

Company thinking	
<input type="checkbox"/> <b>Background and purpose for accounting</b>	<ul style="list-style-type: none"> <li>• In order to fulfill our social responsibility to reduce emissions, as a first step our goal is to understand the areas in which we have high emissions.</li> <li>• Because CDP and specific customers are asking for disclosure of our supply chain emissions, we are constructing a basic framework for calculation methods.</li> <li>• We are placing emphasis on improving the reputation of our company by responding to requests for disclosure.</li> </ul>
<input type="checkbox"/> <b>Utilization of accounting results</b>	<ul style="list-style-type: none"> <li>• To gain an understanding of the areas in which we must reduce emissions by examining the emissions percentages for each category, and then taking various reduction measures.</li> <li>• Responding to disclosure requests from CDP and specific customers, and disclosing accounting results on our web site, etc.</li> </ul>
<input type="checkbox"/> <b>Advantages of accounting</b>	<ul style="list-style-type: none"> <li>• Being able to make affective reduction efforts by understanding the emissions percentages in the supply chain for the entire company and for each product.</li> <li>• Being able to improve our company reputation by being able to answer questions on supply chain emissions from both inside and outside the company.</li> </ul>
<input type="checkbox"/> <b>Internal accounting organization</b>	<ul style="list-style-type: none"> <li>• Related internal departments collect the data and the Environment Department and other departments compile it and make the calculations.</li> <li>• For example, component part data and specifications data when using products are collected by the Design Department, procurement data is collected by the Procurement Department, capital investment, business trip, commuting and other spending data is collected by the Accounting Department, and shipment data is collected by the Distribution Department.</li> </ul>

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<p><input type="checkbox"/> <b>To reduce supply chain emissions</b></p>	<ul style="list-style-type: none"> <li>• Making efforts to conserve resources in products.</li> <li>• Set emissions reduction goals for product distribution and making efforts to meet those goals.</li> <li>• Registered energy-saving products and set emissions reduction goals, and making efforts to meet those goals.</li> <li>• Set Scope 1 and Scope 2 emissions reduction goals for each division, and making efforts to meet those goals.</li> <li>• Making efforts to comprehend CO<sub>2</sub> emissions at our main vendors.</li> <li>• With regard to environmental contributions and environmental load reducing activities through products and services, we are rewarding innovative and creative processes and results.</li> </ul>
<p><input type="checkbox"/> <b>Tasks to account for supply chain emissions</b></p>	<p>Given the diversity of our businesses, establishing a company-wide, long term and consistent accounting method. Specifically, the following tasks:</p> <ul style="list-style-type: none"> <li>• Improved accounting accuracy, especially for Category 1 (purchased good and services).</li> <li>• Establishing an accounting method for Category 9 (transportation and delivery (downstream)).</li> <li>• Detailed accounting methods for Category 11 which involves high levels of emissions. (Emission factor from electricity by country, etc.)</li> <li>• Cross-referencing types of parts and types of waste for Category 12 (end-of-life treatment of sold products).</li> <li>• Methods to allocate overall company emissions in units of individual products, etc.</li> <li>• Adopting emission factor to overseas locations.</li> <li>• Selection of a fixed emission factor to manage emissions over time.</li> <li>• Establishing methods to check the accuracy of accounting results.</li> </ul>
<p><input type="checkbox"/> <b>For those starting to account for supply chain emissions</b></p>	<ul style="list-style-type: none"> <li>• Focus on the trends in standards in society.</li> <li>• After assuring overall understanding, improve accuracy.</li> <li>• Maximum use of existing data, then make a company-wide, long term and consistent accounting method.</li> </ul>

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## OMRON Corporation

The following list includes the information that we used when calculating our Scope 3 emissions.

Category	Accounting methods	
	Activity data	Emission factor
Category 1: Purchased goods and services	<ul style="list-style-type: none"> <li>Classification of parts, amounts used, procured unit prices, and product production volumes per product</li> </ul>	<ul style="list-style-type: none"> <li>3EID base emission factor per amount</li> </ul>
Category 2: Capital goods	<ul style="list-style-type: none"> <li>Procurement amounts for capital goods</li> </ul>	<ul style="list-style-type: none"> <li>3EID base emission factor per amount</li> </ul>
Category 3: Fuel and energy related activities not included in Scope 1 or 2	<ul style="list-style-type: none"> <li>Electricity and fuel usage</li> </ul>	<ul style="list-style-type: none"> <li>CFP-DB emission factor per energy amount</li> </ul>
Category 4: Transportation and delivery (upstream)	<ul style="list-style-type: none"> <li>Methods, weights and distances for shipment for the sender</li> </ul>	<ul style="list-style-type: none"> <li>CFP-DB emission factor</li> </ul>
Category 5: Waste generated in operations	<ul style="list-style-type: none"> <li>Emissions of waste by type</li> </ul>	<ul style="list-style-type: none"> <li>Ministry of the Environment DB emission factor per waste type</li> </ul>
Category 6: Business travel	<ul style="list-style-type: none"> <li>Transportation expenses by means of transportation</li> </ul>	<ul style="list-style-type: none"> <li>Ministry of the Environment DB emission factor per transportation expense amount paid</li> </ul>
Category 7: Employee commuting	<ul style="list-style-type: none"> <li>Transportation expenses by means of transportation</li> </ul>	<ul style="list-style-type: none"> <li>Ministry of the Environment DB emission factor per transportation expense amount paid</li> </ul>
Category 8: Leased assets (upstream)	Not relevant	Not relevant
Category 9: Transportation and delivery (downstream)	<ul style="list-style-type: none"> <li>Methods, weights and distances for shipment for parties other than the sender</li> </ul>	<ul style="list-style-type: none"> <li>CFP-DB emission factor</li> </ul>
Category 10: Processing of sold products	Not relevant	Not relevant
Category 11: Use of sold products	<ul style="list-style-type: none"> <li>Annual electricity consumption, assumed years of use, sales volume</li> </ul>	<ul style="list-style-type: none"> <li>emission factor per amount, CFP-DB for power lines and 3EID for batteries</li> </ul>
Category 12: End-of-life treatment of sold products	<ul style="list-style-type: none"> <li>Classification of parts, amounts used, type of waste, product sales volume per product</li> </ul>	<ul style="list-style-type: none"> <li>Ministry of the Environment DB emission factor per waste type</li> </ul>
Category 13: Leased assets (downstream)	Not relevant	Not relevant
Category 14: Franchises	Not relevant	Not relevant
Category 15: Investments	Exclusion	Exclusion
Others	Not relevant	Not relevant