are asked to comply with the BIPROGY Group Sustainability Procurement Guidelines, which includes requirements for the proper use of water resources. Together with our suppliers, we are working on water conservation and the appropriate management and treatment of wastewater before discharge.

In fiscal 2020, we started disclosing information on water usage for certain sites such as the Toyosu Head Office Building in Koto Ward, Tokyo. Since fiscal 2021, we have been sharing this information for the entire BIPROGY Group. Water usage for companies in the IT sector includes cooling of electronic equipment, primarily in company-owned water-cooled data centers, but the Group does not own any water-cooled data centers as its own assets.

The Group has conducted a LEAP analysis and is evaluating whether freshwater supply and water resource usage are significant nature-related dependencies and impacts for the Group. Based on the results, we are considering using them as key factors for decision-making in developing measures and setting targets related to water usage.

		Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Water withdrawal	Total	m ³	-	-	-	53,007	51,342
	Surface water	m ³	-	-	-	0	0
	Brackish or sea water	m ³	-	-	-	0	0
	Groundwater	m ³	-	-	-	30,222	30,305
	Third-party sources	m ³	-	-	-	22,785	21,037
Water used		m ³		13,000	49,477	53,007	51,342 (Verified)

Scope of calculation

FY2020: Toyosu Head Office Building of BIPROGY Inc.

FY2021: BIPROGY Inc. and 24 consolidated companies excluding its investment business limited partnerships (covering main sites worldwide)

FY2022: BIPROGY Inc. and 25 consolidated companies excluding its investment business limited partnerships (covering main sites worldwide)

FY2023: BIPROGY Inc. and 28 consolidated companies (covering main sites worldwide, and 100% of total BIPROGY Group personnel)



BIPROGY

Foresight in sight

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