

	<b>Companies' approach</b>
<p><b>□ Background and purpose of accounting</b></p>	<ul style="list-style-type: none"> <li>• As part of corporate social responsibility, we should look to account for GHG emissions not only from our own operations but also throughout the supply chain so that we can comprehend the extent to which all our businesses will have impact on global warming.</li> <li>• We need to calculate emissions from our relevant products with which carbon offsetting is to be achieved. By disclosing such information to customers we can bring dissemination and enlightenment about carbon offsetting to them, and promote the sales of those products.</li> <li>• To respond to our stakeholders' request for information disclosure, we seek to gain understanding of our activities for emissions reduction by disclosing information in our integrated report and environmental report, as well as on our website, and by answering questionnaires.</li> </ul>
<p><b>□ Utilization of accounting results</b></p>	<ul style="list-style-type: none"> <li>• We will know the areas in the supply chain in which emissions are high and be able to study areas (items) in which there is room for reduction.</li> <li>• We will be able to confirm the cost-effectiveness of the energy-saving equipment that we have introduced.</li> <li>• We will disclose information in our integrated report and environmental report, as well as on our website, and for answering questionnaires.</li> <li>• By developing carbon offsetting products and promoting the purchase of environment friendly products by customers, we will be able to promote environmental activities with them.</li> </ul>
<p><b>□ Benefits of accounting</b></p>	<ul style="list-style-type: none"> <li>• By executing the above we can clarify our reduction potential, assess our reduction measures, disclose information about emissions in our supply chain, and promote environmental activities together with our customers.</li> </ul>
<p><b>□ Internal system for accounting</b></p>	<ul style="list-style-type: none"> <li>• The Environmental Promotion Department collects data. The sources are as follows:             <ul style="list-style-type: none"> <li>· Vendor and distribution center data → Questionnaires to each company &amp; Our purchase data</li> <li>· Waste → Electronic manifests, waste management company data, Container Recycle Act contract materials</li> <li>· Other → Accounting documents, etc.</li> </ul> </li> <li>• Calculations are made by the same department.</li> </ul>

	<b>Companies' approach</b>
<p><b>□ Efforts to reduce supply chain emissions</b></p>	<ul style="list-style-type: none"> <li>• We have already implemented measures to reduce emissions, including the introduction of highly-efficient energy-saving devices and efficient equipment such as non-chlorofluorocarbon (CO2 refrigerant) freezer/refrigeration systems, promotion of ecological driving, reduced usage of plastic shopping bags and disposable chopsticks, and reduced packaging materials along with promotion of non-petroleum materials.</li> <li>• We will aim to reduce our emissions more efficiently by identifying, through such accounting for GHG emissions like we did this time, the areas with high reduction potential in the supply chain. To this end, we need to examine specific measures and activities to be undertaken for each Category, working with the relevant departments to help promote emissions reduction.</li> </ul>
<p><b>□ Issues in supply chain emissions accounting</b></p>	<ul style="list-style-type: none"> <li>• With respect to Category 1 which accounts for a majority of our emissions, our current calculations are made by applying a rough monetary based emission factor, so that reductions from small changes in products (such as changes in raw materials) cannot be reflected. We also believe that changes in prices because of inflation and the like will have a big effect.</li> <li>• Because emissions increase as a company grows, it is necessary to use intensities. In the future, we will need to determine which intensities to use, based on the products and services that we handle.</li> </ul>
<p><b>□ Other remarks</b></p>	<ul style="list-style-type: none"> <li>• When it comes to Scope 3, our emissions for all Categories have yet to be fully accounted for. Therefore, we will be looking to improve the relevant data to comprehend our GHG emissions throughout the supply chain.</li> </ul>

## 3

## Lawson, Inc.

Category	Accounting methods	
	Activity data	Emission factor
Category 1: Purchased goods and services	<ul style="list-style-type: none"> <li>Volume of (raw) materials procured</li> </ul>	<ul style="list-style-type: none"> <li>3EID-based emission factor per amount of money</li> </ul>
Category 2: Capital goods		
Category 3: Fuel and energy related activities not included in Scope 1 or 2	<ul style="list-style-type: none"> <li>Electricity and steam energy usage</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor per energy used</li> </ul>
Category 4: Transportation and delivery (upstream)	<ul style="list-style-type: none"> <li>Energy usage at distribution centers</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor per energy used</li> </ul>
Category 5: Waste generated in operations	<ul style="list-style-type: none"> <li>Quantity by waste type</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor by waste type</li> </ul>
Category 6: Business travel	<ul style="list-style-type: none"> <li>Number of employees</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor per employee</li> </ul>
Category 7: Employee commuting		
Category 8: Leased assets (upstream)		
Category 9: Transportation and delivery (downstream)		
Category 10: Processing of sold products		
Category 11: Use of sold products		
Category 12: End-of-life treatment of sold products	<ul style="list-style-type: none"> <li>Quantity by waste type</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor by waste type</li> </ul>
Category 13: Leased assets (downstream)		
Category 14: Franchises	<ul style="list-style-type: none"> <li>Electricity usage</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor per electricity used</li> </ul>
Category 15: Investments		
Other		

## Supply Chain Emissions Accounting Results

