1　AGC Inc.

	Companies' approach
① **Background and purpose of accounting**	• Visualization of our value chain CO2 emissions in accordance with the GHG Protocol • Response to stakeholder needs and expectation for information disclosure • Contribution to customers' supply chain management
② **Utilization of accounting results**	• To formulate measures to reduce CO2 emissions • To disclose CO2 emission calculation results through various disclosure media • To disclose information to customers through CDP, etc.
③ **Benefits of accounting**	• To identify CO2 emissions by Category and implement effective and efficient emission reduction measures. • To improve the transparency of our climate change risks and our efforts in the value chain to our stakeholders.
④ **Internal system for accounting**	• The environmental division collects original data from procurement, logistics, manufacturing, accounting, human resources, etc., and the environmental division calculates CO2 emissions for each category.

2 AGC Inc.

		Companies' approach
⑤	**Efforts to reduce supply chain emissions**	• Visualization of CO_2 emissions sources and review of procurement policy in order to reduce Category 1 CO_2 emissions, one of the hot spots • Reducing Category 12 CO_2 emissions, one of the hot spots, by improving calculation accuracy, by lengthening product life, and by reducing generating waste
⑥	**Issues in supply chain emissions accounting**	• Tracking data on activity volume and coefficient applied for the data outside Japan • Improving efficiency of calculation • Grasp primitive data for category 13 calculation
⑦	**Other**	

3

AGC Inc.

Category	Accounting methods ※Accounting period : January 2019 – December 2019	
	Activity data	**Emission factor**
Category 1: Purchased goods and services	● Purchase volume (raw materials, expendable supplies, services, etc.)	● CFP Basic Database
Category 2: Capital goods	● Value of investment in fixed assets	● 3EID
Category 3: Fuel and energy related activities not included in Scope 1 or 2	● Energy consumption	● CFP Basic Database
Category 4: Transportation and delivery (upstream)	● Ton-kilometers transported	● CFP Basic Database
Category 5: Waste generated in operations	● Amount of waste generated by type	● CFP Basic Database
Category 6: Business travel	● Transportation expenses paid (travel expenses, etc.)	● Ministry of the Environment emissions unit value database
Category 7: Employee commuting	● Transportation expenses paid (transportation allowance, etc.)	● Ministry of the Environment emissions unit value database, CFP Basic Database
Category 8: Leased assets (upstream)	● Excluded as there are no leased assets	—
Category 9: Transportation and delivery (downstream)	● Ton-kilometers transported based on transport scenarios established	● CFP Basic Database
Category 10: Processing of sold products	● Excluded due to the difficulty of measuring	—
Category 11: Use of sold products	● N/A	—
Category 12: End-of-life treatment of sold products	● Amount of waste disposed of as estimated from the amount of products sold	● CFP Basic Database
Category 13: Leased assets (downstream)	● Excluded as there are no leased assets	—
Category 14: Franchises	● Excluded as there are no franchises	—
Category 15: Investments	● Emissions of investment destinations with equity holding ratios taken into account	—
Other	● No other items are accounted for.	—

4 AGC Inc.

Accounting Results

● Supply chain emissions

	GHG Emissions (t-CO2)
	AGC group total
Category 1	2,582,934
Category 2	668,129
Category 3	1,080,670
Category 4	1,153,754
Category 5	29,807
Category 6	53,575
Category 7	50,081
Category 8	–
Category 9	–
Category 10	–
Category 11	831,977
Category 12	2,748,780
Category 13	–
Category 14	
Category 15	59,466
Scope3 total	9,259,173