

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. As a general trading company, the Sojitz Group is engaged in a wide range of businesses globally, including buying, selling, importing, and exporting goods, manufacturing and selling products, providing services, and planning and coordinating projects, in Japan and overseas. The Group also invests in various sectors and conducts financing activities. The broad range of sectors in which Sojitz operates includes those related to automobiles, plants, energy, mineral resources, chemicals, foodstuff resources, agricultural and forestry resources, consumer goods, and industrial parks.

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 2019	March 31 2020	No	<Not Applicable>

C0.3

(C0.3) Select the countries/areas for which you will be supplying data.

- Australia
- China
- Indonesia
- Japan
- Philippines
- Sri Lanka
- Thailand
- United States of America
- 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.

Equity share

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

Please select

Other divisions

Please select

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)	In order to advance sustainability-oriented management and operations, Sojitz has established a Sustainability Committee with the CEO of Sojitz serving as its Committee Chair. The Sustainability Committee discusses mid -to long-term areas of focus and direction for the company, including Key Sustainability Issues (Materiality) and related sustainability goals. With the CEO of Sojitz as its Committee Chair, the Sustainability Committee defined its aim to work towards a decarbonized society through its business activities and to promote respect for human rights issues within its supply chains as part of a proposed long-term sustainability vision based on the Key Sustainability Issues —the “Sustainability Challenge”— approved following deliberation by the Management Committee chaired by the CEO.

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	<ul style="list-style-type: none"> 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 =Risk Management by the Sustainability Committee / Reports Submitted to the Board of Directors (Supervisory Body)= 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. Deliberation by the Sustainability Committee 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. 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. Establishing Action Plans for Departments and Offices 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. 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>

C1.2

(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 COO in charge of Corporate Planning and Sustainability, corporate officers in charge of executive management, the COO in charge of General Accounting Department, Business Accounting Department, Finance Department, IR Office, Controller Office, the COO, in charge of Legal Department, PR Department and the COO in charge of Human Resources, General Affairs, and IT Operations. Including the CEO, the membership includes three Directors. Additionally, one Audit & Supervisory Board Member attends meetings as an observer. Information deliberated and discussed by the 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.

- Management of Environmental/Social Risk (including Climate Change)

= Management through the Sustainability Committee and Management Committee; reporting to the Board of Directors, which oversees committee operations =

We categorize and define the many risks to which Sojitz Group's businesses are exposed, in accordance with the basic rules of risk management. Additionally, the Board of Directors resolves a risk management policy and plan each year, which is tailored to those risks. For risks that can be categorized as environmental or social risks—including climate change-related risks, we implement countermeasures and policies which have been both discussed by the Sustainability Committee and reported to the Management Committee and Board of Directors each quarter.

= Sustainability Committee Discussions =

Sojitz has set 6 Key Sustainability Issues (Human Rights, Environment, Local Communities, Resources, Human Resources, and Governance) and policies for work on these issues. In identifying these issues and setting policies, we referred to international norms (such as the SDGs, which we aim to meet by 2030) and selected long-term issues related to our business (such as climate change, which we address through the Key Sustainability Issue of "Environment.") Concrete examples of the policies discussed by the Sustainability Committee include those regarding response to environmental/social risk, climate change countermeasures, promotion of supply chain sustainability, ESG disclosure, environmental ISOs, promotion of our wood procurement policy, and social contribution activities. The Sustainability Committee primarily discusses methods for collecting and managing environmental data on energy usage, CO2 emissions, waste generation, water usage, etc., and ways to reduce these amounts; understanding of KPIs including those for CO2 emissions, as described in Scope 1-3; scenario analysis of power generation and coal businesses; disclosure of the company's decision to stop investment in coal-fired power businesses; disclosing the company policy to reduce thermal coal interests by half or more before 2030; and disclosing that the company will not acquire any new thermal coal interests. In this way, we aim to continue to take responsibility for climate change in relation to our business. We have set sustainability goals aligned with 6 Key Sustainability Issues for each department and for the company as a whole. The Sustainability Committee also monitors progresses on each goal.

= Supervision by the Board of Directors =

The Sustainability Committee met a total of four times during FY2019. They reviewed the company's response to environmental/social issues including climate change and evaluated investment projects deliberated by the Finance and Investment Deliberation Council from a sustainability perspective. They also monitored progress on each of our targets. The Sustainability Committee regularly reported the contents of these meetings to the Board of Directors (the supervisory body to the committee). The Board of Directors then provided concrete instruction to the committee, such as asking them to assess impact on the company based on scenario analysis and to construct an environmental/human rights risk management framework for supply chains.

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 its "Sustainability Goals," which are set to be achieved within the period of the Medium-term Management Plan 2020.
Medium-term	1	2	For the "Promotion of Sustainability Management" as set forth in the 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. As one approach, we have set "Sustainability Goals" for each Key Sustainability Issue (materiality) to achieve within the period of the Medium-term Management Plan 2020. Each goal is set to strategically increase sustainability through the promotion of various businesses and initiatives.
Long-term	2	31	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). < 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.

C2.1b

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

Risk assets by business unit (ratio of damaged assets under management) is about 20% of total company risk assets, and we define this as financially significant. We recognize that risks facing our businesses may exert a large impact on our business activities, management strategies, and financial plans.

The top two risk assets for FY2019 are the Metals & Mineral Resources Division (25%) and the Energy & Social Infrastructure Division (17%). Sojitz Group develops business in a wide variety of fields, and we believe that the main impacts of climate change on our business are the following two transition risks and one physical risk:

- 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. Regarding physical risk, we are conducting confirmation of water-stressed areas.

- 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 monitor the status of water-stressed regions in which Sojitz conducts business. • In terms of opportunities, Sojitz Group is striving to expand renewable energy businesses that do not emit CO₂, such as plant-based fuel and materials businesses; create and expand low-carbon businesses such as natural gas/LNG and recycling; and to reduce CO₂ emissions resulting from our corporate activities. Over the next 10 years we will contribute to a low-carbon society, and in the future, a decarbonized society.

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

Identification and Evaluation: Sojitz conducts scenario analysis to estimate the risks and impact on the company based on the three scenarios 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: Each year, Sojitz holds a dialogue with stakeholders event 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. Recently, we have been conducting stress tolerance analysis (scenario analysis) of our thermal power generation business (Sojitz's Birdsboro Power Plant and the Kleen Power Plant in the US) and our coal interests (the Gregory Crinum coal mine in Queensland, Australia), 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 Intergovernmental Panel on Climate Change (IPCC)'s 1.5°C scenario. 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. Response and Management Method: The aforementioned risks 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 ISO140001 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. Businesses are facing calls to address potential risks and confirm their resilience against such risks. 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 are confirming our responses and resilience against these risks. (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 2040. (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 2040. (1) Transition risk (rising carbon prices): As a result of the scenario analysis, we confirmed that the number of power plants impacted by rising carbon prices and demand fluctuation is limited, and the affected plants are not expected to see assets deteriorate. (2) Transition risk (market shrinkage): As a result of the scenario analysis, there is concern that some assets of our thermal coal interests may deteriorate, we have confirmed that the impact will be limited due to the policy Sojitz has implemented to reduce the assets of our thermal coal interests to half or less by 2030. = Case Study (Physical Risk) = Physical risks due to climate change have become apparent, such as droughts and floods occurring more frequently. Businesses are facing calls to address potential physical risks and confirm their resilience against such risks. As part of Sojitz's Key Sustainability Issues (Materiality), Sojitz pursues the development, supply, and use of 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, and we consider the impact of water risk on our businesses to be extremely large. We use the World Resource Institute (WRI)'s Aqueduct analysis tool to carry out checks of our businesses in water-stressed areas for regions where the Sojitz Group companies that use the largest amounts of water (over 99% of Sojitz Group's total water use) are located. In FY2019, we confirmed that the Sojitz Group companies that use the most water do not have any businesses in water-stressed regions that face water-shortages.

C2.2a

(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. We assume that the introduction of a carbon tax would see our company bear additional carbon tax pass-along costs, which poses a risk to our profits. We conducted a scenario analysis for our power generation projects in May 2019 and conducted trial calculations of carbon tax costs based on the 1.5°C scenario. This trial calculation is one way in which we assess risk.
Emerging regulation	Relevant, always included	There is a risk that Sojitz's business will be impacted by certain scenarios such as the introduction of carbon taxes in countries that did not previously have a carbon tax, or the rise of existing carbon taxes in the country in question. 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 the potential business impacts. We assess risk by confirming these emerging regulations which the New Policy Scenario is premised upon.
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 2040, 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	For the industrial park business we are developing in Asia, there is the risk that in the event of climate change-induced drought or another unexpected event, the wastewater treatment facilities used within the parks may suspend operations due to power plants' restrictions on electricity supply, thereby violating environmental standards regarding wastewater. Revenue received from management of our Long Duc and Loteco industrial parks in Vietnam could decrease if we are ordered to stop operations as a penalty for violating environmental standards regarding wastewater.
Chronic physical	Relevant, always included	If the long-term effects of climate change cause frequent droughts, wastewater treatment facilities may suspend their operations due to restrictions on power supplies from hydroelectric power plants. In this event, there is a risk of breaching environmental standards for wastewater at Sojitz-operated industrial parks in Asia. A breach in wastewater standards could result in an order to suspend operations at Sojitz's Long Duc and Loteco industrial parks in Vietnam as a penalty, decreasing operating income from industrial parks. Additionally, long-term climate change-related risks are assessed using written surveys, which are reported and confirmed by the Sustainability Committee.

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
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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 six million tons of thermal coal and coking coal interests, mainly in Australia (such as the Gregory Crinum mine), and other regions such as Indonesia. • 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

nine 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)

20100000000

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. This may lead to a decrease in trading-based revenue. We have been conducting scenario analysis since FY2018. In June 2020, we analyzed the value of assets held by our company assuming demand and price forecast for multiple scenarios up to the year 2040, including the 1.5°C scenario. As a result, we confirmed that some thermal coal interest assets may deteriorate, but the impact is limited. The pre-tax net profit for our Metals & Mineral Resources Division, the target of this scenario analysis, in FY2019 was JPY 20.1 billion. This amounts to a potential financial impact of 33.5% of the total pre-tax net profit for the company, which was JPY 60 billion (JPY 60 billion × 33.5% = JPY 20.1 billion).

Cost of response to risk

25000000000

Description of response and explanation of cost calculation

Based on the results of our scenario analysis, in May 2019, Sojitz set and announced a policy 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. Based on this policy, 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. Impact on our BS If we reduce the assets of our coal interests to half or less as compared to the end of March 2019, the assets reduced by selling (handling costs) is about JPY 50 billion × 50% = approximately = JPY 25 billion. This corresponds to about 1.1% of Sojitz Group's assets (JPY 50 billion × 50% = approximately JPY 25 billion; FY2019 total assets: JPY 220.3 billion; JPY 25 billion / JPY 220.3 billion = approximately 1.1%).

Comment

News Release <https://www.sojitz.com/en/news/2020/03/20200327.php>

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
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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, Sri Lanka, Oman, Saudi Arabia, and Mexico, with the total power generated by our holdings reaching approximately 1,800 MW. The total sales in FY2019 of the Energy & Social Infrastructure Division, which engages in the power generation business, was JPY 25.7 billion, accounting for about 10% of the total sales of Sojitz Group, which was about JPY 220 billion. 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. Furthermore, because of international agreements such as the Paris Agreement, Japan has set a 26% reduction target. (Breakdown: 4.1% in forest management and CFC restrictions, and 21.9% conversion from fossil fuels such as coal, natural gas, and oil to renewable energy and nuclear power plants) 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)

1529103015

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 total carbon dioxide emissions for FY2019 came to 1,040,100 tons (total of Scope 1 and Scope 2). If we were obligated to purchase carbon credits for even 10% of that amount, using the unit price for carbon credits in 2025 given by the IEA World Energy Outlook's SD Scenario, costs could grow as high as JPY 1,529,103,015 (USD 14.04 million), at USD 135/ton-CO₂e. 1,040,100 tons × 10% × USD 135 = USD 14,041,350 FY2019 average exchange rate ¥108.9/USD USD 14,041,350 × 108.9 = JPY 1,529,103,015 The total sales in FY2019 of the Energy & Social Infrastructure Division, which engages in the power generation business, was JPY 25.7 billion. The above-mentioned cost increase of about JPY 1.5 billion accounts for 6% of total sales (cost increase of JPY 1.5 billion / JPY 25.7 billion).

Cost of response to risk

115463900

Description of response and explanation of cost calculation

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, companies are also facing calls to reduce greenhouse gas emissions. We carry out scenario analysis for our power generation business assuming multiple scenarios according to the progression of regulations such as environmental taxes. As a result of this scenario analysis, in April 2019, we announced a policy to no longer 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.) It costs about JPY 120 million per year to perform the scenario analysis (our average annual salary is 11,546,390 yen × 10 people = 115,463,900 yen).

Comment**Identifier**

Risk 3

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Chronic physical	Changes in precipitation patterns and extreme variability in weather patterns
------------------	---

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, it is possible that our businesses will be affected by water risk. 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 impact of water risk on our businesses is extremely large. Sojitz Group uses Aqeduct, a tool for analyzing water risk developed by the World Resource Institute, to monitor the status of Sojitz's business in water-stressed regions. If water stress or water shortages occur and the order to suspend operations remains effective for one month, the revenue of our industrial parks could decrease by as much as JPY 343million (=USD 3.15 million). In the industrial park business which we are developing in Asia, there is risk that wastewater treatment equipment may be forced to stop operating due to restrictions on the supply of power from power plants, violating environmental standards for wastewater. Sojitz is an investor in the Long Duc and Loteco industrial parks in Vietnam, and there is a possibility that the operating income of these parks will decrease due to suspension orders incurred as a penalty for violating environmental standards for wastewater.

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)

1715000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

If water stress or water shortages occur due to climate change and the order to suspend operations remains effective for one month, the industrial park's revenue could decrease by as much as JPY 343million (=USD3.15 million). Assuming that the suspension order continues during the dry season (five months) in Vietnam, where Sojitz operates an industrial park businesses, the financial impact of JPY 343 million × 5 months = JPY 1,715 million.

Cost of response to risk

261360000

Description of response and explanation of cost calculation

We are facing calls to respond to climate change. 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 impact of water risk on our businesses is extremely large. Sojitz Group uses Aqueduct, a tool for analyzing water risk developed by the World Resource Institute, to monitor the status of Sojitz's business in water-stressed regions. Sojitz operates industrial park projects in Vietnam, and in case of a sudden climate change event such as drought, power supply from the hydroelectric power plant may become unstable. Long Duc has had emergency power generators installed since 2013, and Loteco since 1997. Furthermore, as a result of having such generators in place and cooperating with the local electric power company over many years, there is a system in place to receive priority power supply from the power company. =Management Cost Calculation Method= The average installation cost of backup power supply units for use in times of disaster at the industrial parks is JPY 130.68 million × 2 companies = JPY 261.36 million.

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 12 solar plants in Japan and 3 overseas, we are also involved in an onshore wind power project in Europe and an offshore wind power project in Taiwan. Sojitz's power generation businesses are predicted to continue showing high average annual growth (25%) from the end of FY2012 to the end of FY2020 (including projects still under construction). Among those, the renewable energy business saw growth climb to around 30% last year. 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 power, but other businesses, such as a wind power business overseas.

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)

3500000000

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= Sojitz's Energy & Social Infrastructure Division FY20 net income forecast, including renewable energy businesses is: Sojitz Group total net income forecast for FY20 JPY (30 billion) × Division ratio (11.67%) = JPY 3.5 billion

Cost to realize opportunity

5000000000

Strategy to realize opportunity and explanation of cost calculation

As a result of the move toward decarbonization to prevent climate change, there is a global shift to move away from thermal and nuclear power generation to renewable energy. Companies are facing calls to use renewable energy, and therefore, companies will likely take steps to increase the ratio of renewable energy that they use. Under

Sojitz's Medium-Term Management Plan 2020, we expect to make investments and loans totaling JPY 300 billion. The Energy & Social Infrastructure Division's investment and loan budget, including renewable energy business, is: JPY 300 billion × allocation ratio of 1/6 = JPY 50 billion. As part of this strategy, Sojitz has accumulated long-term business know-how by participating in overseas solar power generation businesses ahead of other trading companies. In 2019, Sojitz participated in an offshore wind power business off the coast of Yunlin County in Taiwan. 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 project marks Sojitz's first involvement in the power generation and offshore wind power business in Taiwan. The power plant is expected to have an output of 640,000 kilowatts and is expected to begin operation by the end of 2021, when it is expected to become the largest offshore wind farm in Taiwan.

Comment

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. 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, Sri Lanka, Bangladesh, Myanmar, 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 Sri Lanka, Bangladesh, Myanmar, Vietnam, and the US, as well. Although the total power generation capacity of our natural gas and LNG-based generation projects has already met the Medium-Term Management Plan's target of more than 1,000 MW (including projects under construction), we plan to further expand operations through continued efforts.

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)

3500000000

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 Energy & Social Infrastructure Division's FY20 net profit forecast, including the renewable energy business, is: Sojitz Group's total net profit forecast JPY 30 billion × Division ratio 11.67% = JPY 3.5 billion.

Cost to realize opportunity

5000000000

Strategy to realize opportunity and explanation of cost calculation

Carbon prices are expected to skyrocket. We expect that governments and companies will be compelled to swiftly adopt natural gas and LNG, and we see a LNG a business opportunity as it is a relatively light carbon compared with thermal coal. Under Medium-Term Management Plan 2020, we plan to invest a total of JPY 300 billion. The Energy & Social Infrastructure Division's investment and loan budget, including renewable energy business, is: JPY 300 billion × allocation ratio of 1/6 = JPY 50 billion. As a part of this plan, we have set the period until 2030 as a low-carbon focus period, and are focusing on LNG and LNG-to-Power projects. 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. The Tangguh LNG terminal is located in Bintuni Bay in the West Papua region of Indonesia. The project operator is BP, who is undertaking operation of the terminal through an agreement signed with SKK Migas, Indonesia's oil and gas upstream business supervisory body. LNG Japan (a fifty-fifty joint venture between Sumitomo Corporation and Sojitz Corporation) holds a 7.35% interest in the project. Although the total power generation capacity of our natural gas and LNG-based generation projects has already met the Medium-Term Management Plan's target of more than 1,000 MW, we plan to further expand operations.

Comment

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 international decarbonization and low-carbon trends, experts predict that governments will strengthen their CO2-related regulations, companies will put CO2 management at the forefront of product lifecycles, and users will increasingly demand products that can be recycled or reused. Sojitz Group is creating a new earnings foundation by expanding our aircraft business value chain based on ample experience in the industry (over 900 aircraft sold as a sales representative for passenger aircraft in Japan). Of those, we have a part-out business which sells used components and equipment from decommissioned aircraft. In this sense, increased demand for reusing and recycling both benefits our company and helps reduce energy consumption through effective use of resources. Sojitz aims to promote reuse of aircraft parts as a way to more effectively use resources and reduce waste. Among 30 aircraft newly purchased and dismantled since 2015, we have fully sold the parts for only 2, and are working to sell parts from the remaining 28 (as of April 30, 2019). Our efforts to procure obsolete and decommissioned aircraft, disassemble those aircraft, and sell their parts are proceeding smoothly for the most part, and we will continue them in the future.

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)

6000000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Sojitz Group's part-out business buys decommissioned or obsolete aircraft, disassembles the aircraft and conducts maintenance on the parts together with partners, and sells the parts to other companies in the aviation industry. As effective use of aviation industry resources via recycling and reuse of decommissioned aircraft is expected to increase, we forecast an increase in revenue. =Financial impact= Sojitz's Aerospace & Transportation Project Division FY20 net income forecast, including renewable energy businesses is: Sojitz Group total net income forecast for FY20 JPY (30 billion) × Division ratio (20%) = JPY 6.0 billion

Cost to realize opportunity

4000000000

Strategy to realize opportunity and explanation of cost calculation

The decarbonization and low-carbon trends are progressing internationally. Experts predict that governments will tighten CO2-related regulations, companies will put CO2 management at the forefront of product lifecycles, and users will increase their demand for products that can be recycled or reused. Under Medium-Term Management Plan 2020, we plan to invest a total of JPY 300 billion. Sojitz's Aerospace & Transportation Project Division loan and investment budget, including renewable energy businesses is: Sojitz Group total JPY (30 billion) × Division ratio (13.3%) = JPY 40 billion As part of this plan, Sojitz Group engages in a parts-out business, in which it purchases retired and aged aircraft with the goal of promoting the effective use of resources and resource conservation through the reuse of aircraft parts, and disassembles aircraft and performs maintenance on aircraft parts together with various partners before selling parts to companies in the aircraft industry. In 2016, Sojitz reached an agreement with Singapore Technologies Aerospace Ltd. ("ST Aerospace") for the acquisition of 50% stock (approx. JPY 1.2 billion) in Keystone Holdings (Global) Pte. Ltd., an aircraft leasing company under ST Aerospace. Among 30 aircraft newly purchased and dismantled since 2015, we have fully sold the parts for only 2, and we are working to sell parts from the remaining 28 (as of April 30, 2019). Through this joint venture with ST Aerospace, Sojitz will capture global demand and engage not only in the aircraft leasing and used aircraft sales business, but also expand into the parts-out and business jet business in collaboration with ST Aerospace Group in the future. Our efforts to procure obsolete and decommissioned aircraft, disassemble those aircraft, and sell their parts are proceeding smoothly for the most part, and we will continue them in the future.

Comment

C3. Business Strategy

C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?

Yes, and we have developed a low-carbon transition plan

C3.1a

(C3.1a) Does your organization use climate-related scenario analysis to inform its strategy?

Yes, qualitative and quantitative

C3.1b

(C3.1b) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenarios and models applied	Details
2DS IEA NPS IEA CPS	<p>· 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 three scenarios forecasted up to the year 2040 created by the IEA (International Energy Agency): The Current Policy Scenario, the New Policy Scenario, and the Sustainable Development Scenario(2 degree scenario). In addition, the analysis used the Intergovernmental Panel on Climate Change (IPCC)'s 1.5°C scenario. Also, the analysis was conducted using the long-term supply and demand outlook provided by a third-party organization in order to forecast the impact on our business. We believe that these scenarios are consistent with our medium- and long-term goals for 2050. · The results show that our coal interests business and power generation business could have a large impact on our company overall. At this point, we are ready to respond to future changes, and believe that the impact on our business is limited. · Regarding our coal interest business, on the basis of these multiple scenarios, we have established a sustainability scenario by assuming demand and price forecasts for thermal and coking coal. As a result of comparing and analyzing the production costs of our Australian and Indonesian coal mines, we believe it is possible that these assets may deteriorate. However, our company has announced a policy of reducing the assets of our thermal coal interests to half or less by 2030, and we have already taken measures such as selling 10% of our stake in an Australian coal mine interest for AUD 300 million. As a result of our analysis, we believe that the impact on our business is limited. · Regarding our power generation business, we assumed multiple scenarios of the progression of various environmental regulations such as taxes. As a result of the analysis, we believe that at this point we are ready to respond to future changes, and that the impact on our business is limited. Based on the above analysis, Sojitz set the following policy in May 2019. · Reducing the assets of our thermal coal interests to half or less by 2030 (As of the end of FY2018, we have JPY 50 billion.) · In principle, not acquiring new thermal coal interests · Not undertaking 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>

C3.1d

(C3.1d) 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
Products and services	No	Based on external investigations and internal analysis, 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. The scenario analysis is then analyzed to determine financial impact. In the area of products and services, we have conducted a competitiveness analysis under the IEA's SD scenario (the so-called 2°C scenario) and the IPCC's 1.5°C scenario of our thermal power generation business holdings that are affected by rising carbon prices, and have confirmed that the impact on our business is limited.
Supply chain and/or value chain	Yes	Based on external investigations and internal analysis, 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. Regarding our supply chains, the thermal coal that we sell will be affected in terms of sales volume and price if the coal-fired power generation market shrinks. Therefore, we conducted a competitiveness analysis of our thermal coal business holdings under the IEA's SD scenario (the so-called 2°C scenario) and the IPCC's 1.5°C scenario, and have confirmed that some assets may face potential deterioration. Therefore, in FY2019, Sojitz announced a policy to reduce the assets of our thermal coal interests (approximately JPY 50 billion) to half or less by 2030. Also during the same fiscal year, Sojitz divested its interest in the Moolarben Coal Mine in Australia. Because the reduction of coal assets is progressing smoothly, we believe the impact on our business will be limited even if the 2°C or 1.5°C scenarios occur.
Investment in R&D	Yes	Based on external investigations and internal analysis, 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. We have confirmed that there will be a limited impact of rising carbon taxes and the shrinking of markets for the products we sell, but over the medium and long term, we are strengthening efforts to promote renewable energy power generation as an alternative product to increase our resilience to risk. In April 2019, Sojitz signed a share purchase agreement with wpd AG Group, a large German renewable energy developer that owns Yunlin Holding GmbH ("Yunlin HD"). This agreement saw Sojitz participate in the construction and operation of an offshore wind farm in Taiwan. As a result of this deal, Sojitz acquired a 9.1% stake in Yunneng Wind Power Co. Ltd., the project company for the construction and operation of the wind farm, through its equity holdings in Starwind Offshore GmbH and Yunlin HD. This represents Sojitz's first foray into electric power generation and offshore wind farms in Taiwan. Taiwan amended their Electricity Act in 2017. The new stipulations require Taiwan to abandon all nuclear power by 2025 and promote the introduction of renewable energy as a substitute energy source. Taiwan aims to introduce a total 5.5GW in offshore wind power by 2025. By accumulating know-how through this project, Sojitz will continue to proactively pursue wind power projects in both Taiwan and in Japan, where weather conditions are similar.
Operations	No	Based on external investigations and internal analysis, 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. In terms of our operations other than products and services, we have identified some office activities that are affected by rising carbon prices, but the carbon dioxide emission volume of our office activities that make up Scope 1 and Scope 2 account for about 1% of the entirety of Sojitz Group, and we have confirmed that the impact on the entire Group is minimal even in the 2°C or 1.5°C scenarios.

C3.1e

(C3.1e) 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. • Our company holds about six million tons of thermal coal and coking coal interests, mainly in Australia (such as the Gregory Crinum mine), and other regions such as Indonesia. • 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 nine 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. 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. We have been conducting scenario analysis since FY2018. In June 2020, we analyzed the value of assets held by our company assuming demand and price forecast for multiple scenarios up to the year 2040, including the 1.5°C scenario. As a result, we confirmed that some thermal coal interest assets may deteriorate, but the impact is limited. Based on the results of our scenario analysis, in May 2019, Sojitz set and announced a policy 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. If we reduce the assets of our coal interests to half or less as compared to the end of March 2019, the assets reduced by selling (handling costs) is about JPY 50 billion × 50% = approximately = JPY 25 billion. Based on this policy, 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>

C3.1f

(C3.1f) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

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

2019

Target coverage

Business activity

Scope(s) (or Scope 3 category)

Scope 3: Use of sold products

Base year

2018

Covered emissions in base year (metric tons CO2e)

11884946178

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

100

Target year

2030

Targeted reduction from base year (%)

50

Covered emissions in target year (metric tons CO2e) [auto-calculated]

5942473089

Covered emissions in reporting year (metric tons CO2e)

9057818319

% of target achieved [auto-calculated]

47.5749375160528

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

Please explain (including target coverage)

Sojitz Group has set a goal of reducing the assets of our thermal coal interests to half or less by 2030. This target covers more than 70% of Scope 3 emissions (use of sold products) as of April 2018. Sojitz conducts various Scope 3 analyses, including within our supply chains. In particular, we confirmed that the largest quantity of carbon dioxide comes from the use (combustion) of thermal coal in power plants, and that this has a large social impact. This led us to establish the aforementioned goal.

C4.2

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

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

2019

Target coverage

Company-wide

Target type: absolute or intensity

Absolute

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

Other, please specify	Other, please specify (①Reducing the assets of our thermal coal interests to half or less by 2030②In principle, not acquiring new thermal coal interests③Not undertaking new initiatives in the coal-fired power generation business(we have no current projects))
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Target denominator (intensity targets only)

<Not Applicable>

Base year

2019

Figure or percentage in base year

100

Target year

2030

Figure or percentage in target year

50

Figure or percentage in reporting year

100

% of target achieved [auto-calculated]

0

Target status in reporting year

New

Is this target part of an emissions target?

Formulating policies for initiatives related to the coal interests business and the coal-fired power generation business (May 2019)

Is this target part of an overarching initiative?

No, it's not part of an overarching initiative

Please explain (including target coverage)

Formulating policies for initiatives related to the coal interests business and the coal-fired power generation business (May 2019) ①Reducing the assets of our thermal coal interests to half or less by 2030 ②In principle, not acquiring new thermal coal interests ③Not undertaking new initiatives in the coal-fired power generation business(we have no current projects)

C-CO4.2c

(C-CO4.2c) 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.

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	0	0
To be implemented*	0	0
Implementation commenced*	0	0
Implemented*	1	4617
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

Energy efficiency in production processes	Other, please specify (Overseas Group companies that are engaged in fertilizer business are working to reduce carbon dioxide emissions by stopping the use of coal as fuel, and promoting the use of gas and electricity.)
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Estimated annual CO2e savings (metric tonnes CO2e)

4617

Scope(s)

Scope 1

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

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

146322700

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

0

Payback period

No payback

Estimated lifetime of the initiative

1-2 years

Comment

Overseas Group companies that are engaged in fertilizer business are working to reduce carbon dioxide emissions by stopping the use of coal as fuel, and promoting the use of gas and electricity.

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 or do they enable a third party to avoid GHG emissions?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

Level of aggregation

Group of products

Description of product/Group of products

We consider the sugar cane-derived "green polyethylene" to be a low-carbon product. We are the largest foreign shareholder in Braskem (Head Office: Sao Paulo, Brazil), South America's biggest chemical manufacturer, and our business with them stretches back more than 40 years. In 2012, Sojitz obtained the right to act as sales agent for green polyethylene, a sugar-cane derived plastic produced by Braskem. We sell this green polyethylene not only in Japan, but in Asia and Oceania as well. Green polyethylene is a plastic similar to the ones used to make plastic bags and containers, but derived from plants. While sugar cane, the chief ingredient, is still growing, it absorbs CO2 for use in photosynthesis. This means that when it is burned as waste, it can be said to produce no net CO2 emissions (what is known as a "carbon-neutral" product). Green polyethylene therefore yields 70% less CO2 than conventional petroleum-derived plastics, even when you include CO2 emitted during production and transport. In this way, we expect green polyethylene to help reduce worldwide dependency on oil and prevent global warming.

Are these low-carbon product(s) or do they enable avoided emissions?

Low-carbon product

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

The EU Taxonomy for environmentally sustainable economic activities

% revenue from low carbon product(s) in the reporting year

1

% of total portfolio value

<Not Applicable>

Asset classes/ product types

<Not Applicable>

Comment

By our own standards, it is a product which generates no CO2 emissions when burned as waste.

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?

Please select

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) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start

April 1 2018

Base year end

March 31 2019

Base year emissions (metric tons CO2e)

924207

Comment

Scope 2 (location-based)

Base year start

April 1 2018

Base year end

March 31 2019

Base year emissions (metric tons CO2e)

115893000

Comment

Scope 2 (market-based)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

C5.2

(C5.2) 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, Superseded by Revision of the Act on Promotion of Global Warming Countermeasures (2005 Amendment)

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)

924207

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

115893

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?

Yes

C6.4a

(C6.4a) Provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure.

Source

Companies with small amounts of carbon dioxide emissions among Sojitz Group companies.

Relevance of Scope 1 emissions from this source

Emissions are not relevant

Relevance of location-based Scope 2 emissions from this source

Emissions are not relevant

Relevance of market-based Scope 2 emissions from this source (if applicable)

Emissions are not relevant

Explain why this source is excluded

Due to the effect of the spread of the novel coronavirus, we have limited the scope to the 14 domestic and overseas consolidated subsidiaries with large amounts of emissions for FY2019. (Based on FY2018 results, about 90% of Sojitz Group is covered.)

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

Metric tonnes CO2e

31193

Emissions calculation methodology

Amount of paper used in FY2019 (pages A4): 13,803,000 Total weight: 13,803,000 x 4g (weight of one page A4) =55,212,000kg Specific consumption coefficient used: CFP Standards Database Ver.101 B-JP309005 – printing-grade uncoated paper (raw material acquisition-> pulping -> papermaking -> drying -> packaging): 1.77kg/CO2 e-kg 55,212kg ÷ 1.77 = 31,193t-CO2e

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

Please explain

Capital goods

Evaluation status

Relevant, calculated

Metric tonnes CO2e

2846

Emissions calculation methodology

Specific consumption coefficient used: SC-DB Ver. 3.0 Table 6/Emissions per price of capital goods 24-000 real estate Emissions per price of capital goods: 3.77t-CO2eq/JPY 1 million Amount spent acquiring new domestic buildings: JPY755 million x 3.77t-CO2 = 2,846.35t-CO2

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

Please explain

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

Evaluation status

Relevant, calculated

Metric tonnes CO2e

175

Emissions calculation methodology

Sojitz's non-consolidated electricity use for FY2019: 2,563,084kWh Specific consumption coefficient used: SC-DB Ver. 3.0 Table 7/Emissions per unit of fuel purchased – electricity 0.0682kgCO2E/kWh 2,563,084kWh x 0.0682 = 175t-CO2

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

Please explain

Upstream transportation and distribution

Evaluation status

Relevant, calculated

Metric tonnes CO2e

4459

Emissions calculation methodology

Total CO2 emissions attributable to logistics and distribution in FY2019:8,918 t-CO2 (8,918 t-CO2/2)=4,459t-CO2 Upstream: 4,459t-CO2

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

Please explain

Waste generated in operations

Evaluation status

Relevant, calculated

Metric tonnes CO2e

7

Emissions calculation methodology

Amount of general industrial waste (FY2019): 190t Specific consumption coefficient used: CFP Standards Database Ver. 101 B-JP309005-incineration (general waste) (including landfill management and leachate treatment) 0.0379kg/CO2e-kg 190,000kg x 0.0379 = 7,201kg-CO2 =7.201t-CO2

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

Please explain

Business travel

Evaluation status

Relevant, calculated

Metric tonnes CO2e

2828

Emissions calculation methodology

CO2 Emissions Resulting from BusinessTrips Overseas:2,828t-CO2 *As described in our third-party assessment

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

Please explain

Employee commuting

Evaluation status

Relevant, calculated

Metric tonnes CO2e

472

Emissions calculation methodology

※Emission factors used To calculate emission factors, we use emission units from the ""Emissions Unit Values for Accounting of Greenhouse Gas Emissions, etc., by Organizations Throughout the Supply Chain,"" published by the Ministry of Economy, Trade, and Industry and the Ministry of the Environment. Bus : 25,021,050yen Train : 300,046,980yen (25,021,050×0.00242)+(300,046,980×0.00137)=471,615kg =472t-CO2

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

Please explain

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Metric tonnes 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

The emissions in this category is not applicable because Sojitz does not have upstream leased assets.

Downstream transportation and distribution

Evaluation status

Relevant, calculated

Metric tonnes CO2e

4459

Emissions calculation methodology

Total CO2 emissions attributable to logistics and distribution in FY2019: 8,918t-CO2 Upstream: 4,459t-CO2

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

Please explain

Processing of sold products

Evaluation status

Relevant, not yet calculated

Metric tonnes 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

Use of sold products

Evaluation status

Relevant, calculated

Metric tonnes CO2e

9057818319

Emissions calculation methodology

The carbon dioxide emissions generated when thermal coal owned by our coal mining interests is used by our business partners = Reserves 3,759,991 tons × emission factor 2.409 × 1000

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

Please explain

End of life treatment of sold products

Evaluation status

Relevant, calculated

Metric tonnes CO2e

556

Emissions calculation methodology

72,947 cars × 0.847t (scrap produced in disposing of one car) × 0.009tCO2e/t = 556t

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

Please explain

Downstream leased assets

Evaluation status

Relevant, calculated

Metric tonnes CO2e

3350.84

Emissions calculation methodology

17,636m2 (rental business facility) × 0.190t-CO2/m2 × 1 year = 3,350.84t-CO2

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

Please explain

Franchises

Evaluation status

Not relevant, explanation provided

Metric tonnes 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

We do not have any franchises.

Investments

Evaluation status

Not relevant, explanation provided

Metric tonnes 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

Investments subject to recording as consolidated group companies are collected together under Scope 1+2.

Other (upstream)

Evaluation status

Metric tonnes 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

Metric tonnes 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

5.927e-7

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

1040100

Metric denominator

unit total revenue

Metric denominator: Unit total

1754800000000

Scope 2 figure used

Location-based

% change from previous year

141

Direction of change

Increased

Reason for change

Group companies (power generation businesses) repaired equipment that failed in the previous fiscal year, thereby improving the operating rate and leading to increased emissions.

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)
Australia	33776
Indonesia	360355
Philippines	28241
Sri Lanka	450131
Thailand	19042
United States of America	2270
Viet Nam	3876
China	28
Japan	26487
Please select	

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	0
Aerospace and Transportation Project Division	0
Machinery and Medical Infrastructure Division	0
Energy and Social Infrastructure Division	472414
Metals and Mineral Resources Division	33776
Chemicals Division	362625
Food and Agriculture Business Division	47814
Retail and Lifestyle Business Division	7428
Industrial Infrastructure and Urban Development Division	0
Corporate	149

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)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted for in Scope 2 market-based approach (MWh)
Sri Lanka	1009		1604	
Japan	9165		19881	
Australia	1518		2043	
Indonesia	2909		3783	
United States of America	6066		65752	
Philippines	6135		9170	
Viet Nam	74846		853331	
China	2386		3830	
Thailand	11859		25072	
Please select				
Please select				
Please select				
Please select				
Other, please specify (Other countries than the above countries)				

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	0	0
Aerospace and Transportation Project Division	0	0
Machinery and Medical Infrastructure Division	0	0
Energy and Social Infrastructure Division	1213	0
Metals and Mineral Resources Division	1518	0
Chemicals Division	8975	0
Food and Agriculture Business Division	23028	0
Retail and Lifestyle Business Division	79726	0
Industrial Infrastructure and Urban Development Division	0	0
Corporate	1433	0

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

(C-CE7.7IC-CH7.7IC-CO7.7IC-MM7.7IC-OG7.7IC-ST7.7IC-TO7.7IC-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 CO2e	Scope 2, market-based (if applicable), 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			
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 CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	0	No change	0	【Formula】 Change in renewable energy consumption attributed to the reason described in column 1: 0 t-CO2 Previous year Scope1+2 emissions: 736,069 t-CO2 Emissions value (percentage) =(Change in renewable energy consumption attributed to the reason described in column1 ÷ Previous year Scope1+2 emissions) × 100 = (0/736,069) x100 = 0%
Other emissions reduction activities	304031	Increased	41.3	Group companies (power generation businesses) repaired equipment that failed in the previous fiscal year, thereby improving the operating rate and leading to increased emissions. 【Formula】 Other emissions reduction activities attributed to the reason described in column 1: 304,031 t-CO2 Previous year Scope1+2 emissions: 736,069 t-CO2 Emissions value (percentage) =(Other emissions reduction activities attributed to the reason described in column1 ÷ Previous year Scope1+2 emissions) × 100 = (304,031/736,069) x100 =41.3%
Divestment	0	No change	0	
Acquisitions	75571	Increased	10	Compared with FY2018, emissions have increased because the overseas paper manufacturing company which we acquired in FY2018 now has a calculation system in place is included in the calculation. 【Formula】 Acquisitions attributed to the reason described in column 1: 75,571 t-CO2 Previous year Scope1+2 emissions: 736,069 t-CO2 Emissions value (percentage) =(Acquisitions attributed to the reason described in column1 ÷ Previous year Scope1+2 emissions) × 100 = (75,571/736,069) x100 =10%
Mergers	0	No change	0	
Change in output	0	No change	0	
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	No
Consumption of purchased or acquired steam	Yes
Consumption of purchased or acquired cooling	No
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	4291577	4291577
Consumption of purchased or acquired electricity	<Not Applicable>	0	157746	157746
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	0	826720	826720
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	0	<Not Applicable>	0
Total energy consumption	<Not Applicable>	0	5276043	5276043

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	No
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.

Fuels (excluding feedstocks)

Liquefied Petroleum Gas (LPG)

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

14509

MWh fuel consumed for self-generation of electricity

14509

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>

Emission factor

0

Unit

Please select

Emissions factor source

Comment

Fuels (excluding feedstocks)

Crude Oil Heavy

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

141535

MWh fuel consumed for self-generation of electricity

141535

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>

Emission factor

0

Unit

Please select

Emissions factor source

Comment

Fuels (excluding feedstocks)

Motor Gasoline

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

216

MWh fuel consumed for self-generation of electricity

216

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>

Emission factor

0

Unit

Please select

Emissions factor source

Comment

Fuels (excluding feedstocks)

Kerosene

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

414

MWh fuel consumed for self-generation of electricity

414

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>

Emission factor

0

Unit

Please select

Emissions factor source

Comment

Fuels (excluding feedstocks)

Condensate

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

0.01

MWh fuel consumed for self-generation of electricity

0.01

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>

Emission factor

0

Unit

Please select

Emissions factor source

Comment

Fuels (excluding feedstocks)

Thermal Coal

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

80135

MWh fuel consumed for self-generation of electricity

80135

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>

Emission factor

0

Unit

Please select

Emissions factor source

Comment

Fuels (excluding feedstocks)

Liquefied Natural Gas (LNG)

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

1663

MWh fuel consumed for self-generation of electricity

1663

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>

Emission factor

0

Unit

Please select

Emissions factor source

Comment

Fuels (excluding feedstocks)

Gas Oil

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

1963643

MWh fuel consumed for self-generation of electricity

1963643

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>

Emission factor

0

Unit

Please select

Emissions factor source

Comment

Fuels (excluding feedstocks)

Town Gas

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

2089462

MWh fuel consumed for self-generation of electricity

2089462

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>

Emission factor

0

Unit

Please select

Emissions factor source

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	0	0	0	0
Heat	0	0	0	0
Steam	0	0	0	0
Cooling	0	0	0	0

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

Please select

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

Please select

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

Please select

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

Please select

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_201903_CDP20190731.pdf

Page/ section reference

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_201903_CDP20190731.pdf

Page/ section reference

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_201903_CDP20190731.pdf

Page/section reference

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 2019

Period end date

March 31 2020

% of total Scope 1 emissions covered by tax

3

Total cost of tax paid

7654743

Comment

26,487t-CO2×JPY289

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, 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. 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?

No

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

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)

14700

Variance of price(s) used

We use the expected price of carbon taxes in 2030 (US\$135/ton-CO2e), taken from the IPCC'S "Special Report on Global Warming of 1.5°C," for internal carbon pricing, applying stress tests to 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 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 suppliers

Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Compliance & onboarding

Details of engagement

Included climate change in supplier selection / management mechanism

% of suppliers by number

2

% total procurement spend (direct and indirect)

1

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

1

Rationale for the coverage of your engagement

We have created a Sojitz Wood Procurement Policy which calls for us to avoid procuring wood from forests with high conservational value, to help prevent climate change and show greater concern for the environment. This policy applies to all suppliers who provide Sojitz with goods produced using wood. This accounts for approximately 1% of all of Sojitz's suppliers.

Impact of engagement, including measures of success

= Quantitative Targets (Criteria for Measuring Performance) = Sojitz Group is determined to ensure that 100% of the wood we handle is traceable by FY2020. In the future, we will also aim to ensure that 100% of the wood we handle is produced through suitable, environmentally/socially-conscious forest management. = Survey Target = We selected and conducted a targeted survey of wood that makes up over 80% of our total purchased wood supply in terms of monetary value, using criteria including the supplier country's risk level, the amount of wood purchased in terms of monetary value, and suppliers' compliance with Sojitz policies, from among Sojitz Group's approximately 1,500 wood-related suppliers. = Results of 2019 Survey = Our percentage of wood classified as Level B or above reached 67% for 2019, with wood for which only traceability can be confirmed (Level C) totaling 33%. We also reached our target for wood lacking traceability (Level D), having fully eliminated it from our procurement. We will continue to work towards raising the percentage of Level A/B wood we procure and keep Level D wood out of our procurement. ■Level A (certified wood or wood which is subject to strict management equivalent to that of certified wood): 51% of all wood procured ■Level B (wood which has not been certified, but for which we have verified both traceability and suitability of forest management(i.e. that the forest is subject to environmentally/socially-conscious forest management): 15% of all wood procured ■Level C (traceable wood): 33% of all wood procured ■Level D (wood lacking traceability): 0% of all wood procured By establishing a lumber procurement policy, conducting regular surveys, and monitoring progress towards targets, we are contributing to sustainability from the perspective of protecting forests with high conservation value as carbon dioxide sinks. Additionally, our company is one of the top importers of lumber to Japan, and by confirming the legality of lumber procurement in each country to prevent illegal logging and by confirming our consideration for the environment, we are promoting the shift to harvesting planted trees. Also, we expect curbing illegal logging and converting to planted trees will contribute significantly to reducing global warming.

Comment

C12.1d

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

We work together with WWF Japan on wood procurement, as part of our work towards helping prevent climate change in line with our company's environmental policy. We have put forth a policy for procuring wood in a way which ensures legality of the wood and which shows consideration for society and the environment (Sojitz Wood Procurement Policy). We conduct a hands-on survey each year to determine whether the wood we procure is compliant with our policy, and the method of survey and method of disclosure are both overseen by WWF Japan. As one of the top lumber importers in Japan, our company does its best to suppress illegal logging by confirming the legality of wood we procure from countries around the world, as well as promote afforestation by confirming that our wood is procured with consideration for the environment. We anticipate that both our helping to suppress illegal logging and our promotion of afforestation carry a large impact in helping stave off global warming.

=Results of 2019 Survey=

Our percentage of wood classified as Level B or above reached 67% for 2018, with wood for which only traceability can be confirmed (Level C) totaling 33%. We also reached our target for wood lacking traceability (Level D), having fully eliminated it from our procurement. We will continue to work towards raising the percentage of Level A/B wood we procure and keep Level D wood out of our procurement.

- Level A (certified wood or wood which is subject to strict management equivalent to that of certified wood): 51% of all wood procured
- Level B (wood which has not been certified, but for which we have verified both traceability and suitability of forest management (i.e. that the forest is subject to environmentally/socially-conscious forest management): 15% of all wood procured
- Level C (traceable wood): 33% of all wood procured
- Level D (wood lacking traceability): 0% of all wood procured

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

Direct engagement with policy makers
Trade associations

C12.3a

(C12.3a) On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Other, please specify (Emission reduction)	Support	Acquisition of carbon credits through a joint crediting mechanism (JCM) based on carbon capture, utilization, and storage (CCUS). =Proposal to Policymakers= 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.	We proposed the optimal partner for Lemigas, a company under Indonesia's Ministry of Energy and Mineral Resources.

C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

Yes

C12.3c

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

Trade association

The Japan Foreign Trade Council, comprised of Japanese trading companies.

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

We set a goal of reducing specific energy consumption (by floor space) to 23.5 l/m² by FY2030, in line with the JFTC's CO₂ emissions reduction target designed to combat global warming ("Plan for the Realization of a Low-Carbon Society"). This is a 22.4% reduction from our baseline year of 2009. Although the Plan for the Realization of a Low-Carbon Society sets the deadline for its CO₂ reduction targets as "by FY2020," we extended this deadline to FY2030.

How have you influenced, or are you attempting to influence their position?

The JFTC holds "Global Environment Committee" meetings four times per year, and during these meetings, we encouraged the JFTC to change to reporting data in specific energy consumption rather than energy usage, since this enables year-on-year comparison which more closely matches actual conditions. Our initiative led the JFTC to change from reporting data according to energy usage, with the organization now reporting specific energy consumption instead.

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

(1) Direct engagement Sojitz has set forth a number of sustainability goals as part of the Medium-Term Management Plan leading up to 2020. When we set these goals, we confirmed that the CCUS verification business would align with our goal of “help achieve a decarbonized society,” as set forth in the Sojitz Sustainability Challenge. We then reported the suitability of the business to the Sustainability Committee.

(2) Trade associations As a member of the Japan Foreign Trade Council (JFTC)’s CSR Study Committee, in which the Japan Business Federation (Keidanren) participates, and also as a member of the Global Environment Committee, our company shares its opinions and confirms consensus opinions, which are then reported back to the Sojitz. In the event of conflicting opinions, Sojitz conveys its stance to the Japan Business Federation via the JFTC. We participate in regularly held debriefing sessions of the Japan Foreign Trade Council, confirm matters to report (status of follow-ups on reports submitted to the Ministry of the Economy, Trade, and Industry regarding energy saving measures, proposals which Keidanren make to the government on behalf of specific industries, etc.), and as necessary, report these to the Sustainability Committee and Board of Directors. The content of these reports is also shared with related units and group companies via posting on the company intranet.

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).

Publication

In mainstream reports

Status

Underway – previous year attached

Attach the document

Integrated Report 2019.pdf

Page/Section reference

Governance p. 50 -p.60 Strategy p.10 -p.11、 p.16-p.28 Risk & opportunity p.68 -p.85 Emissions figures p.15

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures

Comment

Publication

In voluntary communications

Status

Complete

Attach the document

web page.pdf

Page/Section reference

Content elements

Emissions figures
Emission targets
Other metrics

Comment

Publication

In mainstream reports

Status

Complete

Attach the document

yuho20200619.pdf

Page/Section reference

yukasyoken_report2020 -Governance p. 47-p.88 -Strategy p.11-p.19 -Risk & opportunity p.20-p.25 -Other metrics p.26-p.33 Financial Results for the year ended March 31 2020 -Other metrics p.11

Content elements

Governance
Strategy
Risks & opportunities
Other metrics

Comment

Publication

In voluntary communications

Status

Complete

Attach the document

Sustainability Challenge.pdf

Page/Section reference

Sustainability Challenge ,Sustainability Goal

Content elements

Governance
Strategy
Risks & opportunities

Comment

C15. 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.

C15.1

(C15.1) 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)

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission
I am submitting my response	Investors	Public

Please state the main reason why you are declining to respond to your Customers

Prefer to work directly with customer, not through a third party

Please confirm below

I have read and accept the applicable Terms