

1

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 and the UN Sustainable Development Goals (SDGs) have 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 Group Strategy Division is in charge of accounting as the secretariat.

2

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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 80% of total emissions including Scopes 1 & 2. Additionally, in terms of Scope 3, around over 90% 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"> •

3

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Category	Accounting methods ※Accounting period : April 2020 - March 2021	
	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
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 ※2
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 ※1,2
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※2
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 ※2
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※2
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※1,2
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">

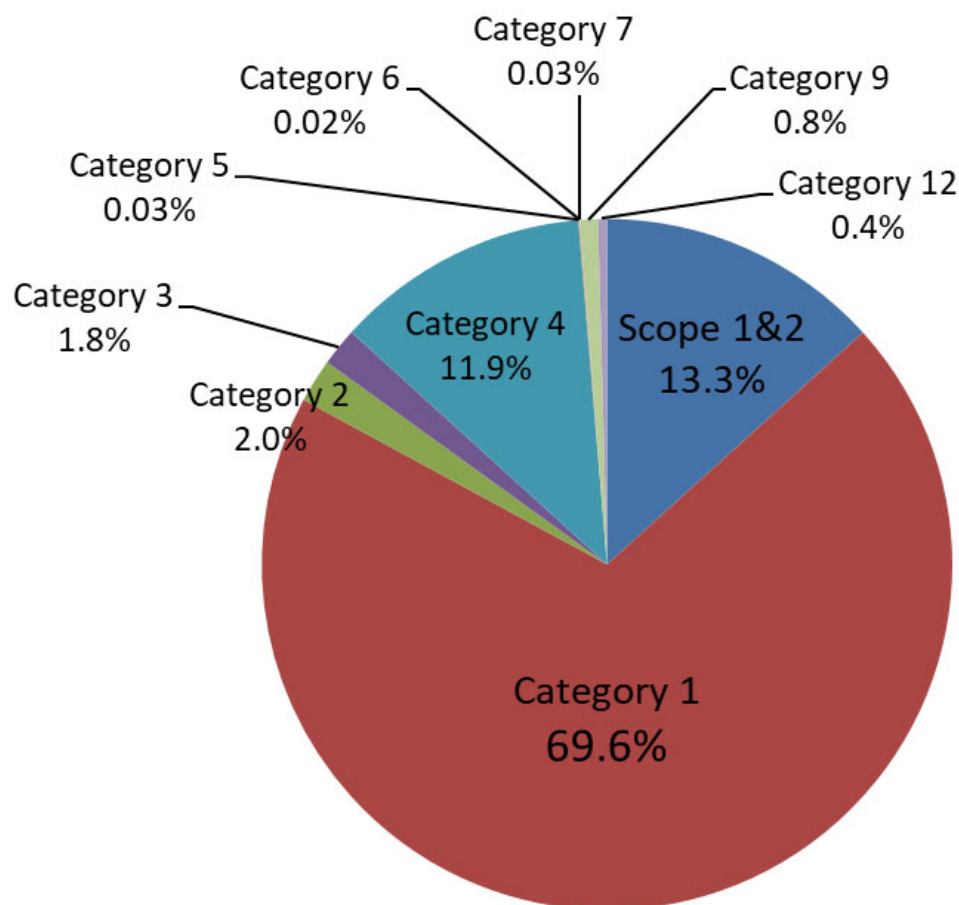
※1 Inventory Database for Environmental Analysis Database ver. 2.3

※2 Emission Factor Database on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (ver.3.1)

4

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Supply chain emissions : Accounting results



Category	Ratio
Scopes 1&2	13.3%
1. Purchased goods services	69.6%
2. Capital goods	2.0%
3. Energy-related actions	1.8%
4. Upstream transportation	11.9%
5. Waste generated in operations	0.03%
6. Business travel	0.02%
7. Employee commuting	0.03%
9. Downstream transportation	0.8%
12. End-of-life treatment of sold products	0.4%

Accounting result for ;

Scope 1 & 2 emissions 66,405t

Scope 3 emissions 433,071t