

TCFD Index

Pillar		Status at NC	ESG PLAYBOOK 2022
01.Governance	The organization's governance around climate-related risks and opportunities	NC reports to the ESG Steering Committee composed of four top management members at least on a quarterly basis to manage, oversee, and make decisions on key environmental management plans and achievements. NC designated the ESG Management Division as a dedicated environmental management organization in 2022, which engages in developing and implementing environmental management strategies and policies and managing company-wide environmental data. In this regard, the Division closely communicates and collaborates with relevant departments at our domestic/overseas subsidiaries as well as at NC. To bolster the expertise of the Board of Directors in relation to environmental management, NC appointed Jae-Chun Choe, an expert in the field of environment and biodiversity, as an outside director in March 2023.	36p
02.Strategy	The actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	To understand key climate-related risks and opportunities that may affect our stakeholders and corporate sustainability and to develop response strategies, NC identified 25 climate-related transition/physical risks and opportunities in line with the TCFD Framework and selected those risks and opportunities material to NC. We categorized risk factors into physical risks that occur due to natural disasters and long-term weather changes and into transition risks that stem from a transition into the low-carbon economy. For physical risks, quantitative analyses were performed on how our operations and sales could be impacted when four types of physical disasters (wind speed, flood, wildfire, heat), occur under the IPCC's SSP1-2.6 and SSP5-8.5 scenarios based on Jupiter Intelligence's global climate modeling and data base, and this report illustrates the assessment results generated under the SSP5-8.5 scenario. For transition risks and opportunities, internal/external experts were surveyed to assess these risks and opportunities from the aspects of their impact on our finances and business model as well as stakeholder (investors and others) interest to select top 10 risks and opportunities as material ones.	37p~40p
03. Risk Management	The processes used by the organization to identify, assess, and manage climate-related risks	NC identified key risks and opportunities in the short-, mid-, and long-term and assessed their impact in 2022 while reviewing the financial impact from physical risks under the IPCC scenarios. We will develop strategies to respond to identified risks and opportunities, and build on this to establish a process to consider these risks and opportunities in our decision-making.	41p
04. Metrics and targets	The metrics and targets used to assess and manage relevant climate-related risks and opportunities	NC extended the scope of our GHG emissions management from the Headquarters to consolidated domestic subsidiaries in building our GHG inventory in 2022. We also expanded our coverage of Scope 3 emissions from supply chains from one to five categories in line with global disclosure and assessment requirements. Going forward, we aim to expand the scope of our GHG data management and perform continuous monitoring to make necessary improvements.	41p