1

		Companies' approach		
1	Background and purpose of accounting	 We have set the long-term goal of reducing CO2 emissions by 20% in total value chain and implemented emission reduction activities. We were unable to cover all the Scope 3 categories in the CDP responses. We needed to cover the full range of the Scope 3 in consideration of SBT. 		
2	Utilization of accounting results	 Information disclosure through Annual Report, Sustainability Data Book and our official website. Responses to external surveys including CDP. Review Scope3 performance of our SBT targets. 		
3	Benefits of accounting	 Accounting enables us to meet requests from stakeholders regarding our response to climate change. 		
4	Internal system for accounting	 We account for value-chain CO2 emissions as part of our commitment to the Group EHS Management. 		

		Companies' approach		
(5)	Efforts to reduce supply chain emissions	 We have set the goal of reducing energy use of products and are engaged in energy reduction activities because category 11 (Use of sold products) accounts for the greater part of supply-chain emissions. As an SBT target, we set a Scope3 Category 11 reduction target and began GHG third-party verification of it. 		
6	Issues in supply chain emissions accounting	The valid periods of time of the database of emissions factors taught in the supporting project in 2019.		
7	Other	From CDP2020 responses, we have switched to the calculation method learned in the supporting project in 2019.		

3

Cotogony	Accounting methods ※Accounting period: April 2019 - March 2020		
Category	Activity data	Emission factor	
Category 1: Purchased goods and services	Value of procured materials and purchased raw materials	Emission factor per producer price *1	
Category 2: Capital goods	Value of capital investment	Emission factor per value of capital goods*1	
Category 3: Fuel and energy related activities not included in Scope 1 or 2	Amount of energy used	Emission factor at energy procurement*1,2	
Category 4: Transportation and delivery (upstream)	Volume of domestic transportation of products	Emission factor per metric ton-km traveled	
Category 5: Waste generated in operations	Emissions by type of waste	Emission factor by type of waste and method of disposal*1	
Category 6: Business travel	Number of employees	● Emission factor per employee*1	
Category 7: Employee commuting	Number of employees, number of days worked per year	● Emission factor by city group*1	
Category 8: Leased assets (upstream)	N/A		
Category 9: Transportation and delivery (downstream)	Volume of overseas transportation of products	Emission factor of international air cargo transport*2	
Category 10: Processing of sold products	N/A		
Category 11: Use of sold products	Amount of energy consumed for use of products, Number of products shipped	Proxy for emission factor of electric power companies	
Category 12: End-of-life treatment of sold products	Weight of products shipped	Emission factor by type of waste and method of disposal*1	
Category 13: Leased assets (downstream)	Accounted for together with category 11		
Category 14: Franchises	N/A		
Category 15: Investments	N/A		
Other	N/A		

^{*1} Emission Factor Database on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (ver.2.6)

^{*2} Carbon Footprint Communication Program Basic Database ver. 1.01

4

