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Mitsui Sugar Co., Ltd.

	Companies' approach
① Background and purpose of accounting	<ul style="list-style-type: none"> • In recent years, we have more occasions to respond to external surveys on supply-chain CO2 emissions, such as the Environmental Management Survey. • As a trend, interest in ESG Investing has been rapidly increasing in the world. We recognize that accounting/understanding CO2 emissions and making efforts to reduce an environmental impact are getting to be the corporate responsibility.
② Utilization of accounting results	<ul style="list-style-type: none"> • As a reference for responding to external surveys. • 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.
③ Benefits of accounting	<ul style="list-style-type: none"> • We will perform numerical comparisons over time, which will be used to consider and determine effective reduction measures and prioritizations in the future. • Ensuring the transparency of obscure output enables us to disclose high transparency information. • Also that helps us to be more persuasive when we ask employees and business partners to cooperate for emission reductions.
④ Internal system for accounting	<ul style="list-style-type: none"> • Data are collected from relevant divisions in the company. Our Corporate Planning Department is in charge of accounting as the secretariat.

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	Companies' approach
⑤ Efforts to reduce supply chain emissions	<ul style="list-style-type: none"> • This accounting revealed that Scope 3 accounts for over 70% of total emissions including Scopes 1 & 2. Additionally, in terms of Scope 3, around over 89% came from Category 1 and Category 4 activities, the most from procurement and transportation of materials. • As for Category 4 "Transportation and delivery (upstream)", we make the effort to reduce CO2 emissions by promoting modal shift and improving the loading rate.
⑥ Issues in supply chain emissions accounting	<ul style="list-style-type: none"> • The most of emission accounting are based on the amount of the purchase price, so that it is difficult to reflect efforts of emission reduction. • 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 have to take. • To improve accuracy of emissions accounting.
⑦ Other	<ul style="list-style-type: none"> •

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Category	Accounting methods ※Accounting period : April 2018 - March 2019	
	Activity data	Emission factor
Category 1: Purchased goods and services	<ul style="list-style-type: none"> Purchased volume of raw materials, packaging materials and supplementary supplies 	<ul style="list-style-type: none"> Emission factor for production ※1,2,3
Category 2: Capital goods	<ul style="list-style-type: none"> Amount of capital investment 	<ul style="list-style-type: none"> Emission factor for capital investment for sugar business ※4
Category 3: Fuel and energy related activities not included in Scope 1 or 2	<ul style="list-style-type: none"> Fuel and electricity purchased 	<ul style="list-style-type: none"> Emission factor per energy used ※1,4
Category 4: Transportation and delivery (upstream)	<ul style="list-style-type: none"> Shipping volume of product as cargo owner, and purchased volume of raw materials and supplementary supplies, transportation distance 	<ul style="list-style-type: none"> Emission factor by transportation mode ※1
Category 5: Waste generated in operations	<ul style="list-style-type: none"> Waste generation by type of waste 	<ul style="list-style-type: none"> Emission factor by type of waste※1
Category 6: Business travel	<ul style="list-style-type: none"> Travel expense in a year by transportation mode 	<ul style="list-style-type: none"> Emission factor by transportation mode ※4
Category 7: Employee commuting	<ul style="list-style-type: none"> Commutation cost that the company owes 	<ul style="list-style-type: none"> Emission factor per commutation cost that the company owes※4
Category 8: Leased assets (upstream)	<ul style="list-style-type: none"> Included in Scope 1 &2 	<ul style="list-style-type: none">
Category 9: Transportation and delivery (downstream)	<ul style="list-style-type: none"> Weight of products sold, transportation distance 	<ul style="list-style-type: none"> Emission factor by transportation mode ※1
Category 10: Processing of sold products	<ul style="list-style-type: none"> Excluded due to difficulty in data collection 	<ul style="list-style-type: none">
Category 11: Use of sold products	<ul style="list-style-type: none"> Not calculated, because emissions accompanied by heating and so on in the use stage of sugar are indirect emissions, and calculations are mandatory. 	<ul style="list-style-type: none">
Category 12: End-of-life treatment of sold products	<ul style="list-style-type: none"> Weight of packaging materials used for products 	<ul style="list-style-type: none"> Emission factor by type of waste※1,4
Category 13: Leased assets (downstream)	<ul style="list-style-type: none"> NA 	<ul style="list-style-type: none">
Category 14: Franchises	<ul style="list-style-type: none"> NA 	<ul style="list-style-type: none">
Category 15: Investments	<ul style="list-style-type: none"> Calculations are ignored as we are not relevant to the applied enterprise provided in the basic guideline 	<ul style="list-style-type: none">
Other	<ul style="list-style-type: none"> Not calculated because it is an option category 	<ul style="list-style-type: none">

※1 Carbon Footprint Communication Program Basic Database ver. 1.01

※2 Carbon Footprint Communication Program Available Data ver. 1.04

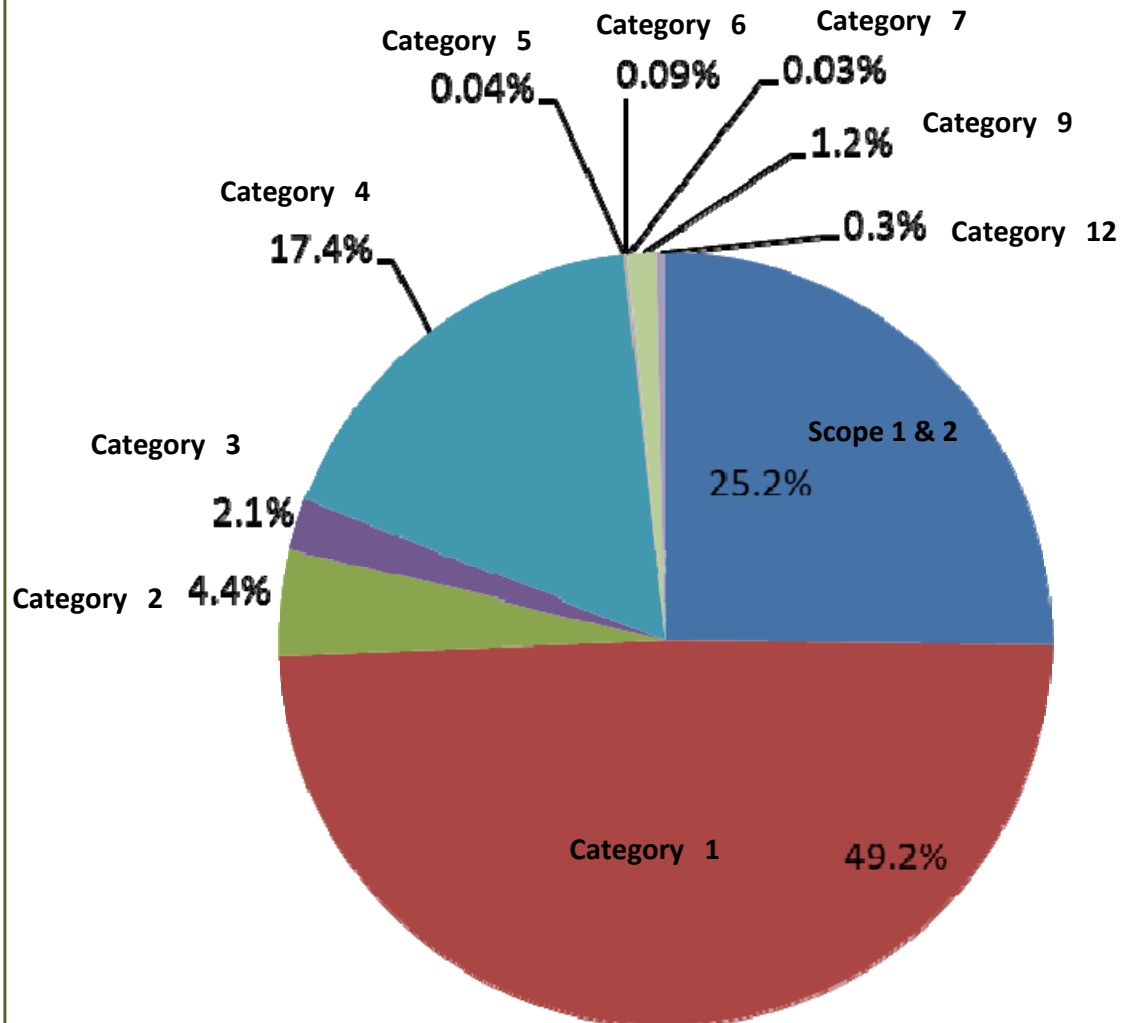
※3 Carbon Footprint Communications Program for Databases Referring the Distances between Nations and Regions

※4 Emission Factor Database on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (ver.2.6)

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Supply chain emissions : Accounting results



Category	Ratio
Scopes 1&2	25.2%
1. Purchased goods servies	49.2%
2. Capital goods	4.4%
3. Energy-related actions	2.1%
4. Upstream tansportation	17.4%
5. Waste generated in operations	0.04%
6. Business travel	0.1%
7. Employee commuting	0.03%
9. Downstream transportation	1.2%
12. End-of-life treatment of sold product	0.3%

Accounting result for ;
 Scope 1 & 2 emissions 91,590t
 Scope 3 emissions 272,230t