

Denka Concludes ESG/SDG-Linked Syndicated Loan with Sumitomo Mitsui Banking Corporation

Denka Company Limited (headquarters: Chuo-ku, Tokyo; president: Toshio Imai; hereinafter "Denka") concluded an ESG/SDGs-Linked Syndicated Loan agreement with Sumitomo Mitsui Banking Corporation on September 28.

The ESG/SDG-Linked Syndicated Loan is a financial instrument linked to the assessment of customers' ESG and SDG initiatives and information disclosure based on the criteria set out by Sumitomo Mitsui Banking Corporation and The Japan Research Institute, Limited ("Japan Research Institute"). A syndicate is formed by multiple financial institutions that accept the ESG/SDG assessment.

The Japan Research Institute's ESG/SDG assessment indicates that Denka's integrity in its interactions with customers regarding climate change and its commitment to sustainability and its corporate philosophy are at a very high level. Denka's good practices related to ESG management and its willingness to contribute to the SDGs through its business and its disclosure of information also earned high marks, which resulted in the conclusion of the loan agreement.

<p>E (Environment)</p>	<ul style="list-style-type: none"> • To reduce the environmental impact (greenhouse gas emissions) related to Denka's business activities, Denka has set medium- to long-term targets, including a 50% reduction by FY2030 (vs. FY2013) and carbon neutrality by FY2050, and Denka is actively utilizing renewable energy internally. • Denka expands its sales of electronics materials used for xEVs and promotes the development of technologies that help address climate change, including CO₂ capture technology (CCUS) and chemical recycling technology to recycle plastics.¹
<p>S (Social)</p>	<ul style="list-style-type: none"> • Denka is changing the ways that its employees work and diversity is a priority in its management. • To address social issues through its business, Denka supplies the raw materials for drugs that treat infectious diseases and provides rapid antigen test kits. • Denka has formulated a quality policy and continually strives to improve quality, and formulated quality management system certification with improving its quality assurance system, and conducting customer satisfaction surveys.
<p>G (Governance)</p>	<ul style="list-style-type: none"> • Denka includes the enhancement of environmental value and human capital value in its medium-term management plan. Denka has set greenhouse gas emission reduction targets and is promoting diversity management. • In the integrated report, Denka discloses its plan to simultaneously resolve social issues and enhance corporate value and specific potential ESG risks related to its business activities (including risks related to climate change and the marine plastic pollution issue).
<p>SDGs</p>	<ul style="list-style-type: none"> • Denka contributes to action to address climate change (Goal 13) through the internal use of renewable energy and the development of technologies, including CCUS. • Denka is able to contribute to promoting the recycling of materials (Goal 12) in its chemical recycling business.

In November last year, Denka declared that it would achieve carbon neutrality by FY2050 to fulfill our social responsibilities in the face of the world's challenges. In April this year, Denka created its Declaration of Health and Productivity Management, which is another step forward in its continuing efforts to promote health and encourage employees and their families to maintain their own health. In April 2020, Denka redesigned its ESG information site to promote the dissemination of ESG information regarding its corporate activities to fulfill its social responsibility in a comprehensive and timely manner.²

Denka will promote reforms and cooperation throughout the Denka Group and strive to uniquely resolve a range of social issues in reference to the SDGs to become a company that is truly needed and indispensable in society.

¹ CCUS: carbon dioxide capture, utilization and storage

This is a technology for separating the CO₂ in exhaust gases from plants and factories from other constituents, capturing it and preventing it from being emitted into the air. Discussion is ongoing in government and academic circles on what should be done with the captured CO₂, with options such as storing it underground or at the bottom of the sea or reusing it as a material for making chemicals and fuels being investigated. We collaborate with AIST in the development of CCUS.

² ESG information site <https://denka.disclosure.site/ja>

This website is designed to communicate comprehensive information about the Denka Group's ESG management (environment, society and corporate governance) to our stakeholders.

Reference:

- April 1, 2021 “Declaration of Health and Productivity Management Created”
https://www.denka.co.jp/eng/storage/news/pdf/337/20210401_denka_health_en.pdf
- March 26, 2021 “Denka Acquires AA Rating, the Highest Environmental Financing Assessment Rating, and Signs Agreement for Mizuho Eco Finance”
https://www.denka.co.jp/eng/storage/news/pdf/338/20210326_denka_ecofinance_en.pdf
- January 29, 2021 “Transmission of Power from the New Omigawa Power Plant Commences Expanding Use of Clean Energy towards the Achievement of Carbon Neutrality by 2050”
https://www.denka.co.jp/eng/storage/news/pdf/321/20210129_denka_shinomi_en.pdf
- November 25, 2020 “Denka Strengthens Environmental Management for Carbon Neutrality by 2050 Presenting Denka’s Original Initiatives at Eco-Pro Online 2020”
https://www.denka.co.jp/eng/storage/news/pdf/318/20201125_denka_carbon0_en.pdf
- September 14, 2020
“Denka Expresses Support for Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) Intensifying Commitment to a Sustainable Society and Information Disclosure”
https://www.denka.co.jp/eng/storage/news/pdf/297/20200914_denka_tcfcd_en.pdf
- April 13, 2020
“Denka Affiliate Toyo Styrene to Start a Business for Chemical Recycling of Polystyrene Resins”
https://www.denka.co.jp/eng/storage/news/pdf/278/20200413_denka_ps_chemical_recycle_en.pdf

About Denka

Denka is a chemical manufacturer headquartered in Chuo-ku, Tokyo. The company specializes in developing business activities on a global scale across a wide range of fields, from inorganic and organic chemicals, to electronic materials and pharmaceuticals. Founded in 1915, Denka has steadily continued to develop and manufacture products that contribute to the development of society by fully utilizing its unique concepts and technological capabilities. Upholding its corporate slogan, “Possibility of chemistry” the company and its president, Toshio Imai, are committed to contributing to the sound development of the society while sincerely tackling the challenges that the society is now confronting.

For more information, please visit: <https://www.denka.co.jp/eng/>

<p>[For Inquiries about This Press Release from Media] Corporate Communications Dept. Tel : +81-3-5290-5071</p>
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