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PanaHome Corporation

	Companies' approach
<input type="checkbox"/> Background and purpose of accounting	<ul style="list-style-type: none"> • By understanding the greenhouse gas emissions, including the supply chain, we are able to establish the areas that we must focus on and we can use them to establish our long term goals.
<input type="checkbox"/> Utilization of accounting results	<ul style="list-style-type: none"> • The percentage that each activity accounts for in the whole is comprehended and this data is used to form actions. • By disclosing information through environmental reports and the like and sharing the accounting results internally, we can make our employees aware of how their individual jobs and actions affect the environmental load.
<input type="checkbox"/> Benefits of accounting	<ul style="list-style-type: none"> • By assessing our efforts over the years, it is easier to establish new goals. • In addition to understanding the contributions to greenhouse gas countermeasures while conducting business activities, we are able to clarify what our company must do from the point of view of emissions. • Based on the thinking in Scope 3, by requesting that purchasing customers become involved in reducing greenhouse gases, these customers will be able to comprehend their own emissions, so that they can start activities to reduce their own emissions.
<input type="checkbox"/> Internal system for accounting	<ul style="list-style-type: none"> • Overall: Environmental Department at the Head Office • Information providers: Various departments, consolidated subsidiaries, suppliers Materials based on constructing homes, energy, waste Energy data, etc. when using buildings based on their design specifications.

	Companies' approach
<input type="checkbox"/> Efforts to reduce supply chain emissions	<ul style="list-style-type: none">• Judging from the size of emissions in each category, product usage and raw material procurement account from the greatest percentage. We are currently promoting reduction of emissions during use of our products.
<input type="checkbox"/> Issues in supply chain emissions accounting	<ul style="list-style-type: none">• Construction of a system to comprehend the situation in overseas businesses that we plan to expand in the future, and creation of emission factor for overseas performance data based on Input-Output tables in Japan.• It is necessary to create a mechanism in which data can be automatically comprehended. (Accounting is time consuming.)
<input type="checkbox"/> Other remarks	<ul style="list-style-type: none">• For the “procurement of materials and resources,” we have been working together with material suppliers to help reduce the environmental load on the part of such suppliers.• When it comes to the “use of products,” we focus on and promote product development designed to allow for the reduction of emissions resulting from the actual use of residential houses as our products.

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Category	Accounting methods	
	Activity data	Emission factor
Category 1: Purchased goods and services	<ul style="list-style-type: none"> Procurement amount of main raw materials and other materials (weight, monetary value) Energy used by on-site construction equipment 	<ul style="list-style-type: none"> 3EID base emission factor per amount
Category 2: Capital goods	<ul style="list-style-type: none"> Capital good amount 	<ul style="list-style-type: none"> Ministry of the Environment DB capital goods prices
Category 3: Fuel and energy related activities not included in Scope 1 or 2	<ul style="list-style-type: none"> Electricity and steam energy usage 	<ul style="list-style-type: none"> CFP-DB energy usage
Category 4: Transportation and delivery (upstream)	<ul style="list-style-type: none"> Transportation in ton-kilometers used by us as the sender Transportation in ton-kilometers used for suppliers' transportation 	<ul style="list-style-type: none"> Specified Shippers under the Energy Saving Act Ministry of the Environment DB ton-km method fuel
Category 5: Waste generated in operations	<ul style="list-style-type: none"> <Processing> Emissions by waste type <Transport> Material weight x Average transport distance 	<ul style="list-style-type: none"> Ministry of the Environment DB by waste type
Category 6: Business travel	<ul style="list-style-type: none"> Transportation expenses paid 	<ul style="list-style-type: none"> Ministry of the Environment DB transportation expenses paid
Category 7: Employee commuting	<ul style="list-style-type: none"> Commuting transportation expenses paid 	<ul style="list-style-type: none"> Ministry of the Environment DB transportation expenses paid
Category 8: Leased assets (upstream)	<ul style="list-style-type: none"> Accounted for in Scope 1 and 2 	—
Category 9: Transportation and delivery (downstream)	<ul style="list-style-type: none"> Real estate is provided, so not applicable. 	—
Category 10: Processing of sold products	<ul style="list-style-type: none"> Electricity usage in building construction 	<ul style="list-style-type: none"> Usage determined by sampling
Category 11: Use of sold products	<ul style="list-style-type: none"> Number of buildings sold x Annual power consumption x 60 years use 	<ul style="list-style-type: none"> Energy usage by key plan
Category 12: End-of-life treatment of sold products	<ul style="list-style-type: none"> Number of buildings sold x Raw materials used (key plan) 	<ul style="list-style-type: none"> Ministry of the Environment DB by waste type
Category 13: Leased assets (downstream)	<ul style="list-style-type: none"> Included in Category 11. Rented floor space. 	<ul style="list-style-type: none"> Ministry of the Environment DB unit area
Category 14: Franchises	<ul style="list-style-type: none"> Scope 1 and 2 for companies for which the equity method is applicable. 	<ul style="list-style-type: none"> Ministry of the Environment DB by energy type
Category 15: Investments	<ul style="list-style-type: none"> Not included in accounting because CO2 emissions at investment targets are not disclosed, and because the amount is so small that it will not affect the estimated results. 	—

Accounting Percentages

Accounting results

