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	Companies' approach
☐ **Background and purpose of accounting**	• To take action to tackle global warming, we realize the importance of understanding our overall environmental impacts, including both upstream and downstream activities. • Underlying this awareness are the following reasons: - The construction industry involves, as its products, buildings and other structures, which are social infrastructures intended for long-term use. => What matters environmentally is the environmental impacts buildings will have while they are in service. - The construction industry is a representative resource-intensive industry. => What also matters is the environmental impacts arising from the production, transfer, handling and disposal of building materials.
☐ **Utilization of accounting results**	• Identify and focus on priority issues to be addressed. • Evaluate the results of our efforts and activities.
☐ **Benefits of accounting**	• Enabled to evaluate the relevant environmental aspects quantitatively.
☐ **Internal system for accounting**	• The Environmental Management Committee, a subcommittee of the Corporate Environmental Committee, deals with and organizes the task of supply chain emissions accounting.

Kajima Corporation

	Companies' approach
☐ **Efforts to reduce supply chain emissions**	• Continuously improve the energy-saving performance of buildings designed by us. => We account for, and draw on, their CO2 emissions while they are in service as one of the indicators to evaluate the results of our efforts. • Promote the utilization of recycled materials as building materials. => We draw on reductions of CO2 emissions arising from the production of materials as one of the indicators to measure the implications of the use of recycled them. • Promote an effective use of construction sludge. => We draw on those CO2 emissions data for waste disposal as one of the indicators to measure the importance of construction sludge in waste disposal.
☐ **Issues in supply chain emissions accounting**	• Validity of emission factors used • Periodic review or revision of emission factors • Social authorization of emission factors
☐ **Other remarks**	• When it comes to the construction industry, a wide variety of materials are used at ever-moving, transient construction or production sites. In this context, we will need to compromise to some extent in the accuracy or details, while ensuring a certain level of validity, when we undertake the task of supply chain emissions accounting.

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Category	Accounting methods	
	Activity data	Emission factor
Category 1: Purchased goods and services	• Amount of construction materials procured	• Emission factor per amount of money, according to the Architectural Institute of Japan
Category 4: Transportation and delivery (upstream)	• Amount of construction materials procured	• Emission factor per average volume in ton-kilometers for main construction materials (based on industry groups' surveys)
Category 5: Waste generated in operations	• Amount of waste discharged, by type	• Emission factor by waste item (based on our own surveys)
Category 9: Transportation and delivery (downstream)	• Volume of surplus soil and waste carried out, and the distance transferred	• Average fuel economy for trucks • CO2 emission factor for light oil
Category 11: Use of sold products	• Total floor area of buildings we designed and constructed	• Energy efficiency of individual buildings
Category 13: Leased assets (downstream)	• Amount of energy used by leased buildings	• Emission factor by energy type

Accounting results

FY2013 accounting results:

- Category 1: Purchased goods and services
  1.271 million t-CO2/yr
- Category 4: Transportation and delivery (upstream)
  26,000 t-CO2/yr
- Category 5: Waste generated in operations
  22,000 t-CO2/yr
- Category 9: Transportation and delivery (downstream)
  49,000 t-CO2/yr
- Category 11: Use of sold products
  44,000 t-CO2/yr
- Category 13: Leased assets (downstream)
  24,000 t-CO2/yr

An illustration of disclosed accounting results by example (Category 5: Waste generated in operations)