

Company thinking

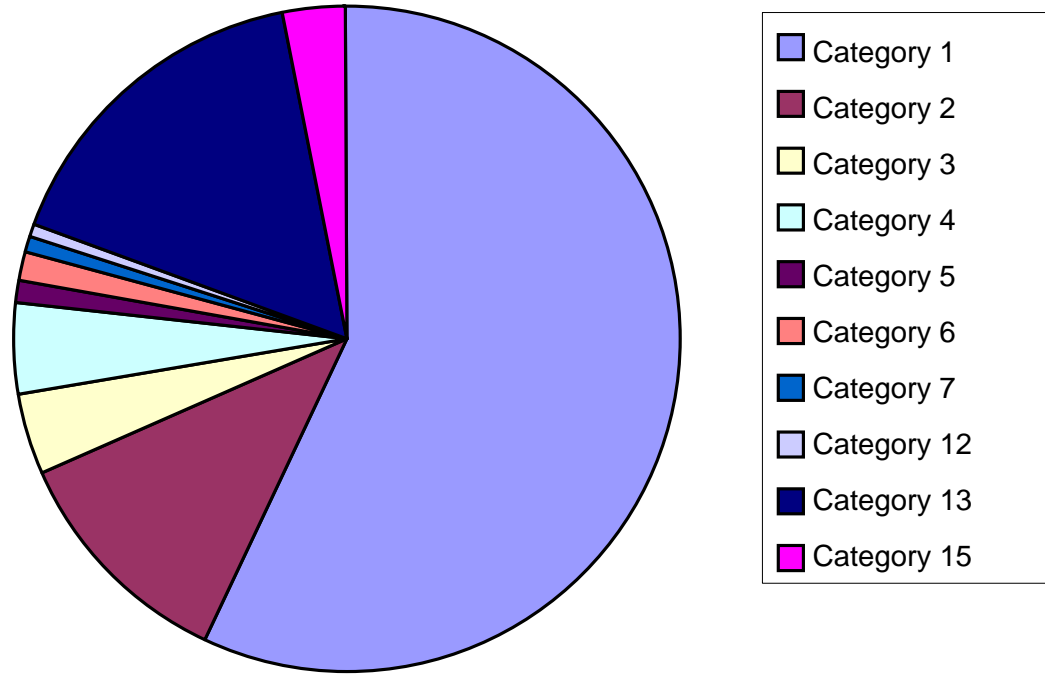
<input type="checkbox"/> Background and purpose for accounting	<ul style="list-style-type: none">• We understand that accounting can be used to help us recognize our Scope 3 emissions and consider countermeasures.
<input type="checkbox"/> Utilization of accounting results	<ul style="list-style-type: none">• Because of the external demands for disclosure in recent years, our first thought is to provide accurate information to our stakeholders.
<input type="checkbox"/> Advantages of accounting	<ul style="list-style-type: none">• We started our efforts with the hope that understanding our Scope 3 emissions would help us specify our "hot spots" and find ways to reduce emissions.
<input type="checkbox"/> Internal accounting organization	<ul style="list-style-type: none">• We are using an organization based on the ISO140001 and ISO50001 management systems, and are making calculations based on the progress reports from our related group companies.

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<p><input type="checkbox"/> To reduce supply chain emissions</p>	<ul style="list-style-type: none"> • With regard to our supply chain, we have implemented measures to make CO₂ emissions visible and to specify the "hot spots" and we shall continue our reduction activities. In order to important specific actions, we have specified boundaries to collect data from our main group businesses; i.e., the GMS (General Merchandise Store) business and SM (Supermarket) business. We have collected more activity data than ever before in order to specify the amount of reductions and in order to control reductions.
<p><input type="checkbox"/> Tasks to account for supply chain emissions</p>	<ul style="list-style-type: none"> • The urgent tasks are to link these activities with our corporate strategy, specify the areas in which we will aggressively reduce emissions and set target milestones.
<p><input type="checkbox"/> For those starting to account for supply chain emissions</p>	<ul style="list-style-type: none"> • You should set internal goals for CO₂ reductions, such as reducing energy and materials usage, and accounting should start from areas in which progress is managed.

Category	Accounting methods	
	Activity data	Emission factor
Category 1: Purchased goods and services	<ul style="list-style-type: none"> Sales by product type 	<ul style="list-style-type: none"> Emission factor per amount
Category 2: Capital goods	<ul style="list-style-type: none"> Capital investment amount 	<ul style="list-style-type: none"> Emission factor per capital goods
Category 3: Fuel and energy related activities not included in Scope 1 or 2	<ul style="list-style-type: none"> Energy usage 	<ul style="list-style-type: none"> Emission factor per energy volume
Category 4: Transportation and delivery (upstream)	<ul style="list-style-type: none"> Fuel usage for transport by cargo owner 	<ul style="list-style-type: none"> Emission factor per fuel
Category 5: Waste generated in operations	<ul style="list-style-type: none"> Emissions by treatment method for various types of waste 	<ul style="list-style-type: none"> Emission factor by treatment method for various types of waste
Category 6: Business travel	<ul style="list-style-type: none"> Transportation expenses paid (by means of transportation) 	<ul style="list-style-type: none"> Emission factor per transportation expenses paid
Category 7: Employee commuting	<ul style="list-style-type: none"> Transportation expenses paid 	<ul style="list-style-type: none"> Emission factor per transportation expenses paid
Category 8: Leased assets (upstream)	<ul style="list-style-type: none"> We include these as Scope 1 and 2 greenhouse gases 	
Category 9: Transportation and delivery (downstream)	<ul style="list-style-type: none"> Because the contribution to lowering overall greenhouse gas emissions is small, we have not included this in our calculations. 	
Category 10: Processing of sold products	<ul style="list-style-type: none"> Because the contribution to lowering overall greenhouse gas emissions is small, we have not included this in our calculations. 	
Category 11: Use of sold products	<ul style="list-style-type: none"> We have not included this in our calculations this time. 	
Category 12: End-of-life treatment of sold products	<ul style="list-style-type: none"> Emissions by waste type 	<ul style="list-style-type: none"> Emission factor by waste type
Category 13: Leased assets (downstream)	<ul style="list-style-type: none"> Energy usage by tenants 	<ul style="list-style-type: none"> Emission factor per energy volume
Category 14: Franchises	<ul style="list-style-type: none"> Not applicable in our calculations for the business scope this time. 	
Category 15: Investments	<ul style="list-style-type: none"> Greenhouse gas emissions from companies that we have shares in. 	
Other	<ul style="list-style-type: none"> We have not included this in our calculations this time. 	

Scope 3 Emissions Percentages

□ Accounting results



Scope 3 Emissions Percentages for the GMS (General Supermarket) Business and SM (Supermarket) Business of the Aeon Group