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Sojitz Corporation

Sojitz Group Policies for Realizing a Decarbonized Society  
–Striving to Achieve Carbon Neutrality by 2050–

Sojitz Group has established new policies and targets to fulfill its commitment for realizing a decarbonized society as announced in Sojitz’s long-term sustainability vision for 2050, the “Sustainability Challenge.”

■ Sojitz’s Perspective on its Responsibility to Achieve a Decarbonized Society

Sojitz seeks to maximize “two types of value” through its business activities— “value for Sojitz” and “value for society”— in order to “create value and prosperity” as set forth in its corporate statement.

Sojitz has continued to expand its business foundation and pursue growth by providing solutions to social problems through its business activities, and these solution-based initiatives have become areas of strength for the company.

In terms of the issue of securing and supplying energy, Sojitz has worked to play a role in providing energy solutions by conducting many resource businesses both in Japan and overseas while simultaneously connecting these solutions to profit for the company.

In recent years, global warming has emerged as a new issue of major importance and attention, and the global trend towards carbon neutrality has accelerated. Under these circumstances, it is necessary to transition from the simple use and supply of energy to new ways of using and supplying green energy.

In order to achieve these aims, Sojitz will accelerate efforts to reduce CO2 emissions for the Group’s existing businesses as preparation for the coming age of a decarbonized society by increasing the company’s business resilience. At the same time, Sojitz sees this shift to decarbonization as a new opportunity that can be applied to future businesses, not only within the energy sector, but in a wide range of business fields. Through these efforts, Sojitz aims to create “value for society” through decarbonization and to expand its earnings opportunities to create “value for Sojitz” in the process.

The new medium-term management plan to begin from April 2021 will be announced at a later date, and Sojitz will promote its carbon neutrality policies in addition to various measures included in the next plan.

As stated in the news release, “Sojitz Corporation Announces Organizational Reforms and Executive Appointments” dated November 27<sup>th</sup>, 2020, resources will be consolidated for businesses related to the environment (including power generation), healthcare, and infrastructure to strengthen its framework for projects. In the metals and mineral resource fields, Sojitz is focused on expanding the recycling business in anticipation of the circular society that will follow the realization of a decarbonized society.

### ■ Sojitz Group’s Decarbonization Policies and Targets

The decarbonization policies and targets established address two categories: 1) existing businesses, and 2) new businesses that will be initiated in the future. For existing businesses, emission reduction targets will be set based on separate international protocols for CO2 emissions (Scope). For new businesses, Sojitz views the transition towards a decarbonized society as an opportunity for growth, and the company will actively promote diverse new businesses.

#### [Existing Businesses]

##### [Scope 1 and Scope 2 Targets]

Scope 1 encompasses all of the CO2 generated directly by the company from burning coal and gas etc. Scope 2 mainly refers to the CO2 generated by the company’s consumption of electricity. Both types of CO2 emissions contribute to the company’s direct energy usage. Sojitz Group’s annual emissions are close to 1 million tons. While this output is limited when compared to the emissions from interest businesses (Scope 3), Sojitz believes decarbonization is a necessary step to strengthen the resilience of our earnings foundation, and the company has established the following targets as a result.

Scope 1 + 2	Reduce emissions 60% by 2030; achieve net-zero emissions by 2050* <sup>1</sup> For Scope 2: Net-zero emissions by 2030* <sup>2</sup>
Coal-fired power generation	No current projects nor future projects planned

\*1 \*2: FY2018 serves as the base year, with non-consolidated and consolidated subsidiaries included in the scope. Includes carbon offsets from certificates. Introduction of internal carbon pricing under consideration, which supports the reduction of CO2.

##### [Scope 3 Targets (Natural Resource Interests)]

Scope 3 refers mainly to the indirect CO2 emissions generated in the supply chain. Trading companies have extensive supply chains from upstream to

downstream. If all of Sojitz's current natural resource interests were burned, it would generate approximately 400 million tons of CO<sub>2</sub>. This amount greatly exceeds the 1 million tons of CO<sub>2</sub> emissions generated from Sojitz Group's direct energy use (Scope 1 + 2). Sojitz therefore views addressing these Scope 3 emissions as a major social responsibility.

For this reason, Sojitz will move up the scheduled timeline for achieving its emission reduction targets for thermal coal interests. Sojitz has also newly-established the following policies and targets for oil interests and coking coal interests. In coking coal-related business, Sojitz will actively engage in new business opportunities associated with technological innovations, such as CO<sub>2</sub> capture and new iron-making methods to reduce CO<sub>2</sub> emissions.

Thermal coal interests	Reduce interests to half or less by 2025* <sup>3</sup> ; zero interests by 2030* <sup>4</sup>
Oil interests	Zero interests by 2030
Coking coal interests	Zero interests by 2050

\*3: FY2018 serves as the base year, and targets are based on the book value of assets in coal interests.

\*4: Target deadline moved to earlier date from the previously announced goal of reducing thermal coal interests to half or less by 2030.

### **[New Businesses]**

For all new businesses initiated going forward, Sojitz aims to realize net-zero carbon emissions by 2050.

The aforementioned goals are based on the current future forecast and will be subject to flexible review in accordance with social trends and technological innovations.

[For questions regarding this press release, contact:]

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