

	Company thinking
<p>❑ <b>Background and purpose for accounting</b></p>	<ul style="list-style-type: none"> <li>● In recent years, we have more occasions to respond to external surveys on supply-chain CO2 emissions, such as the Nikkei Environmental Management Survey. We recognize a social change in which accounting for and understanding CO2 emissions, and reducing environmental impact, are being incorporated into corporate responsibility, both in Japan and abroad.</li> </ul>
<p>❑ <b>Utilization of accounting results</b></p>	<ul style="list-style-type: none"> <li>● As a reference for responding to external surveys.</li> <li>● Disclosing accounting results in our websites and environmental reports for external communication. We will obtain such data over time as a part of our environmental actions.</li> </ul>
<p>❑ <b>Advantages of accounting</b></p>	<ul style="list-style-type: none"> <li>● We will perform numerical comparisons over time, which will be used to consider and determine how to reduce or control our emissions.</li> <li>● Once expressed as visible data, invisible emissions become more persuasive when we ask to employees and business partners for cooperation for emission reductions.</li> </ul>
<p>❑ <b>Internal accounting organization</b></p>	<ul style="list-style-type: none"> <li>● Data are collected from relevant divisions in the company. Our Corporate Planning Department is in charge of accounting as the secretariat.</li> </ul>

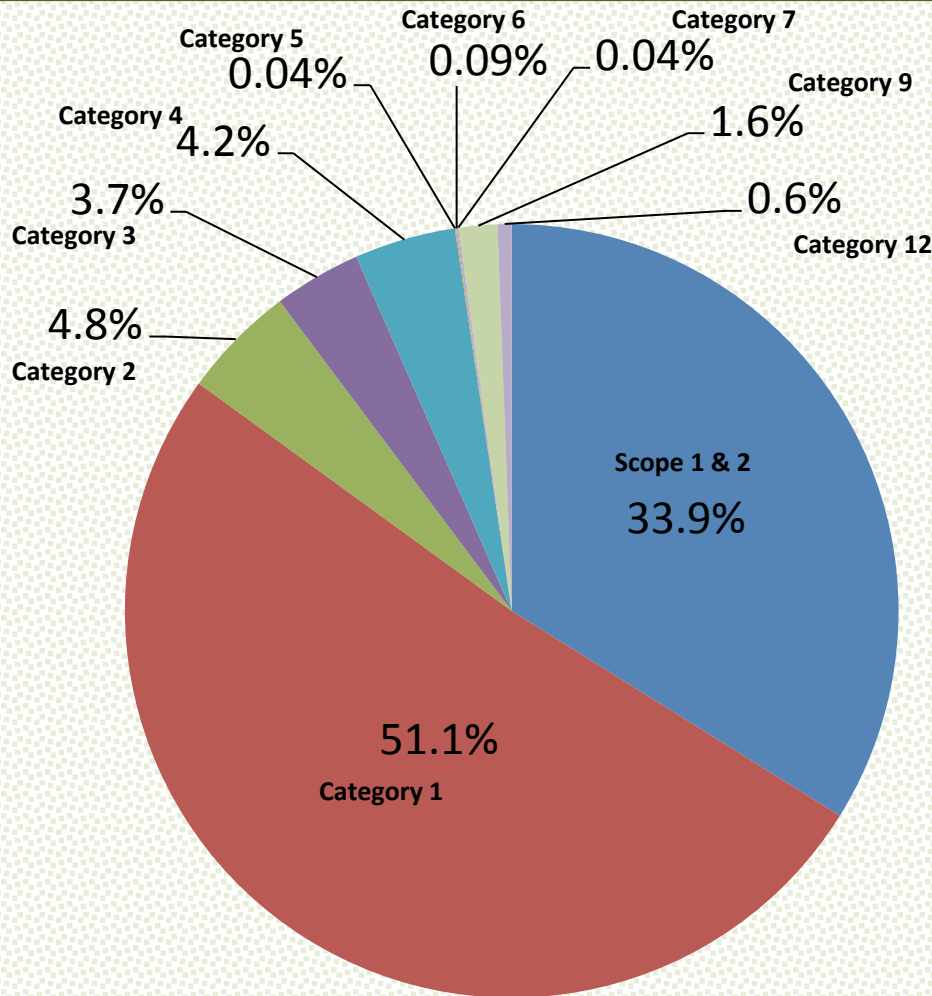
	Company thinking
<p>☐ <b>To reduce supply chain emissions</b></p>	<ul style="list-style-type: none"> <li>● This accounting reveals that our supply-chain (Scope 3) CO2 emissions account for over 65% of total emissions including Scopes 1 &amp; 2. In terms of Scope 3 only, 77.8% comes from Category 1 activities such as purchase of raw materials, packaging materials, supplementary supplies, etc.</li> <li>● The accounting results clarify which part of processes would have large environmental impact, which we found a significant implication. Therefore, we will conduct regular accounting to facilitate our emission reduction actions.</li> </ul>
<p>☐ <b>Tasks to account for supply chain emissions</b></p>	<ul style="list-style-type: none"> <li>● As for categories with only a few proportion of emissions, such as those from employees' business trips and commuting, we would like to examine if accounting should be done every year, considering time and trouble we will have to take.</li> </ul>

## 3

## Mitsui Sugar Co., Ltd.

Category	Accounting methods	
	Activity data	Emission factor
Category 1: Purchased goods and services	<ul style="list-style-type: none"> <li>Purchased volume of raw materials, packaging materials and supplementary supplies</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor for production</li> </ul>
Category 2: Capital goods	<ul style="list-style-type: none"> <li>Amount of capital investment</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor for capital investment for sugar business</li> </ul>
Category 3: Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	<ul style="list-style-type: none"> <li>Fuel and electricity purchased</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor per energy used</li> </ul>
Category 4: Upstream transportation and distribution	<ul style="list-style-type: none"> <li>Shipping volume of product as cargo owner, and purchased volume of raw materials and supplementary supplies</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor by transportation mode</li> </ul>
Category 5: Waste generated in operations	<ul style="list-style-type: none"> <li>Waste generation by type of waste</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor by type of waste</li> </ul>
Category 6: Business travel	<ul style="list-style-type: none"> <li>Travel expense in a year by transportation mode</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor by transportation mode</li> </ul>
Category 7: Employee commuting	<ul style="list-style-type: none"> <li>Commutation cost that the company owes</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor per commutation cost that the company owes</li> </ul>
Category 8: Upstream leased assets	<ul style="list-style-type: none"> <li>Included in Scope 1 &amp; 2</li> </ul>	-
Category 9: Downstream transportation and distribution	<ul style="list-style-type: none"> <li>Weight of products sold</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor by transportation mode</li> </ul>
Category 10: Processing of sold products	<ul style="list-style-type: none"> <li>Excluded due to difficulty in data collection</li> </ul>	-
Category 11: Use of sold products	<ul style="list-style-type: none"> <li>Not included in the accounting boundary</li> </ul>	-
Category 12: End-of-life treatment of sold products	<ul style="list-style-type: none"> <li>Weight of packaging materials used for products</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor by type of waste</li> </ul>
Category 13: Downstream leased assets	<ul style="list-style-type: none"> <li>NA</li> </ul>	-
Category 14: Franchises	<ul style="list-style-type: none"> <li>NA</li> </ul>	-
Category 15: Investments	<ul style="list-style-type: none"> <li>NA</li> </ul>	-
Other	<ul style="list-style-type: none"> <li>NA</li> </ul>	-

## Accounting result



Category	%
Scope 1 & 2	33.9%
1. Purchased goods and services	51.1%
2. Capital goods	4.8%
3. Energy-related activities	3.7%
4. Upstream transportation and distribution	4.2%
5. Waste generated in operations	0.04%
6. Business travel	0.09%
7. Employee commuting	0.04%
9. Downstream transportation and distribution	1.6%
12. End-of-life treatment of sold products	0.6%

Accounting result for:

Scope 1 & 2 emissions 108,099t

Scope 3 emissions 210,938t