

1 AGC Inc.

	Companies' approach
① Background and purpose of accounting	<ul style="list-style-type: none"> • Visualization of our value chain GHG 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	<ul style="list-style-type: none"> • To formulate measures to reduce GHG emissions • To disclose GHG emission calculation results through various environmental information disclosure media including the Sustainability Data Book • To disclose information to customers through CDP, etc.
③ Benefits of accounting	<ul style="list-style-type: none"> • To identify GHG 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	<ul style="list-style-type: none"> • The environmental division collects original data from procurement, logistics, manufacturing, accounting, human resources, etc., and the environmental division calculates GHG emissions for each category.

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	Companies' approach
⑤ Efforts to reduce supply chain emissions	<ul style="list-style-type: none"> • Visualization of GHG emissions sources and review of procurement policy in order to reduce Category 1 GHG emissions, one of the hot spots • Reducing Category 11 GHG emissions, one of the hot spots, by reducing the global warming potential of the refrigerants and solvents we sell • Reducing Category 12 GHG 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	<ul style="list-style-type: none"> • 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	

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Category	Accounting methods ※Accounting period : January 2020 – December 2020	
	Activity data	Emission factor
Category 1: Purchased goods and services	<ul style="list-style-type: none"> Purchase volume (raw materials, expendable supplies, services, etc.) 	<ul style="list-style-type: none"> IDEA v.2.3
Category 2: Capital goods	<ul style="list-style-type: none"> Value of investment in fixed assets 	<ul style="list-style-type: none"> IDEA v.2.3
Category 3: Fuel and energy related activities not included in Scope 1 or 2	<ul style="list-style-type: none"> Energy consumption 	<ul style="list-style-type: none"> IDEA v.2.3
Category 4: Transportation and delivery (upstream)	<ul style="list-style-type: none"> Ton-kilometers transported 	<ul style="list-style-type: none"> IDEA v.2.3
Category 5: Waste generated in operations	<ul style="list-style-type: none"> Amount of waste generated by type 	<ul style="list-style-type: none"> IDEA v.2.3
Category 6: Business travel	<ul style="list-style-type: none"> Transportation expenses paid (travel expenses, etc.) 	<ul style="list-style-type: none"> IDEA v.2.3
Category 7: Employee commuting	<ul style="list-style-type: none"> Transportation expenses paid (transportation allowance, etc.) 	<ul style="list-style-type: none"> IDEA v.2.3
Category 8: Leased assets (upstream)	<ul style="list-style-type: none"> Excluded as there are no leased assets 	—
Category 9: Transportation and delivery (downstream)	<ul style="list-style-type: none"> Excluded because we are the specified consignor of all shipments from our company, so they are included in the scope of calculation for Category 4. 	—
Category 10: Processing of sold products	<ul style="list-style-type: none"> Weight of products sold 	<ul style="list-style-type: none"> IDEA v.2.3
Category 11: Use of sold products	<ul style="list-style-type: none"> Weight of products sold 	<ul style="list-style-type: none"> IDEA v.2.3
Category 12: End-of-life treatment of sold products	<ul style="list-style-type: none"> Amount of waste disposed of as estimated from the number of products sold 	<ul style="list-style-type: none"> IDEA v.2.3
Category 13: Leased assets (downstream)	<ul style="list-style-type: none"> Area of leasing real assets (real estate) 	<ul style="list-style-type: none"> IDEA v.2.3
Category 14: Franchises	<ul style="list-style-type: none"> Excluded as there are no franchises 	—
Category 15: Investments	<ul style="list-style-type: none"> Excluded As there is no investment for the purpose of investment 	—
Other	<ul style="list-style-type: none"> No other items are accounted for. 	—

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Accounting Results

● Supply chain emissions

Scope / Category		GHG Emissions (t-CO2)
Category 1	Purchased goods and services	3,716,208
Category 2	Capital goods	684,007
Category 3	Fuel and energy related activities not included in Scope 1 or 2	1,102,111
Category 4	Transportation and delivery (upstream)	1,007,465
Category 5	Waste generated in operations	181,553
Category 6	Business travel	42,803
Category 7	Employee commuting	51,073
Category 8	Leased assets (upstream)	-
Category 9	Transportation and delivery (downstream)	-
Category 10	Processing of sold products	269,260
Category 11	Use of sold products	1,945,208
Category 12	End-of-life treatment of sold products	2,580,709
Category 13	Leased assets (downstream)	167,009
Category 14	Franchises	-
Category 15	Investments	-
Scope 3 Total		11,747,406

