
TCFD SUMMIT

Sumitomo Chemical's Action to Address Climate Change

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SUMITOMO CHEMICAL



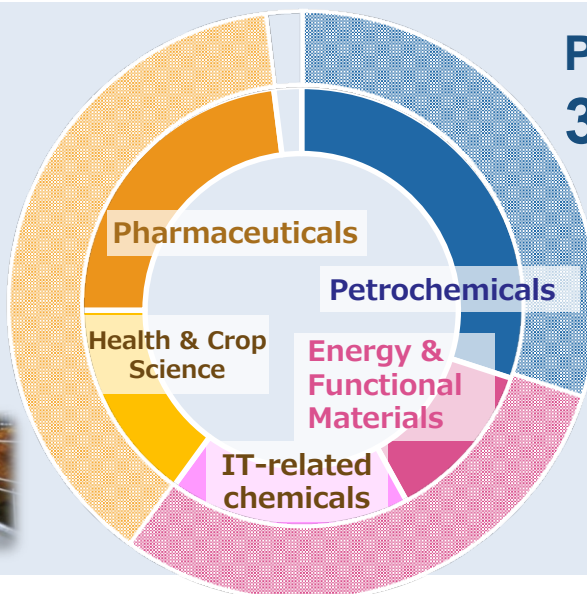
Overview of the Sumitomo Chemical Group

Change & Innovation 3.0: For a Sustainable Future

Established	1913
Sales revenue	2.2 trillion yen / \$20 billion (FY2019)
Sales revenue outside Japan	65.6% (FY2019)
R&D expenses to sales revenue	7.8% (FY2019)
Number of employees (consolidated)	33,586 (As of March 31, 2020)

Sales by segment

Life science
38%



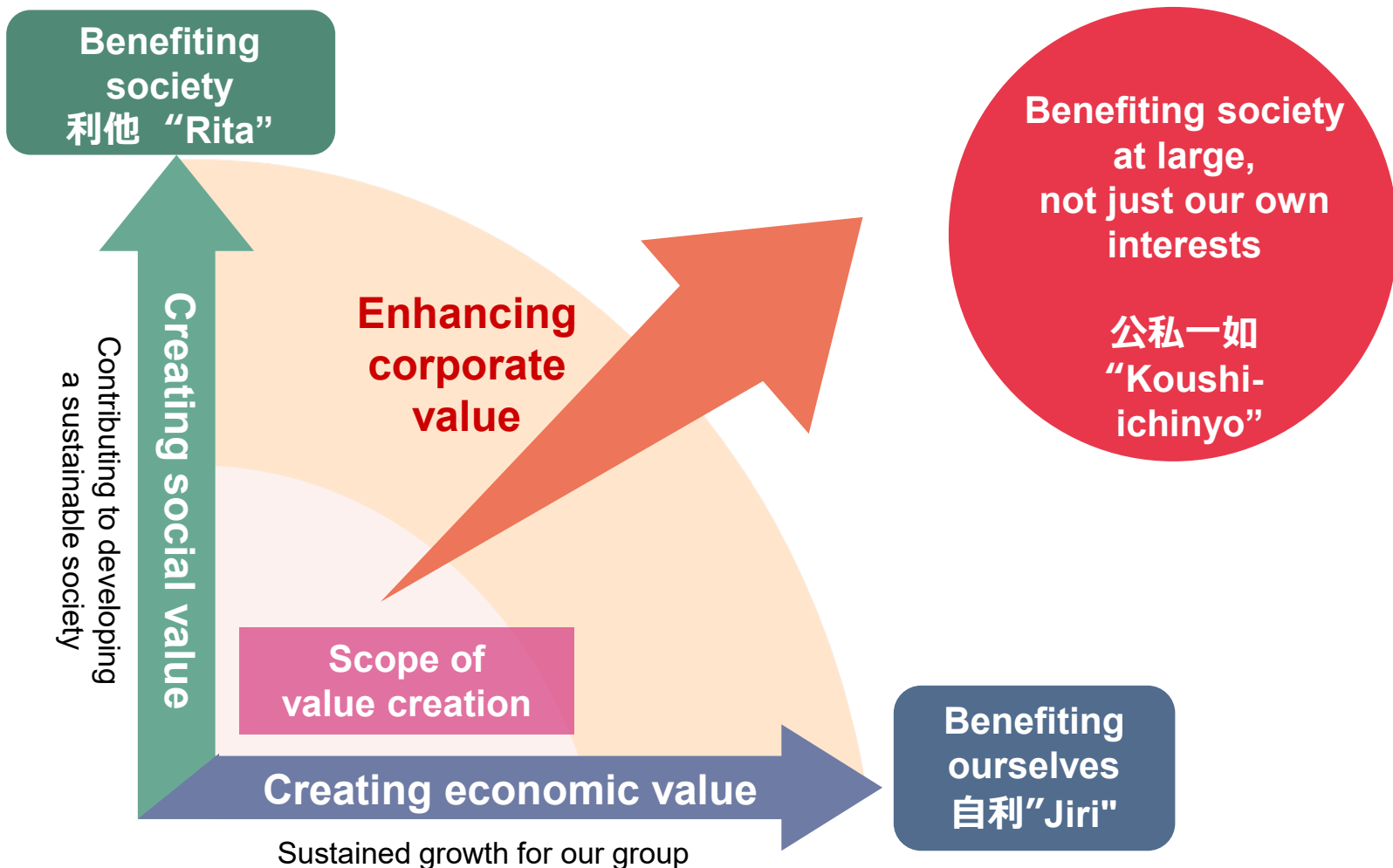
Petrochemicals
30%



High-function materials
30%

自利利他 公私一如
"Jiri-Rita Koushi-ichinyo"

Our business must benefit society at large, not just our own interests.



Material Issues for Sustainable Value Creation

Material Issues for Social Value Creation

Contribution to reducing environmental impact

- Mitigation of climate change
- Contribution through products and technologies
- Efficient use of energy and resources
- Contribution to the recycling of plastic resources

Contribution to solving food issues

Contribution to solving healthcare issues

Contribution to ICT innovation

Material Issues for Future Value Creation

Promotion of technology innovation and research and development

Initiatives for digital innovation

Promotion of diversity and inclusion

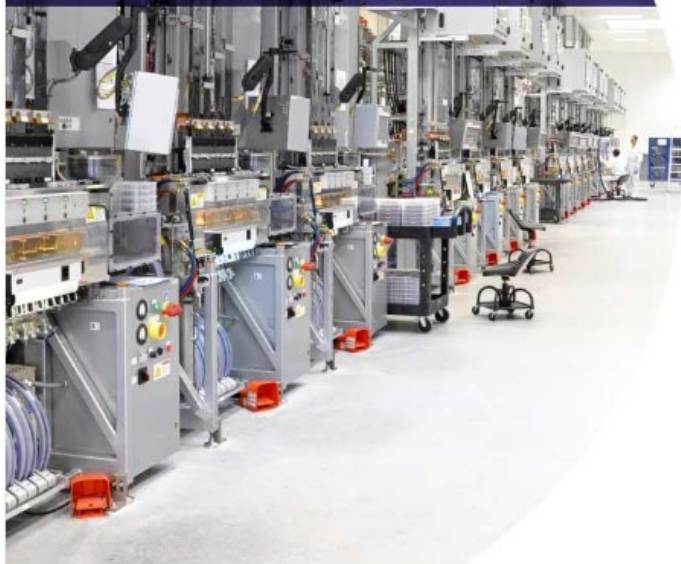
Foundation for Business Continuation

- Occupational safety and health, and operational safety and disaster prevention
- Product safety and quality assurance
- Promotion of employees' well-being
- Respect for human rights
- Compliance
- Anti-corruption



TCFD Chemical Sector Preparer Forum

Climate-related financial disclosure by chemical sector companies: Implementing the TCFD recommendations



Highlights include:

- Sharing **a sense of urgency**
- Integration of **risks and opportunities** into governance processes
- Effective disclosure of **sustainable solutions**



Basic Policy

Sumitomo Chemical is working to address climate change issues on two fronts : **seizing opportunities and addressing risks.**

Governance

Management Meetings and Committees deliberate on major issues and determine measures.

Risk Management

Committees assess and monitor risks.

Strategy

Based on a **scenario analysis**, we work to address climate change on two fronts: **seizing opportunities and addressing risks.**

Metrics and Targets

Seizing Opportunities

- **Sales promotion of SSS-designated products**
- KPIs include **sales revenue of SSS-designated products** and **contribution to reducing GHG emissions throughout the product life cycle.**

Addressing Risks

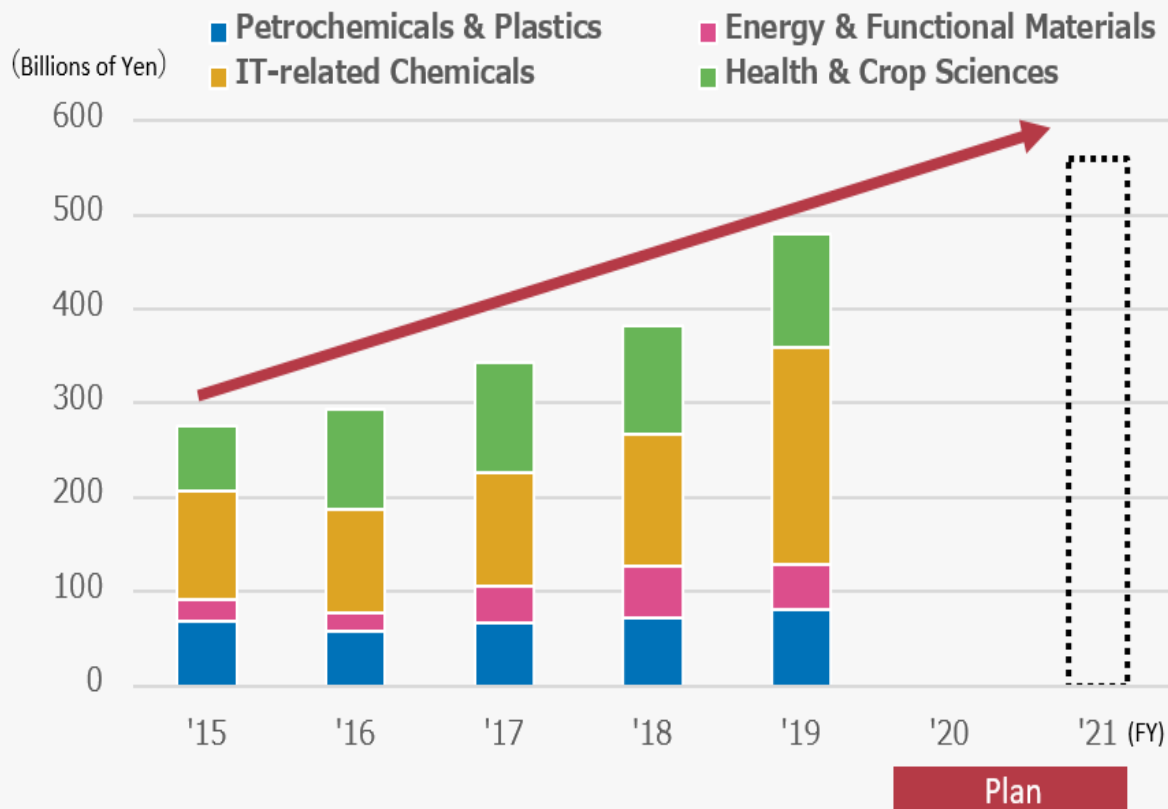
- **Initiatives toward achieving Science Based Targets (SBTs)**
- KPIs include **the amount of Group's GHG emissions** and **unit energy consumption.**

Seizing Opportunities

- Promotion of Sumika Sustainable Solutions (SSS)

Change & Innovation 3.0: For a Sustainable Future

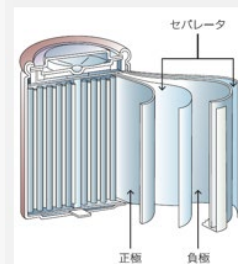
KPI: Sales Revenue of SSS designated Products



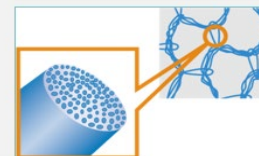
Target : 560 billion yen by fiscal 2021

Reducing greenhouse gas emissions

Separators for Lib



Adapting to the climate change impacts



(Photograph @ M.Hallahan)

Addressing Risks

- Initiatives toward Achieving Science Based Targets (SBTs)

Change & Innovation 3.0: For a Sustainable Future

Reduction targets for GHG emissions certified as SBTs

Scope 1+2

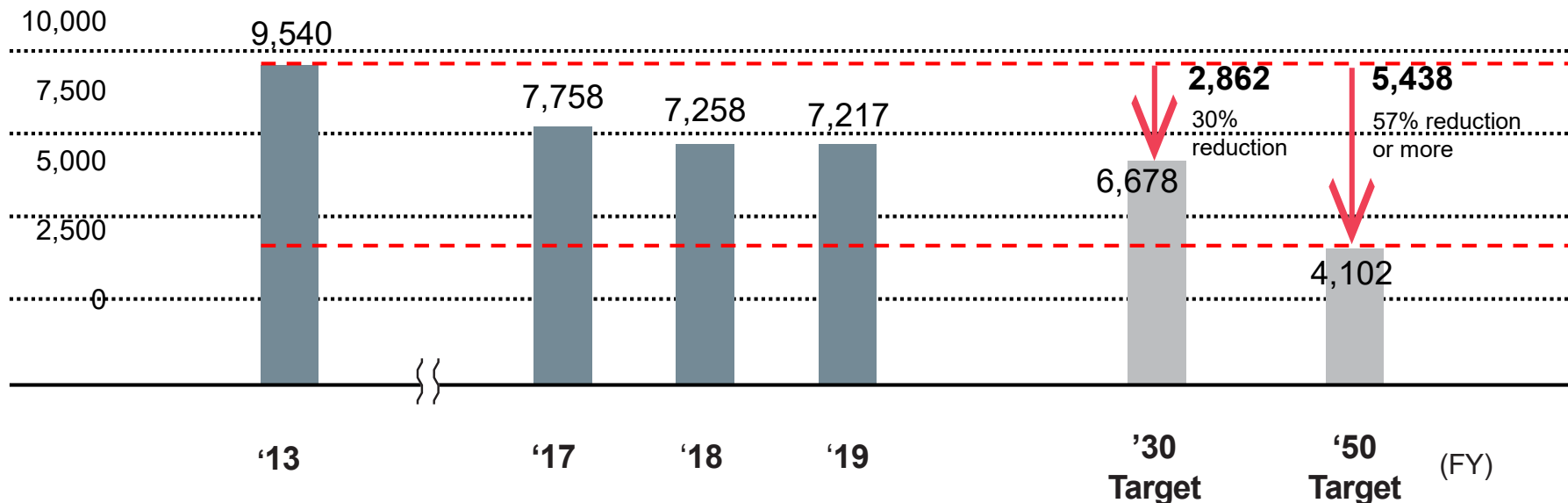
By FY2030

A reduction of **30%**

By FY2050

A reduction of **57% or more**

(Thousand tons)



Initiatives for GHG emissions reduction by fuel conversion

Introduction of highly efficient gas turbine power generators

Replacement of some of the existing boilers

Fuel conversion

Switching from coal, petroleum coke and heavy oil to LNG

Improving heat efficiency

Supplying steam by using high temperature exhaust gas from gas turbine power generators

	Ehime district	Chiba district
Fuel	Coal/heavy oil ⇒ LNG	Petroleum coke ⇒ LNG
GHG emissions reduction	650,000 tons per year	240,000 tons per year



An LNG storage tank, one of the largest in Japan, is under construction in Ehime

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