

Realizing a Carbon-Neutral Society

Formulated a grand design to achieve carbon neutrality by 2050

- In December 2021, we formulated a grand design to achieve carbon neutrality by 2050, setting out a direction for our initiatives and goals for our activities. The Sumitomo Chemical Group*¹ commits itself to reducing its greenhouse gas emissions by 50% by 2030 compared to the level of emissions in FY2013, and to achieving carbon neutrality by 2050. Having raised our 2030 emissions reduction target to 50%, we once again received certification from the Science Based Targets (SBTs)*² initiative for this new target as meeting the standard of “well below 2°C.”*³ We will accelerate reductions in greenhouse gas emissions by approaching the issue from the perspectives of both obligations to bring its own greenhouse gas emissions close to zero and contributions through its products and technologies to reducing global greenhouse gas emissions.

Promoting such initiatives as fuel conversion to low-carbon fuels and energy savings

- In the Ehime region, we plan to switch from coal and heavy oil to LNG and, in the Chiba region, from petroleum cokes to LNG. We expect this to yield reductions in annual CO₂ emissions of around 650 and 240 thousand tons, respectively. In addition, we set about a study to take advantage of clean ammonia.

Promoting Sumika Sustainable Solutions

- We are promoting Sumika Sustainable Solutions, which are initiatives to internally designate products and technologies that contribute to global warming countermeasures and environmental impact reduction. A total of 66 products and technologies have been designated, with combined sales of 621.2 billion yen in fiscal 2021 (consolidated). We will continue to stably assess the GHG reduction effects.

Realizing the Recycling of Plastic Resources and Solving Plastic Waste Problems

Practical application of plastic material and chemical recycling

- We set a KPI for the amount of recycled plastic resources used in manufacturing processes, targeting 200k tons annually by 2030.
- Regarding material recycling, from June 2021, we began considering a business alliance with Rever Holdings Corporation, which is a diversified recycling company that handles metals, automobiles, home appliances, and more, with the aim of recycling and effectively utilizing good-quality waste plastic resources. Regarding chemical recycling, in February 2022, four themes related to chemical recycling technology that manufactures chemicals using waste plastic and alcohols were selected for Green Innovation Fund Projects,*⁴ enabling an even greater acceleration of technological development.

Conducting social contribution activities and participating in various alliances

- Since fiscal 2020, we have continued to provide education and raise awareness to enable people to take ownership of various issues related to recycling plastic resources, such as offering original educational videos regarding the basics of recycling plastic resources for all employees and managers in the Sumitomo Chemical Group. In addition, we work daily on separating and collecting waste at each business location. In fiscal 2021, after taking thorough measures to prevent the spread of COVID-19, we carried out a total of 40 social contribution activities, such as cleaning up areas surrounding our business sites and cleaning up neighboring waterways and coasts, at nine of 15 business locations in Japan.
- We participate in the Alliance to End Plastic Waste (AEPW), which is an international alliance working to solve the plastic waste problem, and the Japan Clean Ocean Material Alliance (CLOMA), which is a domestic alliance working to solve the marine plastic waste problem. Our participation in these alliances entails cooperating with others associated with the plastic value chain to address broad social issues that would be difficult to solve alone, such as upgrading the waste collection infrastructure in countries around the world with high emissions of plastic waste.

Management of Chemical Substances and the Promotion of Risk Communication

Reviewing Safety Information on Chemicals and Conducting Risk Assessments

- Performed risk assessments for 810 products to date and publicly released safety summaries for 58 substances. (https://www.jcia-bigdr.jp/jcia-bigdr/en/material/icca_material_list)

LRI*⁵ Initiatives

- Promoted research by actively participating in the LRI program implemented by the Japan Chemical Industry Association as a member of the steering committee and research strategy planning group. Furthermore, we participate in the microplastics task force, which has close ties to the LRI program, and provide feedback.

Enhancing Information Disclosure and Risk Communication

- Published the *Annual Report, Sustainability Data Book*, the *Report on the Environment and Safety (at all worksites)*, local PR newsletters, etc., made information publicly available on the official website, made school visits, accepted student interns, and engaged in dialogue with local residents.

*1 Sumitomo Chemical and its consolidated subsidiaries in Japan and overseas

*2 Stringent GHG emission reduction targets set by companies based on scientific principles to achieve the Paris Agreement

*3 Shared long-term global targets laid out in the Paris Agreement. Defined as holding the global temperature rise from pre-industrial levels to below 2°C and mentioning continuing efforts aimed at holding the rise down to 1.5°C

*4 To realize carbon neutrality by 2050, the Ministry of the Economy, Industry and Trade created a 2 trillion yen fund in NEDO. These projects continuously support companies committed to ambitious targets pertaining to everything from research and development to pilot testing and practical application over a 10-year period.

*5 Long-range Research Initiative: Long-term support for research into the effects of chemical substances on human health and the environment