



Kanematsu signed Partnership Agreement with The Norinchukin Bank to Address Global Warming Issues in the Agriculture and Food Industries

Kanematsu Corporation (hereinafter, “Kanematsu”) and The Norinchukin Bank (hereinafter, “Norinchukin”) have signed a partnership agreement aimed at addressing global warming issues in the agriculture and food industries.

Going forward, the two companies will work together to promote efforts by agricultural producers and others to reduce greenhouse gas emissions.

■ Background

Agricultural producers still have limited access to greenhouse gas reduction technologies and practices, making it difficult to put them into practice. Meanwhile, companies and organizations that are working to reduce greenhouse gas emissions do not have sufficient resources and expertise to do so in the agricultural field.

In addition, even if these issues were to be resolved, existing greenhouse gas calculation methods are not equipped to properly reflect the reduction efforts, and may become a bottleneck in measuring the effectiveness, and in expansion of the use, of reduction technologies.

Furthermore, in order to encourage the diffusion of the technologies and the transition to sustainable business models, it is essential to promote the technologies by generating demand for the products produced with them.

■ Details of the Partnership Agreement

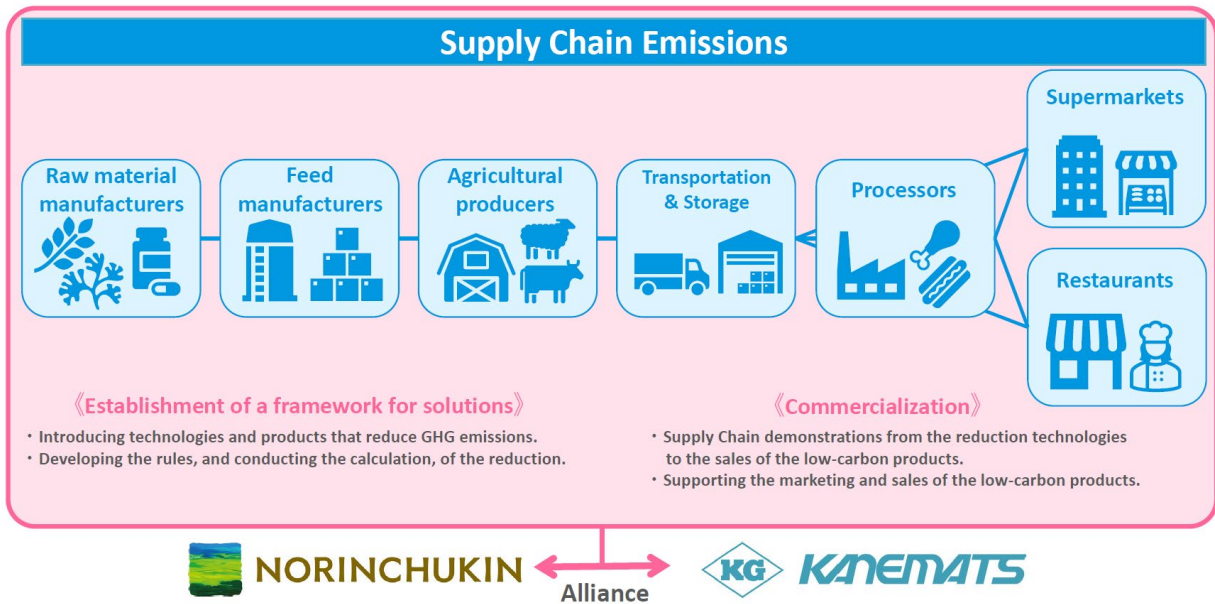
Last year, Kanematsu formed a group-wide GX Accelerator team of about 20 people to identify products and services that contribute to decarbonization/GX(Green Transformation), including all business units at the head office as well as group companies. As such, we have developed a system where we can offer a variety of GX solutions as a one-stop shop, not only in Scopes 1 and 2, but also Scope 3. In the agriculture and food industries, Kanematsu Agritech Co., Ltd., our group company, handles feed that reduces burping in cattle, which is a particularly significant greenhouse gas emissions source, and feed that reduces nitrous oxide emissions from manure. By drawing on these solutions and expertise for GX alongside our suppliers and customers, we, as a trading company that connects the supply chain, aim to achieve carbon neutral supply chain.

Norinchukin, which aims to be a “leading bank that supports the agriculture, fishery and forestry industry, food production and consumption, and the daily lives of local communities” not only provides sustainable finance to the clients, but also have started working with a greenhouse gas measurement consulting company since 2022 to help clients visualize their emissions.

In addition, in order to make the agriculture, fisheries, and forestry industries, which form the foundation of Norinchukin’s business, more sustainable in the future, it continues to work on visualization of greenhouse gases, and promotes greenhouse gas reduction technologies, and creates mechanisms to appropriately reflect reduction efforts in greenhouse gas calculation methods.

Through a partnership with Asuene Inc., Kanematsu has already established a system to provide total support for corporate decarbonization management, covering from calculation to reduction of greenhouse gas emissions. However, because there was no framework for calculating and reducing greenhouse gas emissions for agriculture, it was first necessary to work on establishing such framework.

This partnership with Norinchukin will make it possible to fully explore and implement the initiatives explained in the figure below. Moreover, by facilitating each step of the process—from the establishment of a framework to commercialization—in an integrated manner, we will promote the reduction of greenhouse gases in the agriculture and food industries.



***Examples of CO2 reduction solutions**

- Scope1 : Feed and feed supplements for GHG reduction, Soil carbon sequestration
Biofuels (palm kernel shells, wood pellets, biodiesel, etc.), hydrogen, carbon neutral fuels, energy saving
- Scope2 : Renewable energy (PPA models, etc.)
- Scope3 : Category 1 (bio/recycled materials, reduced-weight materials, low-emission products, etc.)
Improved efficiency and alternatives for Category 4 (upstream logistics), and Category 9 (downstream logistics)

In the “Metrics and Targets” of the Disclosure based on Recommendations of the TCFD, the Kanematsu Group aims to both reduce its own emissions and increase its contributions to reductions throughout its business activities, thereby achieving carbon neutrality by 2025, carbon negative -150,000t CO₂ by 2030, and -1,000,000t CO₂ by 2050.

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