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Nisshin Seifun Group Inc.

	Companies' approach
① Background and purpose of accounting	<ul style="list-style-type: none"> Assessing the overall picture of GHG emission associated with our business activities makes the connection between our group's business and environment transparent. In light of features in GHG emission from our business, we devise long-term environmental impact reduction strategies. We measure emissions to meet requests from stakeholders regarding GHG emission along the supply chain related to our business.
② Utilization of accounting results	<ul style="list-style-type: none"> We use the results as basic data to set the long term goal. We leverage the accounting results for technology development, product development, capital investment and such. The accounting data are to answer various questionnaires/surveys.
③ Benefits of accounting	<ul style="list-style-type: none"> Through accounting, we are able to assess the environmental impact from the business which we didn't recognize and phase having relatively high environmental impacts in the whole value chain, which widen the options for our group environmental policies.
④ Internal system for accounting	<ul style="list-style-type: none"> Environmental management department compiles data from aggregate system of environment related data which operated internally and data collected from group companies.

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	Companies' approach
⑤ Efforts to reduce supply chain emissions	<ul style="list-style-type: none"> • We figure out environmental reduction policies concretely for the phases which accounting reveals its high impacts. • In Scope 1 and 2, we continue to make strides to achieve benefits of reducing both environmental impacts and costs by improving efficiency in use of electricity and energy. • In Scope 3, raw material procurement is a major contributor, but some raw material has great impacts which we cannot work on to mitigate directly. We need to develop a method to reduce the amount of emissions overall taking into consideration various options.
⑥ Issues in supply chain emissions accounting	<ul style="list-style-type: none"> • Because of the product features, emissions from the use phase accounts for the majority of overall emissions. We found that If we increase the number of products to include in accounting scope, emissions from phases besides use phase are almost obscured. Since the types of products in accounting and assumption of estimated values also make difference in accounting emission, our issues are not only developing the direct reduction policies (such as energy saving and short time cooking) but also improving the accounting precision. • We found that some products/services in the accounting scope which we had thought would drive emission reduction are better calculated under different accounting rules.
⑦ Other	

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Category	Accounting methods	※Accounting period : : April 2017 - March 2018
	Activity data	Emission factor
Category 1: Purchased goods and services	<ul style="list-style-type: none"> Volume of raw materials/packaging materials procured 	<ul style="list-style-type: none"> Emission factor related to raw material procurement
Category 2: Capital goods	<ul style="list-style-type: none"> Amount of capital investment 	<ul style="list-style-type: none"> Emission factor per amount of investment
Category 3: Fuel and energy related activities not included in Scope 1 or 2	<ul style="list-style-type: none"> Excluded – due to its small impact 	—
Category 4: Transportation and delivery (upstream)	<ul style="list-style-type: none"> Amount of product shipping and transportation distance by us as a consignor 	<ul style="list-style-type: none"> Ton-kilometer method
Category 5: Waste generated in operations	<ul style="list-style-type: none"> Volume of waste 	<ul style="list-style-type: none"> Emission factor per weight
Category 6: Business travel	<ul style="list-style-type: none"> Business related traveling expenses 	<ul style="list-style-type: none"> Emission factor per employee
Category 7: Employee commuting	<ul style="list-style-type: none"> Business related traveling expenses 	<ul style="list-style-type: none"> Emission factor per the number of employee/average working day
Category 8: Leased assets (upstream)	<ul style="list-style-type: none"> Included in Scope 1 & 2 	—
Category 9: Transportation and delivery (downstream)	<ul style="list-style-type: none"> N/A 	—
Category 10: Processing of sold products	<ul style="list-style-type: none"> Calculated the amount of energy from standard processing method of product in accounting scope 	<ul style="list-style-type: none"> Emission factor per weight
Category 11: Use of sold products	<ul style="list-style-type: none"> Calculated the amount of energy from standard cooking method of product in accounting scope 	<ul style="list-style-type: none"> Emission factor per weight
Category 12: End-of-life treatment of sold products	<ul style="list-style-type: none"> Weight of product packaging 	<ul style="list-style-type: none"> Emission factor per weight
Category 13: Leased assets (downstream)	<ul style="list-style-type: none"> N/A 	—
Category 14: Franchises	<ul style="list-style-type: none"> N/A 	—
Category 15: Investments	<ul style="list-style-type: none"> Excluded – due to its small impact 	—
Other	<ul style="list-style-type: none"> N/A 	—

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Supply chain emissions : Accounting results

