

## 1

# JVCKENWOOD Corporation

	<b>Companies' approach</b>
① <b>Background and purpose of accounting</b>	<ul style="list-style-type: none"> <li>JVCKENWOOD addresses escalating climate change as one of the prioritized material issues (“Materiality”) in our sustainability strategies.</li> <li>In order to promote eco-friendly corporate management, we aim to calculate entire GHG emissions and identify categories where we should focus on reduction based on Basic Environmental Policy.</li> </ul>
② <b>Utilization of accounting results</b>	<ul style="list-style-type: none"> <li>The accounting results are disclosed on the websites and others as part of the non-financial information.</li> <li>The results are used to reinforce cooperation in environmental activities with our business partners/relevant parties in the supply chain.</li> </ul>
③ <b>Benefits of accounting</b>	<ul style="list-style-type: none"> <li>Accounting determines the categories where we need to concentrate on reducing emissions and reveals the activities that we should make efforts for.</li> <li>We can demonstrate our position toward environmental activities to internal and external audiences and share awareness for activities to cut emissions.</li> <li>We can use the results to answer inquiries related to Scope 3 from external entities and questions for various institutional surveys.</li> </ul>
④ <b>Internal system for accounting</b>	<ul style="list-style-type: none"> <li>For FY2017, the data were collected from relevant departments and emissions were calculated following our environmental management system.</li> <li>The Sustainability Management Office will take leadership in collecting data from related departments complying with Environmental Policies and establish a system to account for emissions.</li> </ul>

## 2

## JVCKENWOOD Corporation

	<b>Companies' approach</b>
<p>⑤ <b>Efforts to reduce supply chain emissions</b></p>	<ul style="list-style-type: none"> <li>• Reducing the number of components and facilitating local procurement in production regions, we address to clarify the activities related to CO2 emission reduction for raw material procurement.</li> <li>• We work on to reduce emissions associated with logistics when shipping products.</li> <li>• We aim to reduce emissions in the use stage by developing energy-saving products and others.</li> </ul>
<p>⑥ <b>Issues in supply chain emissions accounting</b></p>	<ul style="list-style-type: none"> <li>• FY2017 accounting scope in other country is consisted of our production bases only. In order to drive emission reduction activities further in the supply chain, we take actions to widen the scope of accounting to more organizations in our group.</li> <li>• In order to improve the precision of accounting results, we aim to collect more detailed primary data to reflect in the accounting results.</li> <li>• Especially, our challenges are to calculate emissions based on purchase volume in Category 1, to establish an accounting method for transporting raw materials in Category 4 and to improve the calculation method of products' power consumption/assumed hours of use in Category 11.</li> </ul>
<p>⑦ <b>Other</b></p>	<ul style="list-style-type: none"> <li>• The right mark symbolizes “JKSustainability” – sustainability activities promoted by JVCKENWOOD.</li> <li>• We uphold our corporate vision of “Creating excitement and peace of mind for the people of the world” and contribute to realize sustainable society as “Transform into a customer value creator”.</li> </ul> <div style="text-align: right;">   <b>JKSustainability</b> </div>

## 3

## JVCKENWOOD Corporation

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"> <li>Purchase amount of raw materials</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor DB* 5 (Emission factor based on Input Output Table)</li> </ul>
Category 2: Capital goods	<ul style="list-style-type: none"> <li>Fixed asset</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor DB* 6 (Emission factor per capital good price)</li> </ul>
Category 3: Fuel and energy related activities not included in Scope 1 or 2	<ul style="list-style-type: none"> <li>Usage of power, gas and heat</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor DB* 7 (Emission factor per electricity/heat usage)</li> </ul>
Category 4: Transportation and delivery (upstream)	<ul style="list-style-type: none"> <li>Volume of shipping products</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor DB* 2 (Emission factor in Mandatory GHG Accounting and Reporting System related to transportation 3; ton-kilometer method)</li> </ul>
Category 5: Waste generated in operations	<ul style="list-style-type: none"> <li>Volume of waste</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor DB* 9 (Emission factor by waste types)</li> </ul>
Category 6: Business travel	<ul style="list-style-type: none"> <li>The number of employee</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor DB* 13 (Emission factor per employee)</li> </ul>
Category 7: Employee commuting	<ul style="list-style-type: none"> <li>The number of employee</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor DB* 14 (Emission factor per number of employee/working day)</li> </ul>
Category 8: Leased assets (upstream)	<ul style="list-style-type: none"> <li>Not calculated – included in Scope 1 &amp; 2</li> </ul>	
Category 9: Transportation and delivery (downstream)	<ul style="list-style-type: none"> <li>Not calculated – included in Category 4</li> </ul>	
Category 10: Processing of sold products	<ul style="list-style-type: none"> <li>Not calculated – Shipping volume of semi-finished products is extremely small.</li> </ul>	
Category 11: Use of sold products	<ul style="list-style-type: none"> <li>Volume of shipping products</li> <li>Power consumption of products/hours of use</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor DB* 1 (Emission factor in Mandatory GHG Accounting and Reporting System)</li> </ul>
Category 12: End-of-life treatment of sold products	<ul style="list-style-type: none"> <li>Volume of shipping products</li> <li>Weight of products</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor DB* 9 (Emission factor by waste types)</li> </ul>
Category 13: Leased assets (downstream)	<ul style="list-style-type: none"> <li>Not calculated – no leased assets</li> </ul>	
Category 14: Franchises	<ul style="list-style-type: none"> <li>Not calculated – no franchises</li> </ul>	
Category 15: Investments	<ul style="list-style-type: none"> <li>Not calculated – influence is very small</li> </ul>	

\*Emission factor DB: Emission Factor Database on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain

## 4

## JVCKENWOOD Corporation

## Supply chain emissions : Accounting results

Scope 3 emissions: 854,418 t-CO<sub>2</sub>e