

	Company thinking
<b>□ Background and purpose for accounting</b>	<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>
<b>□ Utilization of accounting results</b>	<ul style="list-style-type: none"> <li>● As a reference for responding to external surveys.</li> <li>● Disclosing accounting results in our websites and CSR reports for external communication. We will obtain such data over time as a part of our environmental actions.</li> </ul>
<b>□ Advantages of accounting</b>	<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>
<b>□ Internal accounting organization</b>	<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
❑ To reduce supply chain emissions	<ul style="list-style-type: none"><li>● This accounting reveals that our supply-chain (Scope 3) CO2 emissions account for over 70% of total emissions including Scopes 1 &amp; 2. In terms of Scope 3 only, 88% comes from Category 1 and Category 4 activities, the most from procurement of materials and transportation.</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>
❑ Tasks to account for supply chain emissions	<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 think that accounting methods should be devised, considering time and trouble we will have to take.</li></ul>

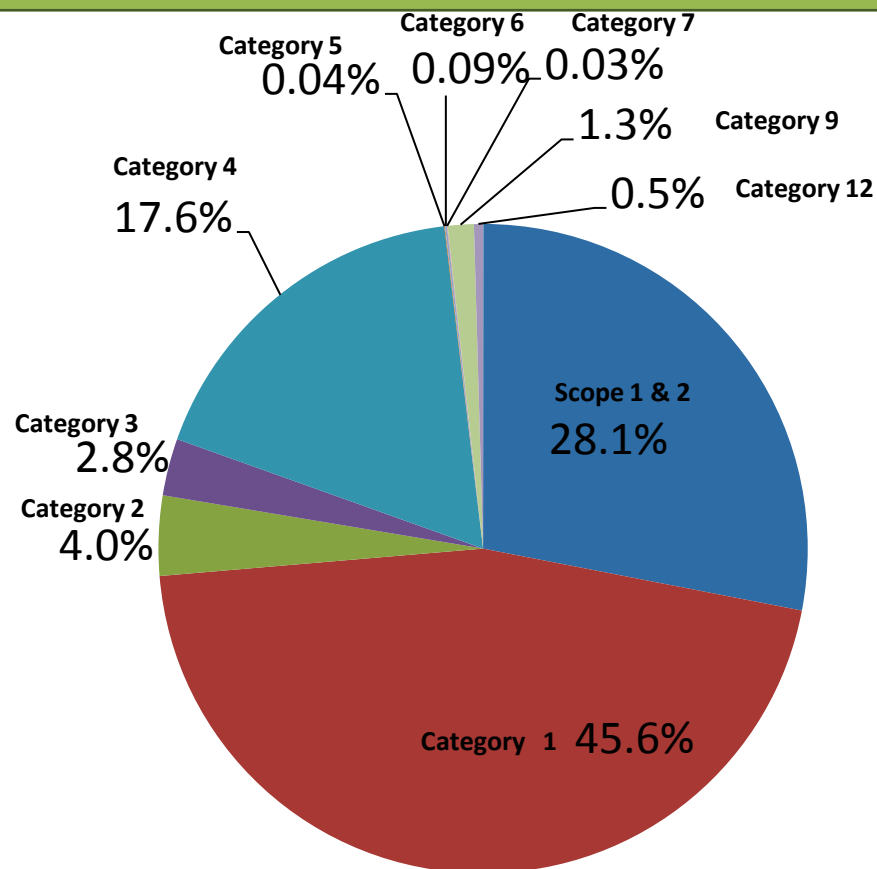
Category	Accounting methods	
	Activity data	Emission factor
Category 1: Purchased goods and services	● Purchased volume of raw materials, packaging materials and supplementary supplies	● Emission factor for production *1,2
Category 2: Capital goods	● Amount of capital investment	● Emission factor for capital investment for sugar business *3
Category 3: Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	● Fuel and electricity purchased	● Emission factor per energy used *1,3
Category 4: Upstream transportation and distribution	● Shipping volume of product as cargo owner, and purchased volume of raw materials and supplementary supplies, transportation distance	● Emission factor by transportation mode *1
Category 5: Waste generated in operations	● Waste generation by type of waste	● Emission factor by type of waste *1,3
Category 6: Business travel	● Travel expense in a year by transportation mode	● Emission factor by transportation mode *3
Category 7: Employee commuting	● Commutation cost that the company owes	● Emission factor per commutation cost that the company owes *3
Category 8: Upstream leased assets	● Included in Scope 1 & 2	-
Category 9: Downstream transportation and distribution	● Weight of products sold, transportation distance	● Emission factor by transportation mode *1
Category 10: Processing of sold products	● Excluded due to difficulty in data collection	-
Category 11: Use of sold products	● Not calculated, because emissions accompanied by heating and so on in the use stage of sugar are indirect emissions, and calculations are mandatory.	-
Category 12: End-of-life treatment of sold products	● Weight of packaging materials used for products	● Emission factor by type of waste *3
Category 13: Downstream leased assets	● NA	-
Category 14: Franchises	● NA	-
Category 15: Investments	● Calculations are ignored as we are not relevant to the applied enterprise provided in the basic guideline	-
Other	● Not calculated because it is an option category	-

\*1 Carbon Footprint Communication Program Basic Database ver.1.01

\*2 Carbon Footprint Communication Program Basic Database ver.1.01

\*3 Emission Factor Database on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (ver.2.1)

## Accounting result



Category	%
Scope 1&2	28.1%
1. Purchased goods and services	45.6%
2. Capital goods	4.0%
3. Energy-related activities	2.8%
4. Upstream transportation and distribution	17.6%
5. Waste generated in operations	0.04%
6. Business travel	0.09%
7. Employee commuting	0.03%
9. Downstream transportation and distribution	1.3%
12. End-of-life treatment of sold products	0.5%

Accounting result for:

Scope 1 & 2 emissions 102,591t

Scope 3 emissions 262,989t