1 Misawa Homes Co., Ltd.

	Corporate Policies
☐ **Background and purpose for accounting**	• To increase awareness and activities for reducing greenhouse gas emissions throughout our group companies. • By understanding the entire supply chain, we can conduct activities that increase awareness towards the entire environmental impacts. • Reducing the environmental impacts throughout the supply chain, for the sake of global environment conservation has become increasingly important, and it is becoming a social requirement.
☐ **Utilization of accounting results**	• To consider emissions reduction measures and to confirm its effectiveness in developing products and technologies. • To disclose accounting results through our website, CSR reports, and to respond to various questionnaires.
☐ **Advantages of accounting**	• To clarify the reduction targets for all of our group companies, by understanding the entire supply chain and the emissions by categories.
☐ **Internal accounting system**	• Data will be collected from the relevant departments in the company, and the Corporate Communications Unit is in charge of 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.

	Corporate Policies
☐ **To reduce supply chain emissions**	• We continue to develop products and parts, considering Category 1, "Purchased goods and services" and Category 11, "Use of sold products", which account for a large portion of our CO_2 emissions accounting. • Promote supply of greener homes and supply software products regarding how to live in them. • Further promote material-saving designs and industrialized construction systems. • Engage with suppliers, to promote project proposals of CO_2 emissions reduction activities.
☐ **Keys to account for supply chain emissions**	• Construction of automation is necessary for reducing the workload of data compiling. This will increase when the data, currently compiled on sampled sources, is compiled from actual sources.
☐ **For those starting to account for supply chain emissions**	• Among Category 1 "Purchased goods and services", our recycled organic building materials "M-WOOD 2" reduce energy usage during manufacture, and they are and friendly to the global environment from the prospective of energy-saving.

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Category	Accounting methods	
	Activity data	**Emission factor**
Category 1: Purchased goods and services	• Procurement quantity of raw materials and other materials	• Emission factor per amount of materials procured ※1
Category 2: Capital goods	• Procurement cost of capital goods	• Emission factor per price of capital goods ※2
Category 3: Fuel and energy related activities not included in Scope 1 or 2	• Electricity and other energy usage	• Emission factor per energy usage ※2
Category 4: Transportation and delivery (upstream)	• Fuel usage by the sender used for transport	• Emission factor per fuel ※2
Category 5: Waste generated in operations	• Waste emissions by type	• Emission factor by waste type ※2
Category 6: Business travel	• Number of employees	• Emission factor per employee ※2
Category 7: Employee commuting	• Number of employees	• Emission factor per number of employees and per number of working days ※2

Category	Accounting methods	
	Activity data	**Emission factor**
Category 8: Leased assets (upstream)	• Included in Scope 1,2	
Category 9: Transportation and delivery (downstream)	• Not relevant	
Category 10: Processing of sold products	• Not relevant	
Category 11: Use of sold products	• Energy usage while living in a residence (30-year period)	• Annual CO2 emissions (internal calculations)
Category 12: End-of-life treatment of sold products	• Not calculated (information has not been gathered)	
Category 13: Leased assets (downstream)	• Not relevant	
Category 14: Franchises	• Not relevant	
Category 15: Investments	• Calculation is ignored, because we are not relevant to the applied enterprise provided in the basic guideline	
Other	• Calculation is ignored, because it is an option category	

※1：LCA Guideline issued by Architectural Institute of Japan（2013.2）
※2：Emission Factor Database on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain（ver.2.1）

Supply Chain Emissions Accounting Results

☐ **Accounting results**

Scope3-2,3,6,7, 5.2%

Scope3-4, 3.7%

Scope3-5, 0.7%

Scope1,2, 5.1%

Scope3-1, 50.2%

Scope3-11, 35.1%