

SEKISUI CHEMICAL Group's Efforts to Resolve Climate Change Issues (1)



❖ Purpose of attaining SBT Initiative certification

1. Internally and externally show our commitment to the Long-term Environmental Management Vision
2. Improve collaboration with and incorporate the supply chain in our efforts
 ⇒ *In future, play a leading role in society by joining the TCFD*

❖ Integrate Climate Change into Management Strategy

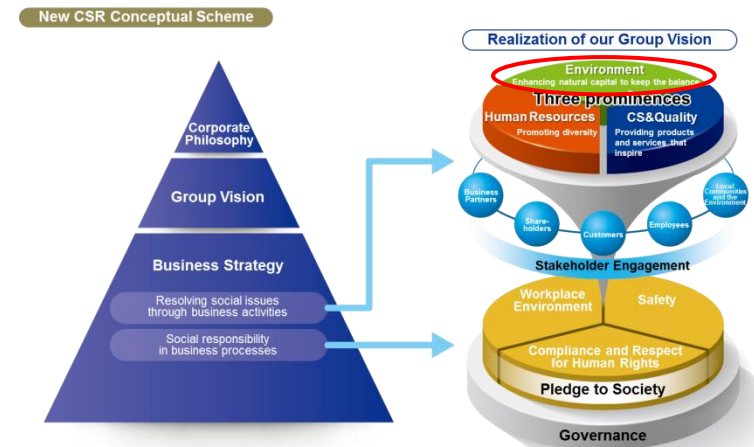
1. Strengthen Integrated Management (ESG perspective)

- Environment is one of the Three Prominences
- Integrated corporate principles with CSR concepts (from 2017)
- Integrated Business Strategy Department and CSR Promotion Department (from 2017)

2. Expand business by achieving the “Sekisui Environment Sustainability Vision 2030”

- Expansion of environment-contributing products*
 → Contribute to global environment
 → Directly linked to business expansion
- Balance of ecology and economy
- * Products which significantly contribute to reduction of GHG emissions during customer use
- Reduction of impact on the environment
 → Necessary to work with supply chain

Integrating corporate principles (left) with CSR concepts (right)



Sekisui Environment Sustainability Vision 2030



SEKISUI CHEMICAL Group's Initiatives to Resolve Issues of Climate Change (2)



❖ Details of SBT Certification

| | GHG emission reduction target | |
|------------------------|--|--|
| Scope 1+2 | Reduce by 26% in FY2030 (compared to FY2013) | |
| Scope 3 (supply chain) | Reduce by 27% in FY2030 (compared to FY2016) | |
| | Procured raw materials | Reduce by 20% in 2030 (compared to FY2013) |
| | Product use | Reduce by 50% in 2030 (compared to FY2013) |

First in chemical sector worldwide

❖ Implementation & Monitoring

1. Promote measures to improve results

- Environmental contribution investment promotion policies (internal carbon trading)
- Excellence award for contributing to prevention of global warming (presidential award)

KPI: Return rate of natural capital (including GHG reduction)

- COP24: Plan to introduce at official Japan side event

2. Work with Supply Chain

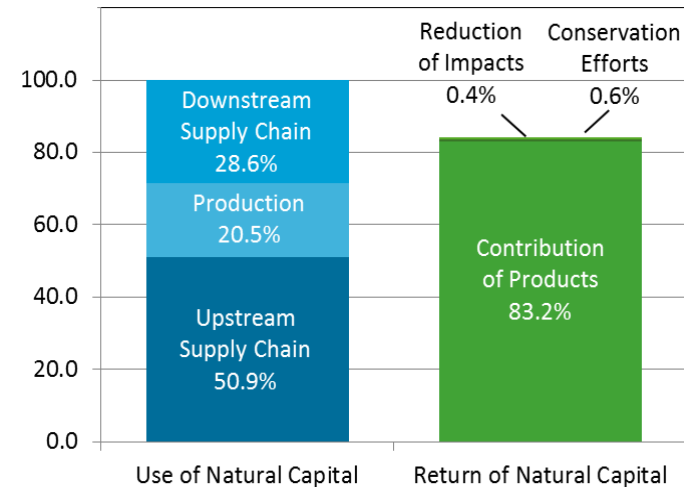
- Encouragement and support toward raw material manufacturers (understanding current situation)

3. Expand contributions from businesses and products

- Mitigation of climate change & expansion of adapting businesses
- Development of new technologies and products related to the theme of “the environment and energy”

KPI: Number of registrations and percentage of sales of environment-contributing products

Return rate (2017): 84.1%



- COP23: Introduced as an example of an adapting business