1 Misawa Homes Co., Ltd.

	Corporate Policies
☐ **Background and purpose for accounting**	• To respond to increasing demand for information disclosure through Nikkei “Environmental Management” surveys, GRI-G4, etc. • To increase awareness and activities for reducing greenhouse gas emissions throughout our group companies.
☐ **Utilization of accounting results**	• To use the results in external corporate assessment questionnaires and to disclose them on our web site. • To confirm the effectiveness of our efforts to reduce emissions and to review effective reduction measures.
☐ **Advantages of accounting**	• To clarify the reduction targets for all of our group companies. • To clarify action targets we aim to achieve to reduce greenhouse gases.
☐ **Internal accounting system**	• Relevant data is collected from the in-house departments involved and the CSR and Environmental Affairs Unit does the accounting. • Each responsible department collects data in reference to energy usage in the production, transportation, construction and occupancy stages, as well as data regarding waste, business operations etc.

Misawa Homes Co., Ltd.

	Corporate Policies
☐ **To reduce supply chain emissions**	• Reduce CO_2 emissions in the development of products and parts. • Promote material-saving designs and industrialized construction systems. • Promote supply of greener homes and supply software products regarding how to live in them because energy consumption is very large in the occupancy stage.
☐ **Keys to account for supply chain emissions**	• Accurately measure energy usage at sales dealer offices. • Data, currently compiled on sampled sources, may become invalid when it is compiled from actual sources. • Costs are given priority commercially over green materials. • Efficiency is necessary for data collection. • Changes in CO_2 emission coefficient make it hard to measure the reduction effects. This needs to be systematized.
☐ **For those starting to account for supply chain emissions**	• Results are certified by a third party specialized entity to increase reliability and transparency.

3 Misawa Homes Co., Ltd.

Category	Accounting methods	
	Activity data	Emission factor
Category 1: Purchased goods and services	• Procurement quantity of raw materials and other materials	• Architectural Institute of Japan LCA Guidelines
Category 2: Capital goods	• Procurement cost of capital goods	• 3EID base emission factor per cost
Category 3: Fuel and energy related activities not included in Scope 1 or 2	• Electricity and other energy usage	• Emission factor per energy usage
Category 4: Transportation and delivery (upstream)	• Fuel usage by the sender used for transport	• Emission factor per fuel
Category 5: Waste generated in operations	• Waste emissions by type	• Emission factor by waste type
Category 6: Business travel	• Number of employees	• Emission factor per employee
Category 7: Employee commuting	• Number of employees	• Emission factor by employment format and by city type
Category 11: Use of sold products	• Energy usage while living in a residence (30-year period)	• Emission factor per energy usage

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Supply Chain Emissions Accounting Results

- Accounting results