



Our Response to the TCFD Recommendations

Becoming a TCFD Signatory by Declaring Our Support for Its Guidelines

On February 14, 2020, we declared support for recommendations issued by the Task Force on Climate-related Financial Disclosures (TCFD) and became a TCFD signatory.



Idemitsu's Approach to the Disclosure of Climate Change-Related Information

We disclose information in accordance with TCFD recommendations. Using our robust information disclosure framework, we will proactively disclose information to stakeholders, accurately identifying risks and opportunities arising from climate change in connection with our business.

Area	TCFD recommendations	Idemitsu's disclosure	Page for disclosure
Governance	1. Describe the Board's oversight of climate-related risks and opportunities	<ul style="list-style-type: none"> Governance system for climate change 	▶P.12, 16,64
	2. Describe management's role in assessing and managing climate-related risks and opportunities	<ul style="list-style-type: none"> Governance system for climate change 	▶P.16
Strategy	1. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	<ul style="list-style-type: none"> Identification of risks and opportunities Responding to risks and opportunities 	▶P.19
	2. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	<ul style="list-style-type: none"> Identification of risks and opportunities Responding to risks and opportunities 	▶P.19
	3. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	<ul style="list-style-type: none"> Scenario Analysis Business portfolio reform 	▶P.9,19
Risk management	1. Describe the organization's processes for identifying and assessing climate-related risks	<ul style="list-style-type: none"> Climate change risk assessment process (Evaluation by each business site and the Safety & Environmental Protection Headquarters) 	▶P.16, 17,19
	2. Describe the organization's processes for managing climate-related risks	<ul style="list-style-type: none"> Climate change risk assessment process (Report to the Management Committee and evaluation) 	▶P.16, 17,19
	3. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	<ul style="list-style-type: none"> Climate change risk assessment process 	▶P.16, 17,19
Metrics and Targets	1. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	<ul style="list-style-type: none"> GHG emission reduction target, absolute amount and per unit of production 	▶P.21
	2. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG (greenhouse gas) emissions and the related risks	<ul style="list-style-type: none"> GHG emission reduction target, absolute amount and per unit of production Identification of risks and opportunities 	▶P.19,21
	3. Describe the targets used by the organization to manage climate-related risks and opportunities, as well as disclose performance against targets	<ul style="list-style-type: none"> GHG emission reduction target, absolute amount and per unit of production GHG emission reduction results 	▶P.21

Response to Circular Economy

The Circular Economy Concept

Idemitsu Group recognizes that the goal of realizing a circular economy is to transform the conventional mass production, mass consumption and mass disposal society into a society that minimizes the consumption of natural resources and reduces the burden on the environment as much as possible. In recognition of this, the Idemitsu Group is promoting a variety of initiatives to ensure that renewable resources are consumed at a sustainable rate, which does not overtax their rate of renewal, and that nonrenewable resources are consumed in the most effective manner. Simultaneously, we are working to reduce consumption of non-renewable resources over time by shifting to renewable alternatives.

Examples of Initiatives

We are actively engaged in activities on how to realize a sustainable circular business while ensuring the sustained and efficient use of renewable resources and their incorporation into our business supply chain. To this end, we are taking an across-the-board approach to fully utilize the diverse technologies possessed by each department and meet this challenge.

Specifically, we are engaged in plastic recycling, solar panel recycling, and, from a long-term perspective, carbon recycling, which treats CO₂ as a resource.

Plastic Recycling

We are working on the practical application of chemical recycling, in which collected plastics are decomposed and returned to chemical raw materials by using the cracking units for petroleum refining.



We are also aware of the need to tackle the problem of marine plastic waste by rallying every company in the supply chain. We have joined two industry associations and started sharing and exploring information. We are also working to raise awareness of the problem of marine plastics within the Company.

- Japan Initiative for Marine Environment (JaIME)
Established by five Japanese chemical-related associations (Japan Chemical Industry Association, The Japan Plastics Industry Federation, Plastic Waste Management Institute, Japan Petrochemical Industry Association, and Vinyl Environmental Council).
- Clean Ocean Material Alliance (CLOMA)
Consisting of 361 business corporations and organizations from plastic supply chains (as of August 27, 2020)