



## Environmental Protection / Climate Change Action

### Basic Stance

Everyone in the Sumitomo Chemical Group works together to realize environmental management, which helps the Company and society develop in a sustainable manner with due considerations to the environment. Our aim has always been to realize environmental management through our business operations. Thus, we constantly think about how to use the power of chemistry to help resolve global issues, including those related to energy and the environment.

Under the medium-term plan for climate change and environmental protection, which commenced in fiscal 2016, we are working to strengthen key initiatives concerning our production activities with the aim of further enhancing environmental management.

#### **Priority Initiatives of the Medium-term Plan for Addressing Climate Change and Protecting the Environment (Fiscal 2016–Fiscal 2018)**

##### **(1) Addressing Climate Change**

- Achieve the world's highest energy efficiency standards
- Develop processes and products that help build a low-carbon society
- Effectively implement the management of energy, CO<sub>2</sub>, and fluorocarbons
- Respond to government policies on energy and global warming in Japan and overseas

##### **(2) Protecting the Environment**

- Properly respond to more stringent laws and regulations and proactively address trends in new environmental regulations
- Promote voluntary activities related to environmental protection
- Provide individual support to Group companies for responding to environmental regulations
- Provide guidance and support to formulate consolidated Group targets and to achieve said targets



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### Key Initiatives and Results in Fiscal 2017

#### Promote an Optimum Mix of Appropriate Legal and Regulatory Compliance Measures and Voluntary Activities

We respond to revisions of laws and regulations in a systematic and timely manner. We revise environmental risks in various fields and take measures to reduce risks while weighing the costs and benefits.

#### Standardize Environmental Protection Management Methods and Reduce Environmental Treatment Expenses

Sumitomo Chemical completed the introduction of a data management system that uses a cloud system in order to ensure the accurate and prompt collection of a wide range of performance data related to energy and the environment for each Works of the Company and all Group companies in Japan. Going forward, we will roll the system out to Group companies overseas. Meanwhile, we are continuing to carry out the trial evaluation of a waste management system designed to strengthen compliance and increase efficiency by providing the visualization of waste management data from major plants. The entire Group regularly works to efficiently reduce its environmental processing costs for gas emissions, water emissions, and waste materials.

#### Strive to Achieve the New Common Energy and Environmental Protection Targets

In fiscal 2016, we recalculated the base value of net sales for each Sumitomo Chemical Group company and selected major consolidated subsidiaries possessing manufacturing plants for inclusion in the scope of calculation. We decided that we would take on the targets outlined below. Going forward, we will assemble the results of every fiscal year, then follow up on the results of each company and continue striving to improve the performance of the entire Group.

#### Common Goals for Group Companies in Japan and Overseas

	Group Companies in Japan	Group Companies Overseas
Improve unit energy consumption	●	●
Improve unit CO <sub>2</sub> emissions from energy use	●	●
Maintain overall emission levels into the air and water	●	
Maintain industrial waste landfill levels	●	
Improve unit water consumption		●

Note: We used fiscal 2015 (in Japan: fiscal-year basis; overseas: calendar-year basis) as the base fiscal year.