

December 28, 2022

Dryers and Steam Superheaters at the Toyo Smelter & Refinery Will Be Converted to Use Liquefied Natural Gas as Fuel

Sumitomo Metal Mining Co., Ltd. (Head office: Minato-ku, Tokyo, President and Representative Director: Akira Nozaki) has made the decision to switch the fuel for concentrate dryers and steam superheaters at the Toyo Smelter & Refinery (Saijo City, Ehime Prefecture) from heavy oil to liquefied natural gas (LNG), which has a lower level of CO₂ emissions. With the scheduled shutdowns in 2023 and 2025, the main facilities will be modified along with construction related to piping that is going to take place, and the facilities will start operation one by one as the work is completed.

In the copper smelting at the Toyo Smelter & Refinery, copper concentrates used as the main raw materials are dried before melting, and steam from the boiler is superheated and used for power generation. While facilities at the plant used heavy oil as a fuel since the plant started operation in 1971, the recent stream for decarbonization has pushed us decide to make the switch to LNG to promote reduction of greenhouse gases (GHG) in the smelting and refining business. We estimate that this will allow us to cut CO₂ emissions attributable to the use of heavy oil for the Toyo Smelter & Refinery by approximately 20%.

Meanwhile at our Niihama Nickel Refinery (Niihama City, Ehime Prefecture), we've begun work on switching the fuel for our boiler and we expect that the change from heavy oil to LNG will be completed in 2023. Additionally, at the Harima Refinery (Harima-cho, Kako-gun, Hyogo Prefecture), which mainly produces the nickel sulfate used as a raw material in intermediate products for battery materials, we've transacted to clean energy through the closing of a contract with the Kansai Electric Power Company. The contract is for the purchase of electricity with zero CO₂ emissions, which is produced through renewable energy and carries a Non-Fossil Fuel Energy Certificate.

In our 2021 3-Year Business Plan, we plan to invest a total of ¥12.0 billion in capital expenditures aimed at GHG emission reductions. Also planned is investment in facilities under our Internal Carbon Pricing (ICP) scheme, for which there will be an investment of ¥5.0 billion towards reductions in GHG through switching the fuel used for the boilers in each business. The measure in the smelting and refining business is our latest effort in these initiatives.

In our Vision for 2030, we set our vision as becoming a company that actively undertakes climate change countermeasures, by reducing emissions and stably supplying products contributing to a low-carbon society, a future with zero greenhouse gases (GHGs), and we're continuing to engage in GHG reductions.

[Overview of Switch to LNG Fuel at Toyo Smelter & Refinery]

Capital expenditures: Approx. ¥1.2 billion

CO₂ reduction volume: Approx. 12,000 tonnes/year

Operation start date: Operation scheduled to start gradually from December 2023 onwards

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