

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Sojitz Corporation was formed out the union of Nichimen Corporation and Nissho Iwai Corporation, both companies that boast incredibly long histories. For more than 150 years, our business has helped support the development of countless countries and regions. Today, the Sojitz Group consists of approximately 400 subsidiaries and affiliates located in Japan and throughout the world, developing wide-ranging general trading company operations in a multitude of countries and regions.

Sojitz Group is engaged in a wide range of businesses globally, including manufacturing, selling, importing, and exporting a variety of products, in addition to providing services and investing in diversified businesses, both in Japan and overseas. Sojitz operates with a 7-division structure comprising the Automotive Division; the Aerospace & Transportation Project Division; the Infrastructure & Healthcare Division; the Metals, Mineral Resources & Recycling Division; the Chemicals Division; the Consumer Industry & Agriculture Business Division; and the Retail & Consumer Service Division.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	April 1 2021	March 31 2022	No	<Not Applicable>

C0.3

(C0.3) Select the countries/areas in which you operate.

- Argentina
- Australia
- Brazil
- Canada
- Cayman Islands
- Chile
- China
- France
- Germany
- Guam
- Hong Kong SAR, China
- India
- Indonesia
- Japan
- Kenya
- Malaysia
- Mexico
- Myanmar
- Netherlands
- Nigeria
- Philippines
- Puerto Rico
- Republic of Korea
- Russian Federation
- Sri Lanka
- Taiwan, China
- Thailand
- Ukraine
- United Arab Emirates
- United Kingdom of Great Britain and Northern Ireland
- United States of America
- Venezuela (Bolivarian Republic of)
- Viet Nam

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

JPY

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C-CO0.7

(C-CO0.7) Which part of the coal value chain and other areas does your organization operate in?

Row 1

Coal value chain

- Underground coal mining
- Surface coal mining
- Coal derived fuels and chemical feedstocks

Other divisions

- Other minerals mining
- Metal ore mining

C0.8

(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, an ISIN code	JP3663900003

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Chief Executive Officer (CEO)	<p>Sojitz has established the "Sustainability Challenge" as its long-term vision leading up to 2050 as part of its commitment for realizing a decarbonized society. The Sustainability Committee, which is chaired by the CEO, deliberates this "commitment for realizing a decarbonized society" and climate change issues. The CEO, as the chairperson of the Sustainability Committee, holds ultimate responsibility for implementing the company's initiatives.</p> <p>Based on discussions with Sojitz management and climate experts, the CEO instructed Sojitz Group to develop, determine, and disclose quantitative targets for decarbonization and to reduce specific CO2 emissions, such as reducing Scope 1 and 2 emissions by 60% by 2030 and to net zero by 2050. Sojitz announced its policies for decarbonization in March 2021.</p>

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – some meetings	Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding annual budgets Reviewing and guiding business plans Setting performance objectives Monitoring implementation and performance of objectives Overseeing major capital expenditures, acquisitions and divestitures Monitoring and overseeing progress against goals and targets for addressing climate-related issues	<Not Applicable>	<p>Managing Environmental and Social Risk</p> <p>=Risk Management by the Sustainability Committee / Reports Submitted to the Board of Directors (Supervisory Body)=</p> <p>Sojitz Group classifies and defines the many risks associated with our businesses according to our Basic Code of Corporate Risk Management, and we establish a risk management policy and management plan for these risks each year, based on a resolution by the Board of Directors. Among these risks, countermeasure policy and initiatives regarding environmental and social risk are deliberated by the Sustainability Committee. These policies and initiatives may then be put into action following a report to the Management Committee and Board of Directors.</p> <p>Deliberation by the Sustainability Committee</p> <p>Sojitz has established six Key Sustainability Issues (Materiality) (human rights, environment, local communities, resources, human resources, and governance) which all organizations are expected to address, as well as accompanying CSR policies. In establishing these focus areas and policies, we referenced international standards—such as the SDGs to be met by 2030—and identified issues facing our business in the long term, including environmental issues like climate change.</p> <p>Specifically, the Sustainability Committee deliberates policies related to response to environmental and social risk, climate change countermeasures, promotion of supply chain CSR, ESG disclosure, environmental ISOs, promotion of the Sojitz Wood Procurement Policy, social contribution activities, and other CSR topics.</p> <p>Establishing Action Plans for Departments and Offices</p> <p>The policies and items resolved by the CSR Committee and reported to the Management committee and Board of Directors are made known to employees not only through the company intranet, but also through regularly held briefing sessions with each department, organized by the CSR Committee secretariat.</p> <p>In addition to examining a project's business plan, deliberation on all business investments and loans require projects to be analyzed and evaluated for risks to the environment (climate change-related risks) and risks to society (the risk of impacting local residents, labor safety-related risks, etc.) A project's value must be confirmed from a sustainability perspective prior to resolution.</p>

C1.1d

(C1.1d) Does your organization have at least one board member with competence on climate-related issues?

	Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues	Primary reason for no board-level competence on climate-related issues	Explain why your organization does not have at least one board member with competence on climate-related issues and any plans to address board-level competence in the future
Row 1	Yes	<p>For the appointment of directors, Sojitz places emphasis on the skills and careers related to the environment and society in order to further promote the realization of a decarbonized, circular economy, and the resolution of social issues.</p> <p>The following company directors are engaged in addressing climate-related issues.</p> <p>1) Sojitz's Representative Director, President & CEO</p> <p>The president & CEO has served as chairman of the Sustainability Committee and its precursor CSR Committee for approximately 7 years, providing direction on the company's formulation of climate change-related policies and initiatives. Additionally, the president & CEO consults with climate change-related experts at an annual stakeholder dialogue event hosted to gain external opinions, and climate change-related policies and initiatives are updated as appropriate based on consultations with climate experts. The president has acquired extensive climate change-related knowledge through these stakeholder dialogues and through gathering information on external trends.</p> <p>2) Senior Managing Executive Officer</p> <p>The senior managing executive officer is engaged in businesses that include coal trading, the acquisition of upstream interests, and resource recycling, with experience as COO of the corresponding organizations. He also currently conducts executive management of these business areas. Leveraging this expertise, the senior managing executive officer currently serves as a member of Keidanren's Committee on Environment.</p>	<Not Applicable>	<Not Applicable>

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Chief Executive Officer (CEO)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	More frequently than quarterly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

- Sustainability Committee

Important matters concerning Sojitz Group’s sustainability are deliberated by the Sustainability Committee, chaired by the President & CEO.

The Sustainability Committee is an executing body directly under the President & CEO. Its members include the CFO; the Executive Officer COO in charge of Corporate Planning Department, Corporate Sustainability Office, Portfolio Transformation Office; corporate officers in charge of executive management; the Executive Officer CCO in charge of Legal Department, Internal Control Administration Department; the Managing Executive Officer in charge of Human Resources Department, General Affairs & IT Operation Department; the Executive Vice President CISO in charge of Executive Management of Legal, Internal Control Administration, ERP Transition; the Executive Officer COO in charge of PR Department, Risk Management Department; the Executive Officer COO in charge of IR Office.

Additionally, four Audit & Supervisory Board Member attends meetings as an observer. Information deliberated and discussed by the Sustainability Committee is later reported to the Board of Directors and the Management Committee.

- Organizations to Promote Sustainability

The Corporate Sustainability Office is an organization dedicated to promoting sustainability, under the management of the Executive Officer in charge of Corporate Planning. The organization functions as secretariat to the Sustainability Committee and works together with relevant Sojitz Group organizations on sustainability-related efforts.

The CEO of Sojitz concurrently serves as chair of the Sustainability Committee. The CEO is responsible for directing Sojitz Group’s sustainability policy and monitoring the status of its sustainability initiatives. In addition, the Executive Officer in charge of Corporate Planning concurrently serves as the Executive Officer in charge of Sustainability to ensure the implementation and monitoring of sustainability measures. The Sustainability Committee is responsible for assessing climate change-related risks and opportunities by collecting information on the external environment, performing scenario analysis, and conducting other means of assessment. Based on these assessments, the Sustainability Committee carries out planning and support for implementing response measures and initiatives, as well as for monitoring those efforts (including progress management). In addition, the committee is responsible for regularly reporting details and issues regarding these initiatives to the Management Committee and Board of Directors.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Board/Executive board	Monetary reward	Emissions reduction project Emissions reduction target Energy reduction project Energy reduction target Efficiency project Efficiency target Behavior change related indicator Environmental criteria included in purchases Supply chain engagement Company performance against a climate-related sustainability index	Remuneration of Directors is comprehensively determined by taking into account business results and non-financial aspects of performance (including a response to climate change etc).

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	1	As part of the criteria required by ISO14001, Sojitz carries out the PCDA cycle as part of its action plan each year to achieve its long-term vision for 2050 called the "Sustainability Challenge," and each of its "Key Sustainability Issues (Materiality) Goals," which are set to be achieved within the period of the Medium-term Management Plan 2023.
Medium-term	1	3	<p>For the "Promotion of Sustainability Management" as set forth in the previous Medium-term Management Plan 2020, Sojitz will strive to further incorporate the perspective of sustainability in management and more deeply merge its businesses with solutions to environmental and social issues.</p> <p>In Medium-term Management Plan 2023 which spans FY2021 to FY2023, we will continue to reflect the concept of sustainability in our strategies, strengthen businesses that anticipate a decarbonized and recycling-oriented society, and build on our infrastructure-based businesses and services that are indispensable during the transition towards such a society, in addition to expanding our efforts to respect human rights on an ongoing basis.</p> <p>To achieve the goals set forth in the "Sustainability Challenge," we have set "Sustainability Goals" for each Key Sustainability Issue (materiality) to achieve within the period of the Medium-term Management Plan 2023 (During 3 years). Each goal is set to strategically increase sustainability through the promotion of various businesses and initiatives.</p>
Long-term	3	30	<p>Sojitz Group sees more than 3 years to 2050 as its long-term target period, and as a measure aimed at achieving decarbonization, Sojitz has set targets of zero thermal coal interests by 2030 and zero coking coal interests by 2050. In order to continue to "create value and prosperity," as set forth in its corporate statement, Sojitz has established a long-term vision for 2050 called the "Sustainability Challenge." This vision was formed based on the Paris Agreement's call for countries to set targets for 2050 to realize a decarbonized society, as well as the global issues addressed in sustainable development goals (SDGs).</p> <p>Sustainability Challenge: We aim to create sustainable growth for both Sojitz and society by working to help achieve a decarbonized society through our business activities, and by responding to human rights issues, including those within our supply chains.</p>

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

• Sojitz Group develops business in a wide variety of fields, and we believe that the main impacts of climate change on our business involve the following physical risk and two transition risks:

- 1) Rising carbon tax (transition risk)
- 2) Market shrinkage (transition risk)
- 3) Water risk (physical risk)

• In response to these risks, we conduct scenario analysis and apply the transition risks to our business.

- 1) May be impacted by rising carbon prices: Power Generation
- 2) May be impacted by market shrinkage: Coal Interests Business

=Scenario Analysis=

As one method for confirming climate change risk in terms of transition risk, we conducted scenario analysis of our coal interest business and power generation business, which are important businesses in our portfolio and which have a large risk of being impacted by environmental regulations.

• From the perspective of physical risk, it is possible that water risk will impact our business. One of Sojitz's Key Sustainability Issues (Materiality) calls for our company to "develop, use, and supply sustainable resources." This includes water resources, for which experts predict securing a stable supply will only grow harder in the future due to climate change. We believe that the water risk will have a major impact on our businesses. Sojitz Group uses Aqueduct, a tool for analyzing water risk developed by the World Resource Institute, to comprehensively evaluate and hold discussions regarding the situation in water-stressed regions in which Sojitz conducts business (using the Aqueduct indicators "Water Stress," "Water Depletion," "Interannual Variability," and "Seasonal Variability") for Sojitz Group companies, which account for over 99% of the amount of water used by the entirety of Sojitz Group.

As a result, we have confirmed that there are no problems with the measures taken to address risks at the business sites of Group companies. We have also confirmed that there are no problems with the system to respond to risks and report information to Tokyo HQ in the event that a risk should materialize.

Although some coal mines we operate in Australia are designated by Aqueduct as areas with water stress, we do not expect this water risk to materialize as we have been guaranteed a priority supply of water for industrial use over other businesses.

We measure the negative financial impact of new investment and loan projects by the rate of decline in profitability, rather than the absolute loss amount. For this reason, Sojitz considers the impact of losses on new investments and loans to be significant based on a criteria of a return on invested capital (ROIC/CROIC, see note below) of less than 5% as a result of significant losses related to climate change or a decline in earnings due to a shrinking market associated with the transition to a decarbonized society. We are strengthening our monitoring of these risks.

• As for opportunities, Sojitz Group will contribute to the realization of a low-carbon society in the next 10 years and a decarbonized society in the future by expanding its CO2 emission-free renewable energy businesses and plant-derived fuel and raw material business, building and expanding low-carbon businesses such as its natural gas/LNG business and recycling business, and reducing CO2 emissions generated throughout our business activities.

Note:

ROIC (return on invested capital): A financial indicator that shows how much profit a company has generated on capital invested into a business.

ROIC Calculation method: After-tax operating income of the investment target divided by invested capital

CROIC (cash return on capital invested): An index that looks at the efficiency of cash flow in relation to the capital invested by a company in a business.

CROIC Calculation method: Core operating cash flow* divided by invested capital

*Core operating cash flow: Cash flow after deducting changes in working capital from operating cash flows calculated for accounting purposes

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

Sojitz conducts scenario analysis using Wood Mackenzie's scenario analysis that is based on the IPCC 1.5-degree scenario to estimate the risks and impact on the company based on the three scenarios for 2050 contained in the World Energy Outlook, which is published by the International Energy Agency (IEA).

How climate-related risks are identified and evaluated at the company-wide level and facility level:

Identification:

As part of a short-term (annual) risk assessment, Sojitz holds a dialogue with stakeholders every year to provide an opportunity for management to directly exchange opinions with outside experts such as investors, NGOs, and academics. In these dialogues, we confirm future social trends that are likely to occur and then identify risks and opportunities at the company-wide level.

Climate change is one of those risks, but with respect to our businesses, we are utilizing scenario analysis to carefully examine the impacts it will have at the business division-level and at the facility-level.

Evaluation:

Sojitz utilizes Wood Mackenzie's scenario analysis which is based on the IPCC 1.5-degree scenario as well as multiple other scenarios for 2050 in order to forecast demand and pricing and to value assets held by the company.

Additionally, external consultants have identified sectors with the highest CO2 emissions, and we conduct qualitative evaluations to determine where CO2 emissions are highest in the supply chain, applicability to Sojitz's businesses, and possible alternatives (climate change opportunities).

The risk assessment for the mid-term period (Sojitz's 3-year medium-term management plan) identified the power generation sector as responsible for the highest emissions during the first fiscal year of the medium-term management plan and as a significant sector for the company due to its large-scale financial impact. In the second year of the medium-term management plan, Sojitz began to quantify risks for the power generation sector. In the last year of the plan, Sojitz will expand the scope for quantification to other sectors.

As aforementioned, Sojitz conducts scenario analysis multiple times a year, including transition risk assessments in Q1, physical risk assessments in Q2, and qualitative risk assessments in Q3.

As part of long-term risk assessment (for post 2030), Sojitz has formulated risk assessments based on the results of the scenario analysis.

In order to achieve our reduction targets for natural resource interests (reduce thermal coal and gas and oil interests to zero by 2030; reduce coking coal interests to zero by 2050), Sojitz is monitoring progress on the sale of these interests to continue steady progress to achieve these reduction targets.

Specifically, regarding detailed investigations, we have been conducting stress tolerance analysis (scenario analysis) of our thermal power generation business and our coal interests, which are susceptible to transition risks brought about by climate change, by referencing not only the IEA's SD Scenario (the so-called 2°C scenario), but also the 1.5°C scenario of the IEA's "Net Zero by 2050 Report." In addition, for physical risks, we are utilizing the Aqueduct tools provided by the World Resources Institute (WRI) to confirm the impact that water-stressed areas have on each of our businesses and facilities.

= Case Study (Transition Risk) =

(1) Transition risk (rising carbon prices): Applies to our power generation business in the United States and other countries. We have analyzed the impact of demand fluctuations in carbon prices and power sources as well as the cost competitiveness of our assets under multiple scenarios, including the 1.5°C scenario, up to the year 2050.

(2) Transition risk (market shrinkage): Applies to our coal interests in Australia and Indonesia. We have assumed demand and price forecasts and analyzed the value of our assets under multiple scenarios, including the 1.5°C scenario, up to the year 2050.

= Case Study (Physical Risk) =

(3) In recent years, physical risks such as water shortages and flood damage due to climate change have been exposed on a global scale. Sojitz, a general trading company, has business bases and supply chains in more than 100 countries and regions around the world, and these risks could have a significant impact on our corporate activities. Sojitz therefore believes that water risks associated with climate change will have a significant impact on our business, and the company is conducting water risk surveys.

Response and Management Method:

The aforementioned transition risks (1, 2) and physical risks (3) that we have identified and evaluated are included in the risk management policy and management plan established by a Board of Directors' resolution each fiscal year to address the many risks associated with our businesses.

Sojitz also uses the ISO14001 framework as an environmental management system (EMS) to improve our operations and respond to these identified and evaluated risks via a plan-do-check-act (PDCA) process at the business and facility levels. The Sustainability Committee deliberates the policies and initiatives to take in response to these risks, and reports them to the Management Committee and Board of Directors.

Furthermore, when deliberating a new investment project, in addition to examining the project's business plan we analyze and evaluate these aforementioned risks to confirm and the project's value from a sustainability perspective prior to resolution.

= Case Study (Transition Risk) =

We expect that transition risks will become more apparent as global efforts toward a low-carbon and decarbonized society progress. We are conducting scenario analysis of two transition risks that we believe will have a large impact on our business activities, management strategies, and financial planning, and we are confirming our responses and resilience against these risks.

Transition risk: As a result of the scenario analysis, we confirmed that the number of power plants such as Sojitz's Birdsboro Power Plant and the Kleen Power Plant in the US impacted by rising carbon prices and demand fluctuation is limited, and the affected plants are not expected to see assets deteriorate.

As a result of the scenario analysis, even if the most stringent Net Zero scenario becomes a reality, we expect a limited impact on our thermal coal interests and coking coal interests.

= Case Study (Physical Risk) =

Specifically, we identified risks from the perspective of those raised by external consultants and location-specific risks in regions identified by the World Resource Institute (WRI)'s Aqueduct analysis tool for Sojitz Group companies that use the largest amounts of water (over 99% of Sojitz Group's total water use). We then conduct individual consultations with Group companies to ascertain the status of their efforts to address risks we have identified. As a result of the survey, we have confirmed that there are no problems.

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & Inclusion	Please explain
Current regulation	Relevant, always included	Sojitz has joined several power generation projects in the US. An emissions trading scheme has already been introduced in the US, and if the carbon price rises in the future, our costs are expected to increase which puts pressure on profits. We conducted a scenario analysis for our power generation projects in May 2022, and as a part of our risk assessment, we have made a trial calculation of carbon tax costs based on the 1.5°C scenario.
Emerging regulation	Relevant, always included	In the future, there is a possibility that "carbon pricing" such as carbon taxes and emission trading will expand worldwide, and there is a risk that such schemes will be introduced in countries did not previously have a carbon tax, or that the rise in carbon prices will increase Sojitz's costs and reduce profits. Therefore, we are conducting scenario analysis for our power generation businesses which are likely to be affected by carbon prices using each scenario indicated by the International Energy Agency (IEA) in the "World Energy Outlook" and "Net Zero by 2050" to forecast the potential impact. This includes the New Policy Scenario (now STEPS) which is based on the expected introduction of announced regulations, and we are assessing risk by confirming the various announced regulations which are premised on the 2°C and the 1.5°C scenarios.
Technology	Relevant, always included	There is a possibility that Sojitz's business (LNG, renewable energy) will be impacted by technological advancements in the power generation field. We conduct scenario analysis for our power generation plants using each scenario prepared by the International Energy Agency (IEA) in the "World Energy Outlook" to forecast potential business impacts. These scenarios map forecasts leading up to 2050, with our analysis taking into account any regulations which may be introduced, as well as any technological developments assumed to impact business. We assess risks by keeping up-to-date on technological innovations in fields such as solar power plants and EVs, which would have a significant impact on our business.
Legal	Relevant, always included	Environmental issues may arise that result in the suspension or termination of business activities, wastewater disposal and cleanup, lawsuits and compensation for damages, or damage to reputation. Additionally, there is also the risk of climate change-related regulations such as the Paris Agreement posing challenges to business continuity. Executive officers responsible for risk management are appointed, and evaluations and management of risks are carried out according to the Risk Management Policy and Plan formulated by these risk management executive officers. The Internal Control Committee (chaired by the President & CEO) monitors the management of these risks. In addition, the Board of Directors regularly receives reports from organizations including the Internal Control Committee, supervising risks by delegating appropriate actions to be taken. Specifically, Sojitz has established a long-term vision and objectives for response to Key Sustainability Issues (Human Rights, Environment, Resources, Local Communities, Human Resources, and Governance). The Sustainability Committee oversees progress on these objectives, and the Finance & Investment Deliberation Council confirms their relevance in terms of social and environmental risks and sustainability. Additionally, the Group has established an Environmental Policy, Human Rights Policy, and CSR Action Guidelines for Supply Chains, and ensures that all Group members are made aware of these policies. We require that the legal risks of all projects be confirmed using a dedicated checklist. While it is difficult to pick specific examples, some include whether environmental impact assessments required by the laws of each country are carried out, or whether exhaust-related laws are complied with when building factories. Although there is a low-likelihood of such a legal breach occurring, it would have a major impact on the business. Therefore, we use the dedicated checklist to ensure compliance. As legal risks require immediate action, there is a direct reporting system to the president.
Market	Relevant, always included	Executive officers are appointed to evaluate and manage risks according to the Risk Management Policy and Plan, which includes managing market risks such as fluctuations in fossil fuel commodity prices. The Internal Control Committee (chaired by the President and CEO) monitors the management of these risks. In addition, the Board of Directors regularly receives reports from organizations including the Internal Control Committee, supervising risks by delegating appropriate actions to be taken. Specifically, the Group minimizes market risks through such means as matching assets and liabilities (e.g., long and short commodity exposures) and hedging with forward exchange contracts, commodity futures/forward contracts and interest rate swaps. One specific example of market risk is price fluctuation risks for resource trading for coal, oil, and LNG.
Reputation	Relevant, always included	Inadequate response to climate change-related issues could damage the company's reputation. Executive officers are appointed to evaluate and manage risks according to the Risk Management Policy and Plan, which includes reputation-related risks. The Internal Control Committee (chaired by the President & CEO) monitors the management of these risks. In addition, the Board of Directors regularly receives reports from organizations including the Internal Control Committee, supervising risks by delegating appropriate actions to be taken. Specifically, Sojitz has established a long-term vision and objectives for response to key Sustainability Issues (Human Rights, Environment, Resources, Local Communities, Human Resources, and Governance). The Sustainability Committee oversees progress on these objectives, and the Finance & Investment Deliberation Council confirm their relevance in terms of social and environmental risks and sustainability. Additionally, the Group has established an Environmental Policy, Human Rights Policy, and CSR Action Guidelines for Supply Chains, and ensures that all Group members are made aware of these policies. When dealing with reputational risks, we consider the first step to be taking legal measures to address the issue before taking measures that go beyond what is legally required, in order to minimize reputational risk, such as the risk of censure by NGOs. As reputational risks require immediate action, there is a system for reporting directly to the president.
Acute physical	Relevant, always included	As a general trading company, we have business sites and supply chains in more than 100 countries around the world. In the event of abnormal weather conditions such as heavy rains or flooding due to climate change, there is a possibility that our business will be affected due to the suspension of operations at business sites and the disruption of supply chains. In the past, Thai Central Chemical Public Company Ltd., a Sojitz consolidated subsidiary, experienced flood damage at its plant in Nakhon Luang District, Ayutthaya Province, Thailand. In response, we have confirmed that the company is implementing measures such as river monitoring and installing levees around its facilities.
Chronic physical	Relevant, always included	In terms of chronic risks, our business may be affected by "water risks," such as water shortages, flood damage, and future fluctuations in precipitation due to climate change. Sojitz, as a general trading company, operates businesses and supply chains in more than 100 countries around the world, and we believe that our business activities may be significantly affected by such risks. In terms of water shortage risks, Sojitz has paper manufacturing and mining businesses in which water security is important and which may be impacted by water shortages. With regards to risks from flood damage, Sojitz has factories, offices, and other assets around the world that may be affected.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Emerging regulation	Carbon pricing mechanisms
---------------------	---------------------------

Primary potential financial impact

Decreased asset value or asset useful life leading to write-offs, asset impairment or early retirement of existing assets

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

- Among climate change risks, the impact of transition risk (market shrinkage) is large, and in our portfolio, there are important coal interests that we expect will be directly or indirectly affected by environmental regulations related to carbon dioxide emissions.
- Our company holds about millions ton of thermal coal and coking coal interests, mainly in Australia (such as the Gregory Crinum coking coal mine), and other regions such as Indonesia.
- As of the end of March 2019 (Sojitz's base year set for thermal coal interest reduction targets), Sojitz's thermal coal interests (based on book value) totaled JPY 60 billion, which is approximately 6% of Sojitz Group's noncurrent assets of JPY 1,029,400,000,000. We therefore recognize a strong connection between climate change risks and Sojitz's businesses.
- We assume that in the future, climate change will cause our coal interests to be subject to environmental tax/carbon tax/emissions trading, increase rehabilitation costs, facilitate the spread of renewable energy and energy-saving technologies, alter countries' energy mixes and government policies, make renewable energy more price competitive, and push down the financial costs of loans and insurance. Countries around the world may introduce more stringent environmental taxes and emissions trading schemes in line with international agreements.
- Of Sojitz's 7 business units, one owns interests and conducts trading business in fossil fuels (coal), and the scale of the holdings and trading business of this unit may be affected in the long term.

Time horizon

Long-term

Likelihood

Likely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

15000000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

If coal-fired power demand and coal prices continue to fall due to climate change, our company might, in the mid- to long-term, see the value of our coal mines decline or see them become impaired or stranded assets, which may lead to a decrease in trading-based revenue.

We have been conducting scenario analysis since FY2018. In May 2022, we analyzed the value of assets held by our company assuming demand and price forecasts for multiple scenarios up to the year 2050, including the 1.5°C scenario and "Net Zero scenario." As a result, we confirmed that some thermal coal interest assets may deteriorate, but the impact is limited. In the event the 1.5°C scenario is realized, and all coal interests become stranded assets, maximum losses would be JPY 15 billion.

Cost of response to risk

409911479

Description of response and explanation of cost calculation

As the global decarbonization trend accelerates, Sojitz is deepening internal discussions while listening to outside opinions through stakeholder dialogues, and on March 5th, 2021, Sojitz issued a press release on its decarbonization policy in order to hasten the decarbonization of Sojitz Group.

Situation:

As global warming garners more attention worldwide and the trend towards carbon neutrality accelerates, there is a need to shift away from simply using and supplying energy to doing so in an ecologically friendly manner. Amidst this transition, Sojitz faces the challenge of reducing its thermal coal assets which are liable to be impacted by this shift.

Task:

Initially, Sojitz established and announced a policy and strategy to reduce its thermal coal interests (approximately JPY 50 billion as of March 2019) to half or less by 2030, and not to acquire any new thermal coal interests in principle, but was faced with the issue of needing to respond to decarbonization trends in a more timely fashion.

Action:

To this end, Sojitz announced its decarbonization policy on March 5th, 2021, and set forth a strategic change to accelerate its reduction of thermal coal interests from half or less by 2030 to zero by 2030. Sojitz also held stakeholder dialogues to listen to outside opinions, conducted case studies in accordance with this policy, and also conducted scenario analysis. As a result of this analysis, it was determined that there is concern that some thermal coal assets held by the company may deteriorate.

Result:

In order to respond to risks from a shrinking thermal coal market, Sojitz is working to reduce its thermal coal interests.

The related costs for scenario analysis totals JPY 409,911,479, which includes labor costs for those engaged in the sale of thermal coal interests as well as SG&A costs which includes supply costs and other activity costs.

Sojitz Group's total SG&A costs: JPY180.3 billion

Number of Sojitz Group employees: 20,673

Number of coal business department employees: 47

JPY 180.3 billion × 47 employees ÷ 20,673 employees = JPY 409,911,479

Comment

In FY2021, the Metals, Mineral Resources and Recycling Division contributed JPY 5 billion in new investments.

Reference: https://www.sojitz.com/jp/ir/financial/upload/2022e_04_04.pdf#page=9 p. 9

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Emerging regulation	Carbon pricing mechanisms
---------------------	---------------------------

Primary potential financial impact

Decreased asset value or asset useful life leading to write-offs, asset impairment or early retirement of existing assets

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

Among climate change risks, the impact of transition risks (rising carbon prices) is large, and in our portfolio, there are important power generation businesses that we expect will be directly or indirectly affected by environmental regulations related to carbon dioxide emissions. We have power generation projects in the US (such as Sojitz Birdsboro and Sojitz Kleen), Japan, Vietnam, Indonesia, Oman, Saudi Arabia, and Mexico with the total power generated by our holdings reaching approximately 1,600 MW.

We assume that in the future, climate change will cause our power generation businesses to be subject to environmental tax/carbon tax/emissions trading, increase rehabilitation costs, facilitate the spread of renewable energy and energy-saving technologies, alter countries' energy mixes and government policies, make renewable energy more price competitive, and push down the financial costs of loans and insurance.

Sojitz's power generation business is an area that is susceptible to being impacted by carbon dioxide regulations. If the scope of environmental taxes expands due to carbon dioxide regulations and Sojitz must procure emission reduction credits on the market, Sojitz's costs will increase according to the carbon dioxide emissions of its offices, factories, and power generation facilities. These elevated costs may impact our profits.

Time horizon

Long-term

Likelihood

Likely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

5878080000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Sojitz's profits may be impacted if the scope of businesses subject to environmental tax expands, or if Sojitz is required to purchase emissions credits from the market. Our Group's total carbon dioxide emissions for FY2021 came to 1,000,000 tons (total of Scope 1 and Scope 2). In terms of the breakdown by country, 40% of emissions were in developed countries, while 60% of emissions were based in developing countries. We consider there to be a high likelihood that carbon credits will be imposed in developed countries first. In the event that we are required to purchase carbon credits for 40% of our emissions, using the unit price for carbon credits in 2030 given by the World Energy Outlook's NZE Scenario, costs could rise to JPY5,878,080,000 at USD 130/ton-CO₂e.
(1,000,000t-CO₂×40%×USD 130×exchange rate113.04)

Cost of response to risk

34886083

Description of response and explanation of cost calculation

Sojitz is engaged in the power generation business as one of its core businesses. Sojitz has changed strategy of power generation to meet the needs of the times. In the past Sojitz was involved in coal-fired power generation business in China, but in recent years, companies have been required to reduce CO₂ emissions as a measure to fight climate change. As a result, in consideration of business sustainability, Sojitz has changed tactics by adopting a policy of not owning any coal-fired power plants and present, nor in the future.

Sojitz currently engages in gas-fired power generation in the US, the Middle East, and other regions, but we believe that scenario analysis is an essential tool in establishing our climate change strategy to ensure the sustainability of our business, and we spend money to conduct scenario analysis every year.

Case Study:

In response to rapidly advancing low-carbon and decarbonization trends worldwide, it is necessary to confirm the sustainability of our power generation businesses, which is one business area that is expected to greatly influence Sojitz Group's business activities, management strategies, and financial plans.

We are performing various scenario analyses based on the assumptions of multiple scenarios for our power generation business. As a result of this scenario analysis, we were able to confirm that only a limited number of power plants are affected by carbon price and demand fluctuations, and even those affected are not expected to be financially impacted by asset degradation. As a result, we confirmed the safety of existing gas-fired power generation projects, and by making this a point of confirmation for any new projects, we are able to avoid the risk of carbon tax increases.

Cost: We conduct scenario analysis to determine the sustainability of our gas-fired power generation businesses, and we have concluded that the cost of this scenario analysis amounts to JPY 34,886,083. These handling costs include labor costs and all activity costs that comprise SG&A costs, such as supply costs.

Total Sojitz Group SG&A costs: JPY 180.3 billion

Total number of Sojitz Group employees: 20,673 employees

Employees involved with scenario analysis within the business divisions responsible for our power generation businesses: 4 employees

JPY 180.3 billion × 4 employees ÷ 20,673 employees = JPY 34,886,083

Comment

The Infrastructure & Healthcare Division allocated JPY 68 billion to new investment in FY2021.

Reference: https://www.sojitz.com/jp/ir/financial/upload/2022e_04_04.pdf#page=9 p. 9

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Risk type & Primary climate-related risk driver

Chronic physical	Changing precipitation patterns and types (rain, hail, snow/ice)
------------------	--

Primary potential financial impact

Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

From the perspective of physical risk, our business may be affected by water risks, such as water shortages, flood damage, and future precipitation changes due to climate change. As a general trading company, we have business bases and supply chains in more than 100 countries around the world, and we believe that our corporate activities could be significantly affected by such risks.

Among the risks, in terms of water shortages, we have a paper manufacturing business in Vietnam and a mining business in Australia which may be affected by water shortages and for which water security is an important issue. Regarding flood damage, Sojitz has factories, offices, and other assets all over the world that may be impacted.

Time horizon

Medium-term

Likelihood

Unlikely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

20150000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

The risk that could cause the greatest losses is not a water shortage, but flood damage which directly damages assets. Sojitz has factories, offices, and other assets around the world, and we have calculated that the maximum financial impact in the event of a total loss of assets from flood damage would be JPY 201.5 billion.

Cost of response to risk

26164562

Description of response and explanation of cost calculation

Various physical risks have become apparent worldwide, such as water shortages and flood damage due to climate change, and we have changed our strategy to build a company-wide system to address risk management, rather than doing so on an individual project basis. In order to understand the situation, we first confirmed the system for dealing with flood damage, etc., based on the instructions of external consultants and the Aqueduct risk management tool.

S: With regards to physical risks such as flood damage, we have been confirming the risk status through environmental due diligence and other means during deliberations for each project, but recently, physical risks such as flood damage due to climate change have become more apparent worldwide. An actual incident occurred in which a Group company's fertilizer plant in Thailand suffered flood damage.

T: It is therefore necessary to establish a company-wide risk management system, rather than address risk on an individual project basis.

A: In order to clarify the appropriate response of all companies comprising the Group, we verified responses using the water risk analysis tool Aqueduct provided by the World Resources Institute. For example, according to Aqueduct, some areas in Queensland, Australia where we operate coal mines have been designated as water-stressed areas (areas subject to water shortages). We verified the status of our local subsidiary's response to the situation and confirmed that there are no problems due to the fact that the subsidiary has an agreement with the government to receive a priority supply of water.

R: As a result of the risk assessments, we have confirmed that there are no problems with the measures taken by Group companies at their business sites, as well as with their response and reporting system to the head office in the event that a risk should materialize including the coal mine above-mentioned.

Cost:

We have concluded that the costs for conducting scenario analysis on physical risks amounts to JPY 26.1 million. These handling costs include labor costs associated with conducting surveys on water risks (flood risk, etc.) and all activity costs that comprise SG&A costs, such as supply costs.

Total Sojitz Group SG&A costs: JPY 180.3 billion

Total number of Sojitz Group employees: 20,673 employees

Employees involved with water risk surveys: 3 employees

$\text{JPY } 180.3 \text{ billion} \times 3 \text{ employees} \div 20,673 \text{ employees} = \text{JPY } 26,164,562$

Comment**C2.4****(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

Yes

C2.4a**(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.**

Identifier

Opp1

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Products and services

Primary climate-related opportunity driver

Development and/or expansion of low emission goods and services

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

We adopted the COP21 Paris Agreement in December 2015. Although the provisions do not contain any clear target for total CO2 emission reduction, they do state the goal of keeping the increase in global average temperature to well below 2 degree above pre-industrial levels and limit the temperature increase to 1.5 degree.

In response to international decarbonization and low-carbon trends, governments of various countries are tightening CO2-related regulations, and companies are facing calls to use renewable energy. Therefore, companies will likely take steps to increase the ratio of renewable energy that they use.

This will lead to more business opportunities for Sojitz's renewable energy business. Sojitz has worked for many years to accumulate relevant business expertise, such as choosing to join solar power projects overseas ahead of our competitors. In addition to Sojitz's 17 solar operating plants in all over the world (12 in Japan and 5 overseas) and 6 onshore wind power operating plants in Europe/US, we are also involved in a biomass power project in Japan, an onshore wind power project in Japan, an offshore wind power project in Taiwan and recently a new large scale solar photovoltaic project in Australia.

Sojitz is using this expertise to increase the number of renewable energy-related businesses we operate around the world. In recent years, our company has continued to expand this segment laterally, growing to include not only solar/onshore wind power, but other businesses, such as an offshore wind power business.

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

1800000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Beginning with the acquisition of a solar power plant in Germany, we are working in the renewable energy business by utilizing the knowledge cultivated through the development of 12 solar power projects in Japan, and through contributing to the environment, we are complying with the rapid global shift towards decarbonization. As demand for renewable energy is expected to increase in the future, sales are expected to rise as well.

=Financial impact=

The net profit of each renewable energy project company, including five Sojitz Mirai Power companies, was JPY 1.8 billion in FY2021.

Cost to realize opportunity

444797562

Strategy to realize opportunity and explanation of cost calculation

S:There is growing demand worldwide for a shift from thermal power generation to renewable energy. Sojitz will use this as an opportunity to accelerate its efforts in the renewable energy business, which includes not only solar power, but also onshore and offshore wind power.

T:In order to adapt to this situation, it is necessary to accumulate high-quality operating assets to strengthen our renewable energy business, and to accumulate know-how to promote the onshore and offshore wind power businesses in Japan and other countries.

A:Following Sojitz's entrance into the onshore wind power generation business in Europe and the United States, In 2019, Sojitz joined an offshore wind power generation project off the coast of Taiwan's Yunlin Prefecture in 2019, which has similar weather conditions to Japan. Sojitz has accumulated business knowhow over a long period of time, including from participation in overseas solar power projects before other trading companies. Sojitz, along with JXTG Nippon Oil & Energy Corporation, the Chugoku Electric Power Co., Inc., Chudenko Corporation, and Shikoku Electric Power Co., Inc., acquired a 27% stake in a Taiwanese offshore wind power generation company, Yunneng Wind Power Co. Ltd. (Sojitz's stake: 9.1%). This is Sojitz's first involvement in the power generation and offshore wind power business in Taiwan. Through its involvement in the Yunlin wind power project, Sojitz will accumulate know-how in everything from construction to windfarm operation, which we will then utilize for participation in future offshore wind power projects that are planned in Japan. The power plant is expected to have an output of 640,000 kilowatts and become the largest offshore wind farm in Taiwan.

R:Sojitz has accumulated expertise in the offshore wind power business through this project, which will enable it to develop similar businesses in other regions. The project has also provided a foothold to accumulate high-quality operating assets to strengthen Sojitz's renewable energy business.

Cost:We consider related scenario analysis costs as JPY 444,797,562, which includes the labor costs for renewable energy business teams as well as SG&A costs that include activity costs such as supply costs.

Sojitz Group's total SG&A costs: JPY 180.3 billion

Number of Sojitz Group employees: 20,673 employees

Number of renewable energy business department employees: 51 employees

$\text{JPY } 180.3 \text{ billion} \times 51 \text{ employees} \div 20,673 \text{ employees} = \text{JPY } 444,797,562$

Comment

The Infrastructure & Healthcare Division allocated JPY 68 billion to new investment in FY2021.

Identifier

Opp2

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Products and services

Primary climate-related opportunity driver

Development and/or expansion of low emission goods and services

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

In terms of supply, the US has rapidly risen to prominence thanks to the shale gas revolution, while on the demand side, China, India, and other emerging countries in Asia are poised to lead future growth, and we predict their governments and business sectors will promote the rapid introduction of natural gas and LNG as these energy technologies are expected to support the transition to a decarbonized society due to the fact that they emit less CO₂ than coal or oil.

The history of Sojitz's LNG business stretches over roughly 50 years. We have built a track record since the 1970s, operating an integrated LNG business encompassing everything from gas field development to liquefaction, transport, and receiving. Through deep involvement with everything from construction to management of those projects centered on high-efficiency gas-fired power plants, we have accumulated new technologies and operations experience.

We are also able to put together financing plans for these projects quickly, utilizing our worldwide network of excellent customers and government agencies and our business insight. We expect Sojitz to have even more business opportunities in the future, as demand increases for LNG-based power generation.

Sojitz has already begun work on solid natural gas/LNG power generation projects in Indonesia, Bangladesh, Vietnam, and the US. We completed the closing of a natural gas power plant in the US and an LNG-to-Power project in Indonesia. We are developing other LNG-to-Power and natural gas power plants in Bangladesh, and Vietnam, as well.

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

1800000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

We have positioned gas-to-power as a core business area, as it is expected to grow into the pillar that supports increasing energy demand in emerging countries in Asia. In pursuit of greater follow-through and reproducibility for our gas-to-power businesses, we will maximize the synergy gained by merging the team which has handled our historically strong integrated LNG businesses with the team most skilled in PPP/PFI projects for gas-fired power plants. As LNG demand is expected to increase in the future, we forecast an increase in revenue.

=Financial impact=

The FY2021 net profit of LNG Japan Corporation, which is involved in LNG and related businesses, was JPY 3.6billion, and the impact on Sojitz Group will be JPY 1.8billion based on Sojitz's stake in the company.

Cost to realize opportunity

43607604

Strategy to realize opportunity and explanation of cost calculation

Situation:

Governments and companies are expected to rapidly adopt natural gas and LNG, which have lower CO₂ emissions than coal and oil, and are expected to be technologies that will support the transition period towards a decarbonized society.

Task:

Under these circumstances, carbon prices are expected to soar, and the challenge is to expand and strengthen the scope of our portfolio, not only in the gas power generation business using natural gas and LNG, which have higher CO₂ emission efficiency, but also in peripheral businesses from upstream to downstream.

Action:

We successfully closed the Tangguh LNG Project in West Papua Province, Indonesia. This expansion project involves a consortium of Tangguh LNG companies, including LNG Japan Corporation, together with the operator BP (a major energy company based in the UK). With more than 10 Tcf (trillion cubic feet) of remaining recoverable natural gas reserves in Tangguh, this project is expected to ensure a stable, long-term supply of LNG, as even 1 Tcf is enough to supply one million tons of LNG for 20 years.

Result:

In addition to the Tangguh LNG Terminal, in terms of recent achievements, we have already begun work on solid natural gas/LNG power generation projects in the US and SE Asian countries, and have completed closing some of them. We have also reached the closing stage for a US natural gas power generation project. In Indonesia, we have also achieved closing for the Tangguh LNG project. In this way, we will respond to the transition to a decarbonized society by actively working on gas-powered

generation projects using natural gas and LNG, which have better CO2 emission efficiency.

==Cost==

We have concluded that the related scenario analysis costs for our LNG businesses amounts to JPY 43,607,604. These handling costs include labor costs associated with the teams responsible for our LNG businesses and all activity costs that comprise SG&A costs, such as supply costs.

Total Sojitz Group SG&A costs: JPY 180.3 billion

Total number of Sojitz Group employees: 20,673 employees

Total number of employees involved with LNG businesses: 5 employees

$$\text{JPY } 180.3 \text{ billion} \times 5 \text{ employees} \div 20,673 \text{ employees} = \text{JPY } 43,607,604$$

Comment

The Infrastructure & Healthcare Division allocated JPY 68 billion to new investment in FY2021.

Reference: https://www.sojitz.com/jp/ir/financial/upload/2022e_04_04.pdf#page=9 p. 9

Identifier

Opp3

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Products and services

Primary climate-related opportunity driver

Development and/or expansion of low emission goods and services

Primary potential financial impact

Increased revenues through access to new and emerging markets

Company-specific description

In response to the trend towards carbon reduction and decarbonization, governments around the world are enacting stricter CO2-related regulations, and companies are also expected to contribute to decarbonization. The logistics industry is also expected to accelerate its efforts to decarbonize, and electric delivery vehicles are one possible measure to reduce CO2 emissions.

In the "Sustainability Challenge," Sojitz's long-term vision, we have set forth the challenge of realizing a decarbonized society through our business, and we believe that is essential to create new projects that are sustainable over the medium to long term while continuing our existing businesses. To this end, we have launched the "Hassojitz" (Sojitz + Ideas) Project in FY2019, in which we harness the power of ideas to realize new businesses, and young employees selected through internal recruitment are taking the lead in creating businesses for the future in 2050. In the Hassojitz Project, we have focused on the growing demand for electric vehicles (EVs) as an opportunity for the transition to a decarbonized society brought about by climate change. The first investment project that has launched as a result of the Hassojitz Project is a business alliance to support the creation of businesses using EVs, as described below.

In December 2020, Sojitz entered into a capital and business alliance with ASF Co., Ltd., a start-up company which develops, manufactures, and supplies EVs and provides battery-leasing services. In June 2021, Sojitz served as lead investor in a new third-party allotment of shares to be conducted by ASF, thereby strengthening the capital relationship.

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

33000000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

In order to reduce CO2 emissions associated with global warming and to combat air pollution in urban areas, countries around the world are regulating plug-in hybrid vehicles (PHEVs) in addition to conventional gasoline and diesel vehicles. Especially in Europe, which has taken some of the strongest environmental measures in the world, there is a growing movement to eliminate gasoline and diesel vehicles. Gasoline vehicles are expected to be banned in major countries such as Germany, the UK, and France between 2030 and 2040, and according to a survey, EVs (including battery electric vehicles (BEVs), hybrid electric vehicles (HEVs), PHEVs, and mild hybrid electric vehicles (MHEVs)) will account for about 30% of new vehicle sales around the world in 2025, and are expected to surpass the combined market share of gasoline and diesel vehicles to capture a 51% share by 2030.

==Financial Impact==

There were approximately 370,000 new light-duty freight vehicles for "last mile" transportation sold in 2021, and Sojitz is aiming to acquire a 5% share of this market in 2030, which is expected to result in sales totaling JPY 33 billion.

Cost to realize opportunity

87215208

Strategy to realize opportunity and explanation of cost calculation

S: Companies are called on to reduce their CO2 emissions. In addition to Scope 1 and 2 emissions, it is necessary to accelerate the reduction of Scope 3.

T: In the "Sustainability Challenge," Sojitz's long-term vision, we have set a goal of achieving decarbonization by 2050, and our goal in the medium to long term is to create new businesses that are sustainable while working to achieve a decarbonized society.

A:In FY2019, Sojitz launched the “Hassojitz” (Sojitz + Ideas) project, in which we harness the power of ideas to realize new businesses for the future in 2050. In the Hassojitz Project, we have focused on the growing demand for electric vehicles (EVs) as an opportunity for the transition to a decarbonized society brought about by climate change.

R:After consideration, in December 2020, Sojitz entered into a capital and business alliance with ASF Co., Ltd., a start-up company which develops, manufactures, and supplies EVs and provides battery-leasing services. In June 2021, Sojitz served as lead investor in a new third-party allotment of shares to be conducted by ASF, thereby strengthening the capital relationship.

Sojitz will also promote “Green EV Infrastructure” business (EV infrastructure business using clean electricity produced from renewable energy).

In June 2020, ASF signed a basic agreement with XX Co., Ltd., a major Japanese delivery company, to start joint development of small EVs (test vehicles), and has been pursuing joint development and demonstration tests of small commercial EVs specifically for logistics companies. Through third-party allotment of new shares, ASF will begin full-scale development of commercial EVs geared towards mass production. XX Co., Ltd. is expected to start deliveries using EVs developed by ASF in September 2022, and if it replaces all its vehicles with EVs, XX Co., Ltd.’s overall CO2 emissions are expected to decrease by 10% over FY2019.

Cost:We have concluded that the related scenario analysis costs for our EV businesses amounts to JPY 87,215,208. These handling costs include labor costs associated with the departments responsible for our EV businesses and all activity costs that comprise SG&A costs, such as supply costs.

Total Sojitz Group SG&A costs: JPY 180.3 billion

Total number of Sojitz Group employees: 20,673 employees

Total number of employees involved with EV businesses: 10 employees

$\text{JPY } 180.3 \text{ billion} \times 10 \text{ employees} \div 20,673 \text{ employees} = \text{JPY } 87,215,208$

Comment

The Infrastructure & Healthcare Division allocated JPY 68 billion to new investment in FY2021.
Reference: https://www.sojitz.com/jp/ir/financial/upload/2022e_04_04.pdf#page=9 p. 9

C3. Business Strategy

C3.1

(C3.1) Does your organization’s strategy include a transition plan that aligns with a 1.5°C world?

Row 1

Transition plan

Yes, we have a transition plan which aligns with a 1.5°C world

Publicly available transition plan

Yes

Mechanism by which feedback is collected from shareholders on your transition plan

We have a different feedback mechanism in place

Description of feedback mechanism

In formulating and updating our climate transition plan, we held a total of 233 meetings with institutional investors in FY2021 and also invite outside experts to stakeholder dialogues every year in order to stay up to date with current trends. In addition, we hold internal discussions with the COOs of each business division and make policy decisions based on discussions held by the Board of Directors, the Management Committee, and the Sustainability Committee.

Our climate transition plan includes achieving net zero CO2 emissions by 2050 and therefore aligns with the move towards a 1.5-degree world. Our plan includes securing natural gas as a transitional energy source, but our plan is also based on the prediction that renewable energy and CCS technology will be adopted and become widespread at an early stage.

Sojitz strives to maintain an accurate understanding of external trends and perspectives in the process of promoting sustainability, and this understanding is then reflected in our policies and business activities. In addition, through appropriate disclosure and engagement, we are putting into practice a cycle that allows all of our stakeholders to offer us further new opinions.

- ◆ Sustainability Management Promotion Cycle
 - ① Dialogue/Understanding of External Trends and Opinions
 - ・ Stakeholder dialogues(once a year)
 - ・ Monitoring of external scenarios, technology trends, and EU taxonomy
 - ・ Awareness gained through ESG dialogues and external assessments
 - ② Policy Creation
 - ・ Organization of relevant points of contention and approaches
 - ・ Formulation of policies
 - ・ Clarification of risks and opportunities by division
 - ③ Action
 - ・ Reflection of trends in and execution of business strategies
 - ・ Monitoring of risk response measures and businesses for capitalizing on opportunities through the Sustainability Committee
 - ・ Deliberation of new finance and investment proposals and their reflection in organization appraisals
 - ④ Disclosure
 - ・ Disclosure through media such as integrated reports and websites
 - ・ Arrangement of ESG briefings
 - ・ Analysis and disclosure based on frameworks such as the TCFD and VRF

Frequency of feedback collection

More frequently than annually

Attach any relevant documents which detail your transition plan (optional)

https://www.sojitz.com/jp/csr/sojitz_esg/e/climate.php

Explain why your organization does not have a transition plan that aligns with a 1.5°C world and any plans to develop one in the future

<Not Applicable>

Explain why climate-related risks and opportunities have not influenced your strategy

<Not Applicable>

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

	Use of climate-related scenario analysis to inform strategy	Primary reason why your organization does not use climate-related scenario analysis to inform its strategy	Explain why your organization does not use climate-related scenario analysis to inform its strategy and any plans to use it in the future
Row 1	Yes, qualitative and quantitative	<Not Applicable>	<Not Applicable>

C3.2a

(C3.2a) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenario	Scenario analysis coverage	Temperature alignment of scenario	Parameters, assumptions, analytical choices
Transition scenarios IEA NZE 2050	Business activity	<Not Applicable>	<ul style="list-style-type: none"> As a way to confirm climate change risk, we conduct scenario analysis of our coal (thermal coal and coking coal) interests, which is a major part of our portfolio, as well as of our power generation business, as we anticipate that they will be impacted directly and indirectly impacted by carbon dioxide-related environmental regulations. This scenario analysis was carried out under the International Energy Agency (IEA) 1.5-degree scenario (IEA NZE 2050). We believe that these scenarios are consistent with our medium- and long-term climate change-related goals for 2050.
Physical climate scenarios RCP 8.5	Company-wide	<Not Applicable>	<p>In addition to preparing for transition risks such as new regulations aimed at mitigating climate change, we are also planning ways to address physical risks in the event that climate change cannot be avoided and global warming continues to progress. To begin with, we are examining the risks to our assets, primarily focusing on water-related risks such as floods and droughts.</p> <p>Physical risks present an "acute risk" in terms of potential damage to company assets as a result of abnormal weather and reduced profits attributable to disruptions to the supply chain network. "Chronic risk" from changes in climate patterns are expected to cause a future decline in profits.</p> <p>We see acute risks as urgent issues to be addressed. Sojitz is therefore focusing on water-related physical risks, which investors are highly attuned to, by conducting risk analysis for droughts. Specifically, Sojitz utilizes the Aqueduct tool to widely assess the entirety of water risk for Group companies with the highest freshwater usage.</p>

C3.2b

(C3.2b) Provide details of the focal questions your organization seeks to address by using climate-related scenario analysis, and summarize the results with respect to these questions.

Row 1

Focal questions

Sojitz holds coal interests and natural gas-fired power plant assets. As power plants that directly emit CO2 are under pressure to reduce emissions, it is possible that these businesses will become stranded assets in the future. In the event that our coal thermal power plants, with their particularly high emissions, lose their competitiveness, we can expect upstream demand for thermal coal to decrease as well.

Additionally, we view our gas-fired power plants, with their comparatively lower emissions, only as a means for transitioning towards decarbonization. It is likely that gas-fired power will also eventually lose its competitiveness due to rising carbon prices and the spread of renewable energy.

Based on these circumstances, we can conclude that our gas-fired power plants are directly impacted by decarbonization, while our coal interests are indirectly impacted. We therefore conduct scenario analysis in order to identify which of our assets are at risk for becoming stranded assets in the future.

While some business sectors contain transition risks, it is possible that new technological innovations may be introduced in order to address these risks. We view these new technologies and approaches as business opportunities for Sojitz, and we aim to leverage these innovations to create future Scope 4 (avoided) emissions.

Results of the climate-related scenario analysis with respect to the focal questions

We determined through scenario analysis that the deterioration of a portion of our coal assets would have a limited impact, and that our power generation businesses are not expected to become stranded assets. We will continue to conduct scenario analysis on a yearly basis in order to closely monitor the health of our assets.

Regarding our power generation business, we conducted analysis based on the IPCC 1.5 degree scenario that is consistent with IEA's 1.5 degree scenario approach to determine the impact of carbon pricing and fluctuations in demand, as well as the cost competitiveness of our assets. As a result of our analysis, we believe that a limited number of power plants will be impacted by carbon prices and fluctuating demand. Additionally, power plants that would be affected are not expected to see financial impacts such as asset deterioration.

Based on the above analysis, Sojitz has established the following policies:

With the book value of the assets of our thermal coal interests in the FY2018 as a base, reduce thermal coal assets to half or less by 2025 and to zero by 2030. (Target deadline moved to earlier date from the previously announced goal of reducing to half or less by 2030. Some of our Australian thermal coal interests still had remaining reserves, but in response to this policy, we accelerated the closure of coal mines by three years and recorded impairment loss in FY2020.)

- In principle, Sojitz will not acquire new thermal coal interests.
- Sojitz will not undertake new initiatives in the coal-fired power generation business. (We have no current projects, we already have no assets, and will not undertake more in the future.)

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	<p>1. Explanation of how climate-related risks and opportunities have impacted our business strategies in relevant industries and the time horizons (target periods/time frames) of those strategies:</p> <p>In FY2019, we announced our goal to reduce the assets of our thermal coal interests (approx. JPY 50 billion) to half or less by 2030 as part of our decarbonization strategy for 2050. However, in light of the results of scenario analysis and current decarbonization trends, we have chosen to accelerate the timeline of this goal. In March 2021, we announced our policy to reduce the assets of our thermal coal interests to half or less by 2025 and to zero by 2030.</p> <p>2. Case study: Most significant strategic decisions in light of the impact of climate-related risks and opportunities</p> <p>Situation: In light of rising global environmental awareness and greater emphasis on sustainable growth, Sojitz acknowledges the need to reform its existing resource-related business models, such as by shifting its coal assets, currently weighted towards thermal coal, to high-quality coking coal.</p> <p>Task: As the speed of global decarbonization has accelerated, Sojitz needs to address the demand to accelerate strategies for reducing not only thermal coal, but also coking coal.</p> <p>Action: In FY2019, Sojitz reduced its thermal coal interests by divesting interest in Moolarben Coal Mine, Australia. Sojitz invites environmental experts for periodic stakeholder dialogues. Sojitz created a decarbonization roadmap for 2050 based on opinions from the COOs of each of the business divisions and discussion within the company.</p> <p>Result: Under the policy Sojitz announced in FY2019, the target for reducing assets of thermal coal interests to half or less by 2030 was revised to a new accelerated target of reducing assets to zero by 2030.</p> <p>In March 2021, Sojitz also announced a new policy to reduce assets of coking coal interests to zero by 2050. In April 2021, Sojitz changed its Metals & Mineral Resources Division to the Metals, Mineral Resources & Recycling Division in order to strengthen its recycling businesses that contribute to the realization of a circular economy, such as its electric furnace-related business.</p>
Supply chain and/or value chain	Yes	<p>1. Our strategies were primarily centered around existing resource-related business models that focused on the sale of coal. However, coal-fired power plants downstream in the supply chain emit large amounts of CO₂. By establishing a policy towards decarbonization and setting out to reduce our coal interests, we can encourage coal-fired power plants to pursue decarbonization.</p> <p>We have established our goal of reducing our carbon interests in order to contribute to the realization of a decarbonized society. We have also taken this as a business opportunity and have shifted our strategy to focus on researching alternative fuels, including hydrogen.</p> <p>We concluded that although hydrogen fuel may not be introduced into practical use until the late 2030s and not in wide spread use until the 2040s, it would still be ideal for us to establish storage methods and transport technology as early as possible ahead of these developments. To this end, we are conducting surveys in preparation for the construction of a hydrogen supply chain.</p> <p>2. Case study: Most significant strategic decisions in light of the impact of climate-related risks and opportunities</p> <p>S: Amid the global trend towards decarbonization, the establishment of a hydrogen supply chain is an essential step towards facilitating the widespread use of hydrogen as an alternative energy source. Sojitz is collaborating with Hrein Energy Co., Ltd. to conduct studies using their LOHC* technology—which facilitates the storage and transport of hydrogen gas—with the aim of building a hydrogen supply chain.</p> <p>T: In order to facilitate the practical usage of hydrogen fuel on a commercial basis, Sojitz needs to conduct research on the costs, required permits and licenses, and relevant laws.</p> <p>A: Sojitz sought to acquire a feasibility study project as part of NEDO's "International Demonstration Project on Japan's Energy Efficiency Technologies."</p> <p>R: Sojitz was awarded the feasibility study under NEDO. By the end of FY2020, Sojitz investigated details including the required permits and licenses and hydrogen supply and demand potential. Based on the results of the study, Sojitz initiated proof-of-concept testing on storage and transport methods beginning in FY2021 through to FY2023.</p> <p>*Liquid Organic Hydrogen Carriers (LOHC): A technology that facilitates the storage and transport of methylcyclohexane (MCH).</p>
Investment in R&D	Yes	<p>1. Sojitz announced its strategy to shift from thermal coal to coking coal. In light of trends towards decarbonization, Sojitz then committed to realizing a decarbonized society and changed its strategy to prioritize not only reducing both thermal coal and coking coal interests, but also to promote the development of CO₂ capture technology in order to contribute to global decarbonization. Until now, we had expected that CCUS technology would not be ready for practical implementation until after 2050. However, taking into account efforts to realize a decarbonized society by 2050, we believe that the development of CCUS technology must be accelerated. Therefore, we are also investing in CCUS technology demonstration projects as one measure to prepare for decarbonization.</p> <p>2. Case study: Strategic decision-making</p> <p>S: It is vital that CCUS technology be made commercially viable and in widespread use as one measure for realizing a decarbonized society in line with Sojitz's 2050 vision.</p> <p>T: CCUS technology is currently expensive and is not yet ready for practical application on a commercial basis. However, Sojitz foresees the possibility that CCUS technology will be in widespread use beyond 2030, and Sojitz therefore needs to move quickly in conducting cost verification.</p> <p>A: Sojitz is conducting research on CCUS technology as an investment strategy for encouraging widespread use of the technology while keeping costs as low as possible. Specifically, in August 2018, Sojitz and Japan Petroleum Exploration Company Limited (JAPEX) proposed a project to the Indonesian government to study the outcomes and effectiveness of CCUS technology in oil fields in South Sumatra, Indonesia. The project would create carbon credit for Japan and facilitate the spread and commercialization of CCUS technology. Sojitz and JAPEX also conducted a study to quantify the amount of greenhouse gas emissions that could be reduced through CCUS technology that has not yet been utilized under bilateral agreements such as the Joint Crediting Mechanism (JCM).</p> <p>R: Through their research, Sojitz and JAPEX were able to construct a framework for the effective reduction of CO₂ through the JCM. They also confirmed that the investment costs could be minimized through the use of CO₂ recycling facilities across all of the oil fields. Sojitz will build upon these results as it moves forward with its research.</p>
Operations	Yes	<p>1. We have previously announced our strategy to reduce the thermal coal interests that make up our potential Scope 3 CO₂ emissions by half by 2030. Recently, not only have companies come under greater pressure to take concrete steps towards decarbonization, but various new business opportunities and possibilities have also arisen along with the move towards a decarbonized society. In light of these changes, we modified our strategy to include the complete elimination of not only our Scope 3 emissions, but also all Scope 1 and Scope 2 emissions as well. We also announced our policy in March 2021 describing our specific goals for pursuing new business opportunities such as renewable energy businesses and businesses related to the circular economy.</p> <p>2. Case study: Strategic decision-making</p> <p>Situation: Sojitz's Scope 1 and Scope 2 emissions total approximately 1 million tons of CO₂. There is a possibility that escalating carbon taxes may negatively impact Sojitz's earnings in the future.</p> <p>Task: In order to respond to recent demands for companies to move towards decarbonization, and to safeguard against future rising carbon taxes, Sojitz has an urgent need to improve the efficiency of its Scope 1 and Scope 2 emissions. One method for achieving this goal is to improve the efficiency of Sojitz's CO₂ usage in the thermal power generation sector, including of coal-fired power generators with their especially large CO₂ emissions.</p> <p>Action: Sojitz implements the following two measures for improving the efficiency of its CO₂ emissions:</p> <p>1. In the thermal power generation sector, Sojitz strives for the highest level of efficiency within its already efficient gas power businesses.</p> <p>2. Sojitz seeks to expand renewable energy businesses.</p> <p>Sojitz implements these measures on an ongoing basis and was particularly active in FY2020, taking steps to invest in a project in the wind power sector, a promising industry where we expect demand to increase in the future.</p> <p>Result: As a result, Sojitz invested in a project for the construction of a 640MW wind farm offshore of Taiwan's Yunlin County. Power will be sold to Taiwan Power Company over a 20-year period using a feed-in tariff scheme.</p> <p>With these projects, we have gained a foothold to increase our CO₂ efficiency in the power generation sector.</p>

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Assets	<p>· Among climate change risks, the impact of transition risk (market shrinkage) is large, and in our portfolio, there are important coal interests that we expect will be directly or indirectly affected by environmental regulations related to carbon dioxide emissions.</p> <p>· Our company holds about millions ton of thermal coal and coking coal interests, mainly in Australia (such as the Gregory Crinum mine), and other regions such as Indonesia.</p> <p>· We assume that in the future, climate change will cause our coal interests to be subject to environmental tax/carbon tax/emissions trading, increase rehabilitation costs, facilitate the spread of renewable energy and energy-saving technologies, alter countries' energy mixes and government policies, make renewable energy more price competitive, and push down the financial costs of loans and insurance. Countries around the world may introduce more stringent environmental taxes and emissions trading schemes in line with international agreements.</p> <p>· Of Sojitz's seven business divisions, one owns interests and conducts trading business in fossil fuels (coal), and the scale of the holdings and trading business of this unit may be affected in the long term.</p> <p>Explanation of financial impacts: If coal-fired power demand and coal prices continue to fall due to climate change, our company might, in the mid- to long-term, see the value of our coal mines decline or see them become impaired or stranded assets. This may lead to a decrease in trading-based revenue.</p> <p>We have been conducting scenario analysis since FY2018. In 2022, we conducted an analysis of the value of our assets with assumed demand and price forecasts based on the Net Zero by 2050 report and other scenarios looking towards 2050. As a result, we confirmed that some thermal coal interest assets may deteriorate, but the impact is limited.</p> <p>Sojitz established the following policies based on the results of its scenario analysis:</p> <p>· With the book value of the assets of our thermal coal interests in the FY2018 as a base, reduce thermal coal assets to half or less by 2025 and to zero by 2050. (Target deadline moved to earlier date from the previously announced goal of reducing to half or less by 2030.)</p> <p>· In principle, not acquire new thermal coal interests.</p> <p>· Not undertake new initiatives in the coal-fired power generation business. (We have no current projects, we already have no assets, and will not undertake more in the future.)</p> <p>The assets affected by these policies total JPY 50 billion, but we have reduced assets of JPY 40 billion by the end of March 2022. If, by 2030, we reduce the assets of our coal interests to zero as compared to the end of March 2019, since 2022, the additional assets reduced by selling is about JPY 10 billion.</p> <p>The assets affected by these policies total JPY 50 billion, but we have already reduced JPY 40 billion of these assets as of the end of March 2022. If, by 2030, we reduce our thermal coal interests to zero relative to the end of March 2019, additional assets to be sold off or otherwise reduced will be about JPY 10 billion from FY2022.</p> <p>Based on the above policies, Sojitz sold its 10% stake in Moolarben Coal Mine, a thermal coal mine located in New South Wales, Australia, to a wholly-owned subsidiary of project partner Yancoal Australia Ltd., for AUD 300 million.</p>

C3.5

(C3.5) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's transition to a 1.5°C world?

Yes

C3.5a

(C3.5a) Quantify the percentage share of your spending/revenue that is aligned with your organization's transition to a 1.5°C world.

Financial Metric

CAPEX

Percentage share of selected financial metric aligned with a 1.5°C world in the reporting year (%)

Percentage share of selected financial metric planned to align with a 1.5°C world in 2025 (%)

Percentage share of selected financial metric planned to align with a 1.5°C world in 2030 (%)

Describe the methodology used to identify spending/revenue that is aligned with a 1.5°C world

In FY2021, Sojitz executed approximately JPY 150 billion in investments of which approximately JPY 70 billion in investments were in focus areas such as infrastructure and healthcare (addressing social issues that include the need for essential infrastructure development and service businesses.)

Sojitz's main projects include an energy conservation business in the U.S. (the business provides diagnosis, repair, and maintenance services for lighting, heating, and AC systems at schools and hospitals in order to reduce CO2 emissions through improved energy efficiency and to lower rising utility costs); a natural gas-fired power and desalination project in the UAE; a gas retail business in Nigeria; a rooftop solar generation business in Vietnam; a renewable electricity retail business in Spain; and a solar power business in Australia.

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 1

Year target was set

2021

Target coverage

Company-wide

Scope(s)

Scope 1

Scope 2

Scope 2 accounting method

Location-based

Scope 3 category(ies)

<Not Applicable>

Base year

2019

Base year Scope 1 emissions covered by target (metric tons CO2e)

969775

Base year Scope 2 emissions covered by target (metric tons CO2e)

152108

Base year Scope 3 emissions covered by target (metric tons CO2e)

<Not Applicable>

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

1121884

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

<Not Applicable>

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

Target year

2030

Targeted reduction from base year (%)

60

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

448753.6

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

700617.64

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

219179.82

Scope 3 emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

919797.47

% of target achieved relative to base year [auto-calculated]

30.021899174365

Target status in reporting year

Underway

Is this a science-based target?

No, and we do not anticipate setting one in the next 2 years

Target ambition

<Not Applicable>

Please explain target coverage and identify any exclusions

FY2019 serves as the base year, with Sojitz and its consolidated subsidiaries included in the scope.

Plan for achieving target, and progress made to the end of the reporting year

In terms of Scope 1 and 2, we are confirming response measures and implementation schedules together with Group companies with the highest emissions and plan to begin introducing renewable energy for certain businesses.

List the emissions reduction initiatives which contributed most to achieving this target

<Not Applicable>

Target reference number

Abs 2

Year target was set

2021

Target coverage

Business activity

Scope(s)

Scope 3

Scope 2 accounting method

<Not Applicable>

Scope 3 category(ies)

Category 2: Capital goods

Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)

Category 9: Downstream transportation and distribution

Category 11: Use of sold products

Category 15: Investments

Base year

2018

Base year Scope 1 emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 2 emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3 emissions covered by target (metric tons CO2e)

5744273

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

5744273

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

<Not Applicable>

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

<Not Applicable>

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

100

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

Target year

2030

Targeted reduction from base year (%)

100

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

0

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3 emissions in reporting year covered by target (metric tons CO2e)

855811

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

855811

% of target achieved relative to base year [auto-calculated]

85.1014915203369

Target status in reporting year

Underway

Is this a science-based target?

No, and we do not anticipate setting one in the next 2 years

Target ambition

<Not Applicable>

Please explain target coverage and identify any exclusions

Applicable to Scope 3 emissions from thermal coal interests. Setting 2018 as the base year, we aim to reduce these interests to half or less by 2025 (based on book value) and to zero by 2030. If thermal coal interests are reduced to zero, annual Scope 3 emissions from thermal coal interests will also total zero.

Plan for achieving target, and progress made to the end of the reporting year

In terms of thermal coal interests, we have achieved our goal of reducing these interests to half or less by 2025 ahead of schedule. In addition, we will conduct qualitative

assessments to get an overall view of Sojitz Group's Scope 3 emissions. In particular, we will start measuring values beginning with the power generation section, which has high CO2 emissions and large-scale impacts on our company's businesses.

List the emissions reduction initiatives which contributed most to achieving this target

<Not Applicable>

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

Net-zero target(s)

Other climate-related target(s)

C4.2b

(C4.2b) Provide details of any other climate-related targets, including methane reduction targets.

Target reference number

Oth 1

Year target was set

2021

Target coverage

Business division

Target type: absolute or intensity

Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Fossil fuel reduction target	Other, please specify (We reduce thermal coal interests to half or less by 2025 and zero by 2030.)
------------------------------	--

Target denominator (intensity targets only)

<Not Applicable>

Base year

2018

Figure or percentage in base year

100

Target year

2030

Figure or percentage in target year

0

Figure or percentage in reporting year

30

% of target achieved relative to base year [auto-calculated]

70

Target status in reporting year

Underway

Is this target part of an emissions target?

Yes, applicable to the aforementioned emissions target Abs2.

Is this target part of an overarching initiative?

No, it's not part of an overarching initiative

Please explain target coverage and identify any exclusions

Using 2018 as the base year, reduce thermal coal interest assets to half or less by 2025 and to zero by 2030.

Target deadline moved to earlier date from the previously announced goal of thermal coal interests to half or less by 2030.

Plan for achieving target, and progress made to the end of the reporting year

In line with our policy of reducing our thermal coal assets, Sojitz sold its 10% stake in Moolarben Coal Mine, a thermal coal mine located in New South Wales, Australia, to a wholly owned subsidiary of project partner Yancoal Australia Ltd., for AUD 300 million in March 2020. As a result, Sojitz is making steady progress in reducing its thermal coal interests to zero by 2030.

Thermal coal interests (based on book value) are steadily being reduced each year with JPY 30 billion in FY2019, JPY 25 billion in FY200, and JPY 10 billion in FY2021.

List the actions which contributed most to achieving this target

<Not Applicable>

C4.2c

(C4.2c) Provide details of your net-zero target(s).

Target reference number

NZ1

Target coverage

Company-wide

Absolute/intensity emission target(s) linked to this net-zero target

Abs1

Target year for achieving net zero

2050

Is this a science-based target?

No, but we are reporting another target that is science-based

Please explain target coverage and identify any exclusions

FY2019 is set as the base year, and Scope 1 and 2 for existing businesses (non-consolidated and consolidated subsidiaries) are applicable.

Do you intend to neutralize any unabated emissions with permanent carbon removals at the target year?

Yes

Planned milestones and/or near-term investments for neutralization at target year

Initially focus on electricity (SCOPE2) where clear alternatives exist, i.e. renewables.
Review businesses from perspective of decarbonization etc. against obsolescence risks with view to possibility of exiting.
For SCOPE1, priority on switching away from low-efficiency coal- and oil-fired power generation assets as renewal becomes due. Longer time horizon for gas-fired power generation as alternatives such as hydrogen and ammonia not yet economically justifiable and require further technological innovation.
Carbon offset certificates may be utilized for remaining CO2 emissions but only minimally.

Planned actions to mitigate emissions beyond your value chain (optional)

C-CO4.2d

(C-CO4.2d) Indicate which targets reported in C4.1a/b incorporate methane emissions, or if you do not have a methane-specific emissions reduction target for your coal mining activities, please explain why not and forecast how your methane emissions will change over the next five years.

Targets specified in the response for C4.1a/b do not include methane emissions.

Reason: The company believes it is important to first understand and measure emissions throughout the supply chain for CO2 from fossil resources and in the power generation sector. Moving forward, Sojitz plans to gradually expand its target sectors. However, as a general trading company that handles a wide range of businesses, assessing the entire supply chain across diverse sectors requires extensive time. Therefore, we plan to prioritize the specified sectors first.

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	16	298651
To be implemented*	5	76538
Implementation commenced*	0	0
Implemented*	1	31.13
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Low-carbon energy generation	Solar PV
------------------------------	----------

Estimated annual CO2e savings (metric tonnes CO2e)

31.13

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

477829

Investment required (unit currency – as specified in C0.4)

0

Payback period

No payback

Estimated lifetime of the initiative

1-2 years

Comment

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Employee engagement	We established the Sojitz Group Environmental Policy and implemented e-learning, in-house training, and other activities to educate employees.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products.

Level of aggregation

Group of products or services

Taxonomy used to classify product(s) or service(s) as low-carbon

The EU Taxonomy for environmentally sustainable economic activities

Type of product(s) or service(s)

Power	Solar PV
-------	----------

Description of product(s) or service(s)

By leveraging the knowledge we have gained through the development and operation of solar, onshore and offshore wind, and biomass power generation projects in Japan and overseas, we aim to further expand our business amid the global shift toward decarbonization. To this end, we will proactively promote business development in growth markets and offer supply services in response to demand for renewable energy from companies that have joined the RE100 initiative as well as from other companies. Sojitz operates 17 solar plants around the world (including 12 in Japan and 5 overseas). We began development of the Edenvale Solar Park (Queensland, Australia) in 2019. Construction of the solar power plant commenced in June 2021, and the plant is planning to be energized in the latter half of the year ending March 31, 2023. With an installed capacity of 204 MW, this will be one of the largest solar projects to be undertaken by a Japanese company in Australia.

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Yes

Methodology used to calculate avoided emissions

Other, please specify (IEAの1.5°Cシナリオ)

Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Use stage

Functional unit used

Net Power-Generation Capacity (Solar power) FY2020 Results : 290MW FY2023 Forecast : 400MW

Reference product/service or baseline scenario used

Under the IEA's 1.5-degree scenario, the worldwide average of efficiencies for thermal power generation is below 545g-CO2/kWh.

Life cycle stage(s) covered for the reference product/service or baseline scenario

Use stage

Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

260216

Explain your calculation of avoided emissions, including any assumptions

A comparison was made between the benchmark and intensity metrics for our company's renewable energy businesses, and renewable energy generation volumes were then multiplied.

While the worldwide average of efficiencies for thermal power generation is below 545g-CO2/kWh, the result will be zero for solar power generation with the difference calculated as the avoided emissions amount.

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

0

C-CO4.6

(C-CO4.6) Describe your organization's efforts to reduce methane emissions from your activities.

C-CO4.7

(C-CO4.7) Does your organization conduct leak detection and repair (LDAR) or use other methods to find and fix fugitive methane emissions from coal mining activities?

C-CO4.8

(C-CO4.8) If flaring is relevant to your coal mining operations, describe your organization's efforts to reduce flaring, including any flaring reduction targets.

C5. Emissions methodology

C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?

No

C5.1a

(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

Row 1

Has there been a structural change?

Yes, an acquisition

Name of organization(s) acquired, divested from, or merged with

Royal In-flight Catering, Cad Railway Industries, Caltrax, and Sojitz Auto Group Tokai have newly become consolidated subsidiaries of Sojitz.

Details of structural change(s), including completion dates

The aforementioned four companies became consolidated subsidiaries during FY2021.

C5.1b

(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?	Details of methodology, boundary, and/or reporting year definition change(s)
Row 1	Yes, a change in reporting year definition	FY2018 was used as the base year when these targets were originally released in March 2021. We have now changed the base year to FY2019 in order to duly reflect the environmental impact of an overseas papermaking company acquired in FY2019. The change allows the papermaking operations to be treated as part of "existing businesses."

C5.1c

(C5.1c) Have your organization's base year emissions been recalculated as result of the changes or errors reported in C5.1a and C5.1b?

	Base year recalculation	Base year emissions recalculation policy, including significance threshold
Row 1	Yes	FY2018 was used as the base year when these targets were originally released in March 2021. We have now changed the base year to FY2019 in order to duly reflect the environmental impact of an overseas papermaking company acquired in FY2019. The change allows the papermaking operations to be treated as part of "existing businesses."

C5.2

(C5.2) Provide your base year and base year emissions.

Scope 1

Base year start

April 1 2019

Base year end

March 31 2020

Base year emissions (metric tons CO2e)

969775

Comment

Scope 2 (location-based)

Base year start

April 1 2019

Base year end

March 31 2020

Base year emissions (metric tons CO2e)

152108

Comment

Scope 2 (market-based)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 1: Purchased goods and services**Base year start****Base year end****Base year emissions (metric tons CO2e)****Comment**

In power field supply chains, emissions related to the mining of thermal coal interests are generally recorded as Scope 3 in Category 1. However, as Sojitz Group conducts interest businesses as its trade, these interests are not recorded in Category 1 but as Scope 1 and Scope 2 emissions.

Scope 3 category 2: Capital goods**Base year start**

April 1 2018

Base year end

March 31 2019

Base year emissions (metric tons CO2e)

137

Comment

Thermal coal interests related to Scope 3

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)**Base year start**

April 1 2018

Base year end

March 31 2019

Base year emissions (metric tons CO2e)

10950

Comment

Thermal coal interests related to Scope 3

Scope 3 category 4: Upstream transportation and distribution**Base year start**

April 1 2018

Base year end

March 31 2019

Base year emissions (metric tons CO2e)

0

Comment

Transportation-related information is summarized in Category 9.

Scope 3 category 5: Waste generated in operations**Base year start****Base year end****Base year emissions (metric tons CO2e)****Comment**

Not applicable for measurement as quantities are insignificant.

Scope 3 category 6: Business travel**Base year start****Base year end****Base year emissions (metric tons CO2e)****Comment**

Not applicable for measurement as quantities are insignificant.

Scope 3 category 7: Employee commuting**Base year start****Base year end****Base year emissions (metric tons CO2e)****Comment**

Not applicable for measurement as quantities are insignificant.

Scope 3 category 8: Upstream leased assets**Base year start****Base year end****Base year emissions (metric tons CO2e)****Comment**

There are no upstream lease assets in thermal coal interests sector, and these assets are therefore not relevant.

Scope 3 category 9: Downstream transportation and distribution**Base year start**

April 1 2018

Base year end

March 31 2019

Base year emissions (metric tons CO2e)

53942

Comment

Thermal coal interests related to Scope 3

Scope 3 category 10: Processing of sold products**Base year start****Base year end****Base year emissions (metric tons CO2e)****Comment**

Sales products are not processed and are therefore not relevant in thermal coal interests.

Scope 3 category 11: Use of sold products**Base year start**

April 1 2018

Base year end

March 31 2019

Base year emissions (metric tons CO2e)

5041155

Comment

Thermal coal interests related to Scope 3

Scope 3 category 12: End of life treatment of sold products**Base year start****Base year end****Base year emissions (metric tons CO2e)****Comment**

Not applicable for measurement as quantities are insignificant.

Scope 3 category 13: Downstream leased assets**Base year start****Base year end****Base year emissions (metric tons CO2e)****Comment**

There are no downstream lease assets in thermal coal interests sector, and these assets are therefore not relevant.

Scope 3 category 14: Franchises**Base year start****Base year end****Base year emissions (metric tons CO2e)****Comment**

There are no franchises in thermal coal interests sector, and franchises are therefore not relevant.

Scope 3 category 15: Investments

Base year start
April 1 2018

Base year end
March 31 2019

Base year emissions (metric tons CO2e)
638089

Comment
Thermal coal interests related to Scope 3

Scope 3: Other (upstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3: Other (downstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

C5.3

(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.
Japan Ministry of the Environment, Law Concerning the Promotion of the Measures to Cope with Global Warming, Superceded by Revision of the Act on Promotion of Global Warming Countermeasures (2005 Amendment)
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

C6. Emissions data

C6.1

(C6.1) What were your organization’s gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)
700617.643

Start date
<Not Applicable>

End date
<Not Applicable>

Comment

C6.2

(C6.2) Describe your organization’s approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based
We are reporting a Scope 2, location-based figure

Scope 2, market-based
We have operations where we are able to access electricity supplier emission factors or residual emissions factors, but are unable to report a Scope 2, market-based figure

Comment

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based

219179.828

Scope 2, market-based (if applicable)

<Not Applicable>

Start date

<Not Applicable>

End date

<Not Applicable>

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

21000875

Emissions calculation methodology

Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Applicable to Scope 3 Category 1 of the power generation sector which is comprised of thermal coal businesses (interests/trading) and petroleum gas power generation businesses.

The breakdown includes thermal coal-related emissions (2,100,875 tons). Petroleum gas power generation-related emissions are included in Category 3 and therefore excluded from this category.

Capital goods

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

175

Emissions calculation methodology

Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Applicable to Scope 3 Category 2 of the power generation sector which is comprised of thermal coal businesses (interests/trading) and petroleum gas power generation businesses.

The breakdown includes thermal coal-related emissions (9 tons) and petroleum gas power generation-related emissions (165 tons).

Fuel-and-energy-related activities (not included in Scope 1 or 2)**Evaluation status**

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

26710

Emissions calculation methodology

Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Applicable to Scope 3 Category 3 of the power generation sector which is comprised of thermal coal businesses (interests/trading) and petroleum gas power generation businesses.

The breakdown includes thermal coal-related emissions (624 tons) and petroleum gas power generation-related emissions (26,086 tons).

(The petroleum gas power generation-related emissions consolidate fuel mining and transportation in this category.)

Upstream transportation and distribution**Evaluation status**

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

257717

Emissions calculation methodology

Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Applicable to Scope 3 Category 4 of the power generation sector which is comprised of thermal coal businesses (interests/trading) and petroleum gas power generation businesses.

The breakdown includes thermal coal-related emissions (257,717 tons). Petroleum gas power generation-related emissions are included in Category 3 and therefore excluded from this category.

Waste generated in operations**Evaluation status**

Relevant, not yet calculated

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Insignificant volumes that are not calculated.

Business travel**Evaluation status**

Relevant, not yet calculated

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Insignificant volumes that are not calculated.

Employee commuting**Evaluation status**

Relevant, not yet calculated

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Insignificant volumes that are not calculated.

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Thermal coal businesses (interests and trading) and petroleum gas power generation make up the power generation-related sector but there are no upstream lease assets, and these assets are therefore not relevant.

Downstream transportation and distribution

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

6011

Emissions calculation methodology

Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Applicable to Scope 3 Category 9 of the power generation sector which is comprised of thermal coal businesses (interests/trading) and petroleum gas power generation businesses.

The breakdown includes thermal coal-related emissions (6,011 tons). Petroleum gas power generation-related emissions are included in Category 3 and therefore excluded from this category.

Processing of sold products

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Thermal coal businesses (interests and trading) and petroleum gas power generation make up the power generation-related sector, but sales products are not processed and are therefore not relevant.

Use of sold products

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

31300241

Emissions calculation methodology

Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Applicable to Scope 3 Category 11 of the power generation sector which is comprised of thermal coal businesses (interests/trading) and petroleum gas power generation businesses.

The breakdown includes thermal coal-related emissions (31,300,241 tons) and petroleum gas-related emissions are not applicable. (In supply chains within the power generation field, emissions from use of petroleum gas are generally recorded as Scope 3 in Category 11. However, Sojitz Group's power generation businesses are part of its trade, and these emissions are therefore not recorded in Category 11, but rather as Scope 1 and Scope 2 emissions.)

End of life treatment of sold products

Evaluation status

Relevant, not yet calculated

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Insignificant volumes that are not calculated.

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Thermal coal businesses (interests and trading) and petroleum gas power generation make up the power generation-related sector but there are no downstream lease assets, and these assets are therefore not relevant.

Franchises

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Thermal coal businesses (interests and trading) and petroleum gas power generation make up the power generation-related sector but there are no franchises, and franchises are therefore not relevant.

Investments

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

2315839

Emissions calculation methodology

Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Applicable to Scope 3 Category 15 of the power generation sector which is comprised of thermal coal businesses (interests/trading) and petroleum gas power generation businesses.

The breakdown includes thermal coal-related emissions (294,216 tons) and petroleum gas power generation-related emissions (2,021,623 tons).

Other (upstream)

Evaluation status

Please select

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Other (downstream)

Evaluation status

Please select

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

4.378e-7

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

919797.47

Metric denominator

unit total revenue

Metric denominator: Unit total

2100752000000

Scope 2 figure used

Location-based

% change from previous year

23

Direction of change

Decreased

Reason for change

Sojitz's consolidated subsidiary, Tokyo Yuso Corporation, provided the electricity through solar power generation.

Numerator: While Sojitz's consolidated subsidiary Tokyo Yuso Corporation began providing electricity through solar power generation, emission volumes increased by 0.8% due to an expansion of scope through acquisitions.

Denominator: Earnings increased 31% compared to the previous year.

As a result, energy intensity decreased by 23% due to the significant increase in the size of the denominator.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

No

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
United States of America	3921.855
Indonesia	356729.766
Australia	82944.548
Canada	8908.842
Sri Lanka	155278.167
Thailand	27135.5
Germany	66.681
Philippines	21360.764
Brazil	11.556
Viet Nam	11840.473
Mexico	315.835
Russian Federation	393.074
China	17.864
Japan	31692.718

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By business division

C7.3a

(C7.3a) Break down your total gross global Scope 1 emissions by business division.

Business division	Scope 1 emissions (metric ton CO2e)
Automotive Division	1659.865
Aerospace & Transportation Project Division	9365.453
Infrastructure & Healthcare Division	178395.49
Metals, Mineral Resources & Recycling Division	83656.196
Chemicals Division	360047.76
Consumer Industry & Agriculture Business Division	60333.019
Retail & Consumer Service Division	4679.577
Corporate	164.841
Others	2315.442

C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4

(C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4) Break down your organization's total gross global Scope 1 emissions by sector production activity in metric tons CO2e.

	Gross Scope 1 emissions, metric tons CO2e	Net Scope 1 emissions , metric tons CO2e	Comment
Cement production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Chemicals production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Coal production activities		<Not Applicable>	
Electric utility activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Metals and mining production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (upstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (midstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (downstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Steel production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport OEM activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport services activities	<Not Applicable>	<Not Applicable>	<Not Applicable>

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
United States of America	8538.634	
United Arab Emirates	1.489	
Argentina	1.862	
United Kingdom of Great Britain and Northern Ireland	22.299	
Indonesia	3279.093	
Ukraine	8.564	
Australia	32904.401	
Netherlands	1.117	
Canada	923.319	
Guam	14.522	
Cayman Islands	2.606	
Kenya	2.234	
Sri Lanka	1894.315	
Thailand	14576.976	
Chile	0.745	
Germany	48.24	
Nigeria	3.351	
Philippines	7386.013	
Puerto Rico	28.671	
Brazil	124.322	
France	0.745	
Viet Nam	132583.349	
Malaysia	14.149	
Myanmar	64.789	
Mexico	65.712	
Russian Federation	1361.218	
Republic of Korea	8.564	
Hong Kong SAR, China	43.565	
Taiwan, China	12.66	
China	2538.218	
Japan	12723.34	

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.
By business division

C7.6a

(C7.6a) Break down your total gross global Scope 2 emissions by business division.

Business division	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Automotive Division	3549.632	
Aerospace & Transportation Project Division	3478.222	
Infrastructure & Healthcare Division	6353.055	
Metals, Mineral Resources & Recycling Division	33209.593	
Chemicals Division	11493.889	
Consumer Industry & Agriculture Business Division	153873.611	
Retail & Consumer Service Division	4137.818	
Corporate	2498.233	
Others	585.775	

C-CE7.7/C-CH7.7/C-CO7.7/C-MM7.7/C-OG7.7/C-ST7.7/C-TO7.7/C-TS7.7

(C-CE7.7/C-CH7.7/C-CO7.7/C-MM7.7/C-OG7.7/C-ST7.7/C-TO7.7/C-TS7.7) Break down your organization's total gross global Scope 2 emissions by sector production activity in metric tons CO₂e.

	Scope 2, location-based, metric tons CO ₂ e	Scope 2, market-based (if applicable), metric tons CO ₂ e	Comment
Cement production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Chemicals production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Coal production activities			
Metals and mining production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (upstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (midstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (downstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Steel production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport OEM activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport services activities	<Not Applicable>	<Not Applicable>	<Not Applicable>

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Increased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO ₂ e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	29	Decreased	0.003	<p>29ton-CO₂e = 66,001kwh increase in renewable energy generation × 0.443 (Japan's electricity coefficient for 2021, Source: IEA)</p> <p>【Formula】 Change in renewable energy consumption attributed to the reason described in column 1: 29t-CO₂ Previous year Scope1+2 emissions: 912,090t-CO₂ Emissions value (percentage) =(Change in renewable energy consumption attributed to the reason described in column1 ÷ Previous year Scope1+2 emissions) × 100 = (29/912,090) ×100 =0.003%</p>
Other emissions reduction activities	438	Decreased	0.048	<p>Emission reduction effect resulting from energy-saving activities</p> <p>【Formula】 Other emissions reduction activities attributed to the reason described in column 1: -438 t-CO₂ Previous year Scope1+2 emissions: 912,090 t-CO₂ Emissions value (percentage) =(Other emissions reduction activities attributed to the reason described in column1 ÷ Previous year Scope1+2 emissions) × 100 = (-438/912,090) ×100 =-0.048%</p>
Divestment	1972	Decreased	0.216	<p>Sold off one operating company</p> <p>【Formula】 Other emissions reduction activities attributed to the reason described in column 1: -1,972 t-CO₂ Previous year Scope1+2 emissions: 912,090 t-CO₂ Emissions value (percentage) =(Other emissions reduction activities attributed to the reason described in column1 ÷ Previous year Scope1+2 emissions) × 100 = (-1,972/912,090) ×100 =-0.216%</p>
Acquisitions	14064	Increased	1.542	<p>We bought some companies, but their CO₂ emissions are zero.</p> <p>【Formula】 Acquisitions attributed to the reason increased in column 1: 14,064 t-CO₂ Previous year Scope1+2 emissions: 912,090 t-CO₂ Emissions value (percentage) =(Change in renewable energy consumption attributed to the reason described in column1 ÷ Previous year Scope1+2 emissions) × 100 = (14,064/912,090) ×100 = 1.542%</p>
Mergers	0	No change	0	
Change in output	3946	Decreased	0.433	<p>Decrease in production due to the COVID-19 pandemic.</p> <p>【Formula】 Other emissions reduction activities attributed to the reason described in column 1: -3,946 t-CO₂ Previous year Scope1+2 emissions: 912,090 t-CO₂ Emissions value (percentage) =(Other emissions reduction activities attributed to the reason described in column1 ÷ Previous year Scope1+2 emissions) × 100 = (-3,946/912,090) ×100 =-0.433%</p>
Change in methodology	0	No change	0	
Change in boundary	0	No change	0	
Change in physical operating conditions	0	No change	0	
Unidentified	0	No change	0	
Other	0	No change	0	

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	Yes
Consumption of purchased or acquired steam	Yes
Consumption of purchased or acquired cooling	Yes
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	Unable to confirm heating value	0	3421578	3421578
Consumption of purchased or acquired electricity	<Not Applicable>	1882	734663	736546
Consumption of purchased or acquired heat	<Not Applicable>	0	1	1
Consumption of purchased or acquired steam	<Not Applicable>	0	307425	307425
Consumption of purchased or acquired cooling	<Not Applicable>	0	25	25
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	195	<Not Applicable>	195
Total energy consumption	<Not Applicable>	2077	4463692	4465769

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Sustainable biomass

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

Other biomass

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

Other renewable fuels (e.g. renewable hydrogen)

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

Coal

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

57175

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

57175

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

Oil

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

1145874

MWh fuel consumed for self-generation of electricity

719953

MWh fuel consumed for self-generation of heat

425921

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

Gas

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

2218529

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

2218529

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

Other non-renewable fuels (e.g. non-renewable hydrogen)

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

Total fuel

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

3421578

MWh fuel consumed for self-generation of electricity

719953

MWh fuel consumed for self-generation of heat

2701625

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

C8.2d

(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	318646	70	19758	70
Heat	2701625	2701625	0	0
Steam	0	0	0	0
Cooling	0	0	0	0

C8.2g

(C8.2g) Provide a breakdown of your non-fuel energy consumption by country.

Country/area

United States of America

Consumption of electricity (MWh)

28486

Consumption of heat, steam, and cooling (MWh)

21734

Total non-fuel energy consumption (MWh) [Auto-calculated]

50220

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

United Arab Emirates

Consumption of electricity (MWh)

9

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

9

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Argentina

Consumption of electricity (MWh)

12

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

12

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

United Kingdom of Great Britain and Northern Ireland

Consumption of electricity (MWh)

273

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

273

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

India

Consumption of electricity (MWh)

2

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

2

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Indonesia

Consumption of electricity (MWh)

12156

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

12156

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Ukraine

Consumption of electricity (MWh)

54

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

54

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Australia

Consumption of electricity (MWh)

133195

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

133195

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Netherlands

Consumption of electricity (MWh)

7

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

7

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Canada

Consumption of electricity (MWh)

19682

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

19682

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Guam

Consumption of electricity (MWh)

91

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

91

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Cayman Islands

Consumption of electricity (MWh)

16

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

16

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Kenya

Consumption of electricity (MWh)

14

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

14

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Sri Lanka

Consumption of electricity (MWh)

8633

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

8633

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Thailand

Consumption of electricity (MWh)

87661

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

87661

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Chile

Consumption of electricity (MWh)

5

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

5

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Germany

Consumption of electricity (MWh)

798

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

798

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Nigeria

Consumption of electricity (MWh)

21

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

21

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Philippines

Consumption of electricity (MWh)

30515

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

30515

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Puerto Rico

Consumption of electricity (MWh)

179

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

179

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Brazil

Consumption of electricity (MWh)

2694

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

2694

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

France

Consumption of electricity (MWh)

5

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

5

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Viet Nam

Consumption of electricity (MWh)

307885

Consumption of heat, steam, and cooling (MWh)

285644

Total non-fuel energy consumption (MWh) [Auto-calculated]

593529

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Venezuela (Bolivarian Republic of)

Consumption of electricity (MWh)

2

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

2

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Malaysia

Consumption of electricity (MWh)

88

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

88

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Myanmar

Consumption of electricity (MWh)

405

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

405

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Mexico

Consumption of electricity (MWh)

454

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

454

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Russian Federation

Consumption of electricity (MWh)

10031

Consumption of heat, steam, and cooling (MWh)

3

Total non-fuel energy consumption (MWh) [Auto-calculated]

10034

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Republic of Korea

Consumption of electricity (MWh)

54

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

54

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Hong Kong SAR, China

Consumption of electricity (MWh)

272

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

272

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Taiwan, China

Consumption of electricity (MWh)

79

Consumption of heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
79

Is this consumption excluded from your RE100 commitment?
<Not Applicable>

Country/area
China

Consumption of electricity (MWh)
11573

Consumption of heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
11573

Is this consumption excluded from your RE100 commitment?
<Not Applicable>

Country/area
Japan

Consumption of electricity (MWh)
81391

Consumption of heat, steam, and cooling (MWh)
69

Total non-fuel energy consumption (MWh) [Auto-calculated]
81460

Is this consumption excluded from your RE100 commitment?
<Not Applicable>

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C-CO9.2a

(C-CO9.2a) Disclose coal reserves and production by coal type attributable to your organization in the reporting year.

Thermal coal	
Proven reserves (million metric tons)	
Probable reserves (million metric tons)	
Production (million metric tons)	
Energy content of production (GJ per metric ton)	
Heating value	
Emission factor of production (metric tons CO2e per metric ton)	
Comment	
Metallurgical coal	
Proven reserves (million metric tons)	
Probable reserves (million metric tons)	
Production (million metric tons)	
Energy content of production (GJ per metric ton)	
Heating value	
Emission factor of production (metric tons CO2e per metric ton)	
Comment	
Other coal	
Proven reserves (million metric tons)	
Probable reserves (million metric tons)	
Production (million metric tons)	
Energy content of production (GJ per metric ton)	
Heating value	
Emission factor of production (metric tons CO2e per metric ton)	
Comment	
Total coal	
Proven reserves (million metric tons)	
Probable reserves (million metric tons)	
Production (million metric tons)	
Energy content of production (GJ per metric ton)	
Heating value	
Emission factor of production (metric tons CO2e per metric ton)	
Comment	

C-CO9.2b

(C-CO9.2b) Disclose coal resources by coal type attributable to your organization in the reporting year.

Thermal coal

Measured resources (million metric tons)

Indicated resources (million metric tons)

Inferred resources (million metric tons)

Total resources (million metric tons)

Comment

Metallurgical coal

Measured resources (million metric tons)

Indicated resources (million metric tons)

Inferred resources (million metric tons)

Total resources (million metric tons)

Comment

Other coal

Measured resources (million metric tons)

Indicated resources (million metric tons)

Inferred resources (million metric tons)

Total resources (million metric tons)

Comment

Total coal

Measured resources (million metric tons)

Indicated resources (million metric tons)

Inferred resources (million metric tons)

Total resources (million metric tons)

Comment

C-CO9.3a

(C-CO9.3a) Break down the coal production attributed to your organization in the reporting year by grade.

	Production (%)	Comment
Lignite		
Subbituminous		
Bituminous		
Anthracite		
Other		

C-CO9.3b

(C-CO9.3b) Break down the coal production attributed to your organization in the reporting year by mine type.

	Production (%)
Underground	
Surface	

C-CO9.4a

(C-CO9.4a) Explain which listing requirements or other methodologies you have used to provide reserves data in C-CO9.2a. If your organization cannot provide data due to legal restrictions on reporting reserves figures in certain countries, please explain this.

C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6

(C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?

	Investment in low-carbon R&D	Comment
Row 1	Please select	

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Underway but not complete for reporting year – previous statement of process attached

Type of verification or assurance
Limited assurance

Attach the statement
Sojitz_202103_Independent Assurance Report_CDP Letter.pdf

Page/ section reference
Page1-2

Relevant standard
ISAE3000

Proportion of reported emissions verified (%)
100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach
Scope 2 location-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Underway but not complete for reporting year – previous statement of process attached

Type of verification or assurance
Limited assurance

Attach the statement
Sojitz_202103_Independent Assurance Report_CDP Letter.pdf

Page/ section reference
Page1-2

Relevant standard
ISAE3000

Proportion of reported emissions verified (%)
100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category

Scope 3: Business travel

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Underway but not complete for reporting year – previous statement of process attached

Type of verification or assurance

Limited assurance

Attach the statement

Sojitz_202103_Independent Assurance Report_CDP Letter.pdf

Page/section reference

Page1-2

Relevant standard

ISAE3000

Proportion of reported emissions verified (%)

100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C6. Emissions data	Year on year change in emissions (Scope 2)	ISAE3000	Electricity consumption: We obtained KPMG Azusa's limited third-party sustainability assurance for Sojitz Group's power consumption (original data used in our Scope 2 calculation).

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

Yes

C11.1a

(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.

Japan carbon tax

C11.1c

(C11.1c) Complete the following table for each of the tax systems you are regulated by.

Japan carbon tax

Period start date

April 1 2021

Period end date

March 31 2022

% of total Scope 1 emissions covered by tax

5

Total cost of tax paid

9159196

Comment

% of total Scope 1 emissions covered by tax:

Scope 1 emissions by Sojitz Corporation and Group companies in Japan (31,692.718tCO₂) / Scope 1 emissions by Group companies worldwide (700,617.643tCO₂)

Total cost of tax paid:

Scope 1 emissions by Sojitz Corporation and Group companies in Japan (31,692.718tCO₂) x 289 Japanese yen/tCO₂

C11.1d

(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

We adopted the COP21 Paris Agreement in December 2015. Although the provisions do not contain any clear target for reducing total CO₂ emissions,

they do state the goal of keeping the increase in global average temperature to well below 2°C above pre-industrial levels and limit the temperature increase to 1.5°C.

Corporations are now being called upon to reduce their GHG emissions as the global trend towards low-carbon economies and decarbonization gains momentum.

In terms of electricity sales for Sojitz's two U.S. gas-fired power plants located in Pennsylvania and Connecticut, since these power plants produce more CO₂ emissions than their given emission quotas, we purchase CO₂ allowances from the market in accordance with the Regional Greenhouse Gas Initiative (RGGI).

The CO₂ cost at RGGI rose from \$6/t-CO₂ to over \$13/t-CO₂ in 2022, and Sojitz bears the responsibility of covering costs in the event of a rise in CO₂ prices.

For our scenario analysis based on the IPCC's 1.5°C scenario, we included costs assuming a rise in carbon prices and carefully examined our future business plans and strategies accordingly.

This analysis showed that the businesses were largely stable and could remain profitable, leading us to conclude that impact on our business strategies would be limited.

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

Yes

C11.2a

(C11.2a) Provide details of the project-based carbon credits originated or purchased by your organization in the reporting period.

Credit origination or credit purchase

Credit purchase

Project type

Fossil fuel switch

Project identification

Heavy fuel oil boilers at hot spring facilities were converted to firewood boilers, and the volume of CO₂ emissions reduced are received as carbon credits.

Verified to which standard

Other, please specify (J-Credit)

Number of credits (metric tonnes CO₂e)

1

Number of credits (metric tonnes CO₂e): Risk adjusted volume

1

Credits cancelled

No

Purpose, e.g. compliance

Voluntary Offsetting

Credit origination or credit purchase

Credit purchase

Project type

Fossil fuel switch

Project identification

Boilers at chemical factories have been transitioned from heavy fuel oil to city gas, and the volume of CO2 emissions reduced are received as carbon credits.

Verified to which standard

Other, please specify (J-Credit)

Number of credits (metric tonnes CO2e)

1

Number of credits (metric tonnes CO2e): Risk adjusted volume

1

Credits cancelled

No

Purpose, e.g. compliance

Voluntary Offsetting

Credit origination or credit purchase

Credit purchase

Project type

Fossil fuel switch

Project identification

At factories, drying equipment has been updated with fuel converted from coal oil to city gas, and the volume of CO2 emissions reduced are received as carbon credits.

Verified to which standard

Other, please specify (J-Credit)

Number of credits (metric tonnes CO2e)

1

Number of credits (metric tonnes CO2e): Risk adjusted volume

1

Credits cancelled

No

Purpose, e.g. compliance

Voluntary Offsetting

Credit origination or credit purchase

Credit purchase

Project type

Fossil fuel switch

Project identification

In Fukuyama City, outdoor security lights were converted to high-efficiency LED lights, and the volume of CO2 emissions reduced are received as carbon credits.

Verified to which standard

Other, please specify (J-Credit)

Number of credits (metric tonnes CO2e)

1

Number of credits (metric tonnes CO2e): Risk adjusted volume

1

Credits cancelled

No

Purpose, e.g. compliance

Voluntary Offsetting

Credit origination or credit purchase

Credit purchase

Project type

Fossil fuel switch

Project identification

Heavy fuel oil A-fired boilers were converted to LNG-fired high-efficiency boilers, and the volume of CO2 emissions reduced are received as carbon credits.

Verified to which standard

Other, please specify (J-Credit)

Number of credits (metric tonnes CO2e)

1

Number of credits (metric tonnes CO2e): Risk adjusted volume

1

Credits cancelled

No

Purpose, e.g. compliance

Voluntary Offsetting

Credit origination or credit purchase

Credit purchase

Project type

Fossil fuel switch

Project identification

At bath facilities, the boiler for the baths was converted from heavy fuel oil A boilers to biomass boilers that use waste cooking oil, and the volume of CO2 emissions reduced are received as carbon credits.

Verified to which standard

Other, please specify (J-Credit)

Number of credits (metric tonnes CO2e)

1

Number of credits (metric tonnes CO2e): Risk adjusted volume

1

Credits cancelled

No

Purpose, e.g. compliance

Voluntary Offsetting

Credit origination or credit purchase

Credit purchase

Project type

Fossil fuel switch

Project identification

At film manufacturing plants that produce special function film, heavy fuel oil boilers were converted to LNG, and the volume of CO2 emissions reduced are received as carbon credits.

Verified to which standard

Other, please specify (J-Credit)

Number of credits (metric tonnes CO2e)

1

Number of credits (metric tonnes CO2e): Risk adjusted volume

1

Credits cancelled

No

Purpose, e.g. compliance

Voluntary Offsetting

Credit origination or credit purchase

Credit purchase

Project type

Fossil fuel switch

Project identification

Three electric low-frequency induction furnaces (metal heating furnaces) and one coke cupola furnace (melting furnace) have been converted to four electric high-frequency induction furnaces, and the volume of CO2 emissions reduced are received as carbon credits.

Verified to which standard

Other, please specify (J-Credit)

Number of credits (metric tonnes CO2e)

1

Number of credits (metric tonnes CO2e): Risk adjusted volume

1

Credits cancelled

No

Purpose, e.g. compliance

Voluntary Offsetting

C11.3**(C11.3) Does your organization use an internal price on carbon?**

Yes

C11.3a

(C11.3a) Provide details of how your organization uses an internal price on carbon.

Objective for implementing an internal carbon price

- Change internal behavior
- Drive energy efficiency
- Drive low-carbon investment
- Stress test investments

GHG Scope

- Scope 1
- Scope 3

Application

We are working on sequential scenario analysis of the business fields believed to present the greatest risks and opportunities to our Group's business activities, management strategy, and financial planning.

Actual price(s) used (Currency /metric ton)

28260

Variance of price(s) used

We use the expected price of carbon taxes in 2050 (US\$250/ton-CO2e) for internal carbon pricing, taken from the IEA NZE 2050 scenario, which is in line with the IPCC 1.5 degree scenario and acts as a stress test for our business plans to confirm long-term business sustainability.

Type of internal carbon price

Shadow price

Impact & implication

For our scenario analysis based on the IPCC's 1.5°C scenario, we included costs assuming a rise in carbon prices and carefully examined our future business plans and strategies accordingly.

In terms of electricity sales for Sojitz's two U.S. gas-fired power plants located in Pennsylvania and Connecticut, we purchase CO2 allowances from the market in accordance with the Regional Greenhouse Gas Initiative (RGGI) and bear the responsibility of covering costs in the event of a rise in CO2 prices. In terms of our coal interests, we have established a policy based on the results of our scenario analysis to cut our thermal coal interest in half or more by 2025, and zero by 2030. Based on this policy, in March 2020 we sold our 10% stake in a thermal coal interest in Australia for AUD 300 million.

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

- Yes, our customers/clients
- Yes, other partners in the value chain

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement & Details of engagement

Collaboration & innovation	Run a campaign to encourage innovation to reduce climate change impacts
----------------------------	---

% of customers by number

1

% of customer - related Scope 3 emissions as reported in C6.5

87

Please explain the rationale for selecting this group of customers and scope of engagement

We are cooperating with our client base to expand our renewable energy businesses. Previously, Sojitz had engaged in the coal business as one of its core businesses. Through business activities including trading, investing in interests, and even becoming involved in coal mine operations, Sojitz expanded its customer base and range of coal procurement sources and contributed to the growth of the coal industry.

Impact of engagement, including measures of success

Our activities in the coal industry include the sale of thermal coal for power generation to Japan's major power companies. The CO2 emissions from the thermal coal we sell contributes to our Scope 3 emissions. The CO2 emissions from our yearly sales volume of thermal coal totals approximately 31.3 million tons.

We recognize that this is a large portion of our total Scope 3 emissions, and we believe that these emissions have a significant societal impact. We are therefore cooperating with our client base, including major power companies, to expand our renewable energy businesses in an effort to contribute to the realization of a decarbonized society.

We have a track record of selling thermal coal for power generation to Japan's major power companies. We recognize that a large portion of our Scope 3 emissions include CO2 emissions from thermal coal (31.3 million t-CO2), and Sojitz there is focusing on renewable energy businesses as a business opportunity presented through CO2 emission reduction.

In terms of Sojitz's renewable energy businesses, the FY2023 outlook for equity-based generation capacity is 530MW. In accordance with the IPCC 1.5-dgree scenario that sets the energy intensity benchmark as 1kWh for 2030, Sojitz expects to reduce approximately 290,000 tons of CO2.

Additionally, Sojitz is expected to begin operations in Australia at one of the largest solar power plants (installed capacity 204MW; operations planned to begin FY2022) to be handled by a Japanese company. We expect that this solar farm will accelerate the CO2 reduction volumes moving forward.

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

Sojitz conducted outreach to local governments and regional communities to find suitable sites for cultivating fast-growing Hakoyanagi trees. Planting sites include former farmland in Kawaminami, Miyazaki Prefecture (0.2ha), farmland in Ube, Yamaguchi Prefecture (0.1ha), and a former golf course in Misaki, Okayama Prefecture (0.3ha).

Additionally, Sojitz signed an agreement with Miyazaki Prefecture's Town of Kawaminami to collaborate on agricultural development projects for regional revitalization, such as utilizing biomass energy.

Sojitz consider characteristics of Hakoyanagi trees (a high-growth, short-rotation tree species that grows approximately 200m³/ha five years after planting) to be suitable for providing a stable supply of fuel for biomass power generation and will work towards early commercialization of the project. Through this Hakoyanagi production business, Sojitz aims to accelerate the introduction of biomass power generation and to expedite local production for local consumption of biomass fuel, both of which will be essential to realizing Japan's carbon neutrality by 2050 and proposed energy mix by 2030, in order to contribute to decarbonization and the post feed-in tariff (FIT) system.

C12.2

(C12.2) Do your suppliers have to meet climate-related requirements as part of your organization's purchasing process?

Yes, climate-related requirements are included in our supplier contracts

C12.2a

(C12.2a) Provide details of the climate-related requirements that suppliers have to meet as part of your organization's purchasing process and the compliance mechanisms in place.

Climate-related requirement

Setting a science-based emissions reduction target

Description of this climate related requirement

For power generation businesses in which the company is involved, Sojitz has announced that it will set its reduction targets below the power generation intensity levels referenced in the 1.5-degree scenario, which is backed by scientific research. For this reason, Sojitz requires suppliers to deliver high-efficiency turbines to gas-fired power plants that utilize turbines. While indirect, we believe this requirement encourages SBT compliance among suppliers.

% suppliers by procurement spend that have to comply with this climate-related requirement

1

% suppliers by procurement spend in compliance with this climate-related requirement

1

Mechanisms for monitoring compliance with this climate-related requirement

Supplier self-assessment

Response to supplier non-compliance with this climate-related requirement

Retain and engage

C12.3

(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?

Row 1

Direct or indirect engagement that could influence policy, law, or regulation that may impact the climate

Yes, we engage directly with policy makers

Yes, we engage indirectly through trade associations

Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?

Yes

Attach commitment or position statement(s)

Sustainability Challenge.pdf

Describe the process(es) your organization has in place to ensure that your engagement activities are consistent with your overall climate change strategy

The basis for our strategy for addressing climate change is to contribute to the realization of a decarbonized society as announced in our long-term sustainability vision for 2050, the "Sustainability Challenge." This policy is in line with the Japanese government's decarbonization policy.

When directly or indirectly participating in government policies, the Sustainability Committee (chaired by Sojitz President & CEO Masayoshi Fujimoto and made up of Sojitz directors and executives) confirms that the policies are in line with our goal to contribute to the realization of a decarbonized society.

In August 2018, we declared our endorsement of the TCFD, and we conduct scenario analysis on business areas (coal interest business and power generation business) where we expect climate change to have a major impact on our business and finances as one of our strategies within the TCFD framework.

The results of this analysis are reported to the Sustainability Committee. Based on the results, we established our goal to reduce the assets of our thermal coal interests by 2030 half or less as compared to the end of March 2019.

In light of recent growing trends towards decarbonization and the opinions contributed by external experts during our periodic stakeholder dialogues, we chose to accelerate the timeline of our decarbonization targets and announced our goal to reduce the assets of our thermal coal interests by half or less by 2025 and to zero by 2030.

This new goal was determined following deliberation by the Sustainability Committee and after receiving approval from the Management Committee, and we have confirmed that our decarbonization initiatives are in line with TCFD recommendations and Japanese government policies.

Thermal coal interests (based on book value) are steadily being reduced each year with JPY 30 billion in FY2019, JPY 25 billion in FY200, and JPY 10 billion in FY2021.

Primary reason for not engaging in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

<Not Applicable>

Explain why your organization does not engage in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

<Not Applicable>

C12.3a

(C12.3a) On what policy, law, or regulation that may impact the climate has your organization been engaging directly with policy makers in the reporting year?

Focus of policy, law, or regulation that may impact the climate

Low-carbon, non-renewable energy generation

Specify the policy, law, or regulation on which your organization is engaging with policy makers

Acquisition of carbon credits through a joint crediting mechanism (JCM) based on carbon capture, utilization, and storage (CCUS).

Policy, law, or regulation geographic coverage

National

Country/region the policy, law, or regulation applies to

Indonesia

Your organization's position on the policy, law, or regulation

Support with no exceptions

Description of engagement with policy makers

Sojitz proposed to Lemigas, a company under Indonesia's Ministry of Energy and Mineral Resources, that they implement a CCUS-based JCM in southern Sumatra, and we introduced Japex as the optimal partner for that implementation. Japex and Sojitz had previously suggested to NEDO(New Energy and Industrial Technology Development Organization; a governmental organization) that they conduct a feasibility study if they were going to implement a CCUS project in Sumatra which could be expected to acquire a large number of carbon credits, aiming to simultaneously secure energy resources and curtail greenhouse gas emissions. They used NEDO's capital to select an F/S business and conduct the F/S.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation

<Not Applicable>

Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

C12.3b

(C12.3b) Provide details of the trade associations your organization engages with which are likely to take a position on any policy, law or regulation that may impact the climate.

Trade association

Other, please specify (Japan Foreign Trade Council, Inc.)

Is your organization's position on climate change consistent with theirs?

Consistent

Has your organization influenced, or is your organization attempting to influence their position?

We have already influenced them to change their position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

In order to address global warming, Sojitz has established CO2 emission reduction targets in accordance with the "Action Plan for a Low Carbon Society." Sojitz aims to reduce energy intensity (floor space) to 23.5 t/m2 by FY2030. This reduction represents a 22.4% decrease compared to the base year of 2009. The Action Plan for a Low Carbon Society set CO2 reduction goals to be achieved by FY2020, but the date has been extended to FY2030. (Keidanren) shares the same policy approach when it comes to achieving a decarbonized society.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

46616900

Describe the aim of your organization's funding

Sojitz participates in Japan Foreign Trade Council's Global Environment Committee, which is held four times a year. At a committee meeting, Sojitz recommended that reporting be made using energy intensity as opposed to energy usage metrics due to the fact that energy intensity allows for more accurate comparisons to be made in terms of actual changes over the years. Thanks to Sojitz's efforts, the Japan Foreign Trade Council (an industry organization for trading companies) has changed its reporting to use energy intensity metrics.

General trading companies play a key role in society by providing a stable source of energy.

From a decarbonization standpoint, we are at a turning point in the energy industry. For matters regarding decarbonization and energy, Sojitz seeks to express opinions not as a single company but as part of the larger industry of trading companies.

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

C12.4

(C12.4) Have you published information about your organization’s response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

<p>Publication</p> <p>In mainstream reports, incorporating the TCFD recommendations</p> <p>Status</p> <p>Complete</p> <p>Attach the document</p> <p>C12.4 有価証券報告書.pdf</p> <p>Page/Section reference</p> <p>p16-p20</p> <p>Content elements</p> <p>Governance</p> <p>Strategy</p> <p>Risks & opportunities</p> <p>Emission targets</p> <p>Comment</p>	
<p>Publication</p> <p>In mainstream reports, incorporating the TCFD recommendations</p> <p>Status</p> <p>Complete</p> <p>Attach the document</p> <p>C12.4 Business Report.pdf</p> <p>Page/Section reference</p> <p>p57-p59</p> <p>Content elements</p> <p>Risks & opportunities</p> <p>Emission targets</p> <p>Comment</p>	
<p>Publication</p> <p>In mainstream reports</p> <p>Status</p> <p>Complete</p> <p>Attach the document</p> <p>C12.4 Corporate Governance Report.pdf</p> <p>Page/Section reference</p> <p>p34-p35</p> <p>Content elements</p> <p>Risks & opportunities</p> <p>Emission targets</p> <p>Comment</p>	
<p>Publication</p> <p>In voluntary communications</p> <p>Status</p> <p>Underway – previous year attached</p> <p>Attach the document</p> <p>C12.4 Environmental Data.pdf</p> <p>Page/Section reference</p> <p>p1-p8</p> <p>Content elements</p> <p>Emissions figures</p> <p>Comment</p>	

C15. Biodiversity

C15.1

(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?

	Board-level oversight and/or executive management-level responsibility for biodiversity-related issues	Description of oversight and objectives relating to biodiversity	Scope of board-level oversight
Row 1	Yes, both board-level oversight and executive management-level responsibility	<ul style="list-style-type: none"> Sustainability Committee <p>Important matters concerning Sojitz Group's biodiversity are deliberated by the Sustainability Committee, chaired by the President & CEO. The Sustainability Committee is an executing body directly under the President & CEO. Its members include the CFO; the COO in charge of Corporate Planning, Corporate Sustainability Office, and Portfolio Transformation Office; the executive officers responsible for executive management of business divisions; the executive officer in charge of Legal, Internal Control Administration, and ERP Transition; the COO in charge of Human Resources, General Affairs & IT Operations; the COO in charge of Legal and Internal Control Administration; the COO in charge of PR and Risk Management; and the COO of the IR Office. Including the CEO, membership includes four directors. Additionally, one Audit & Supervisory Board Member attends meetings as an observer. Information deliberated and discussed by the Sustainability Committee is later reported to the Board of Directors and the Management Committee.</p> <ul style="list-style-type: none"> Organizations to Promote Sustainability <p>The Corporate Sustainability Office is an organization dedicated to promoting sustainability, under the management of the Executive Officer in charge of Corporate Planning. The organization functions as secretariat to the Sustainability Committee and works together with relevant Sojitz Group organizations on sustainability-related efforts.</p> <p>The CEO of Sojitz concurrently serves as chair of the Sustainability Committee. The CEO is responsible for directing Sojitz Group's sustainability policy—including biodiversity—and monitoring the status of the Group's sustainability initiatives. In addition, the Executive Officer in charge of Corporate Planning concurrently serves as the Executive Officer in charge of Sustainability to ensure the implementation and monitoring of sustainability measures. The Sustainability Committee is responsible for collecting information on the external environment and regularly reporting to the Management Committee and Board of Directors.</p>	<Not Applicable>

C15.2**(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?**

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity	Biodiversity-related public commitments	Initiatives endorsed
Row 1	Yes, we have endorsed initiatives only	<Not Applicable>	Other, please specify (Endorsement of the Declaration of Biodiversity by Keidanren and Action Policy)

C15.3**(C15.3) Does your organization assess the impact of its value chain on biodiversity?**

	Does your organization assess the impact of its value chain on biodiversity?	Portfolio
Row 1	No, but we plan to assess biodiversity-related impacts within the next two years	<Not Applicable>

C15.4**(C15.4) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?**

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?	Type of action taken to progress biodiversity-related commitments
Row 1	Yes, we are taking actions to progress our biodiversity-related commitments	Species management Education & awareness Law & policy

C15.5**(C15.5) Does your organization use biodiversity indicators to monitor performance across its activities?**

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	Yes, we use indicators	Other, please specify (Indicator on Sojitz Wood Procurement Policy)

C15.6

(C15.6) Have you published information about your organization’s response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
In voluntary sustainability report or other voluntary communications	Content of biodiversity-related policies or commitments Governance Impacts on biodiversity Details on biodiversity indicators Influence on public policy and lobbying	https://www.sojitz.com/en/csr/sojitz_esg/e/biodiversity.php

C16. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C16.1

(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	President & CEO	Chief Executive Officer (CEO)

SC. Supply chain module

SC0.0

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

SC0.1

(SC0.1) What is your company’s annual revenue for the stated reporting period?

	Annual Revenue
Row 1	

SC1.1

(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

SC1.2

(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).

SC1.3

(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Allocation challenges	Please explain what would help you overcome these challenges
-----------------------	--

SC1.4

(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

SC2.1

(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.

SC2.2

(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?

SC4.1

(SC4.1) Are you providing product level data for your organization’s goods or services?

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please confirm below

I have read and accept the applicable Terms