

## 1

## Sogo &amp; Seibu Co., Ltd.

	<b>Companies' approach</b>
① <b>Background and purpose of accounting</b>	<ul style="list-style-type: none"> <li>• To understand the state of CO<sub>2</sub> emissions from our entire supply chain.</li> <li>• To disclose information in response to requests from stakeholders.</li> </ul>
② <b>Utilization of accounting results</b>	<ul style="list-style-type: none"> <li>• Development of CO<sub>2</sub> emission reduction actions over the supply chain.</li> <li>• Disclosure of the results, in order to foster understanding on our environmental activities while improving reliability.</li> <li>• Response to survey requests from external parties.</li> </ul>
③ <b>Benefits of accounting</b>	<ul style="list-style-type: none"> <li>• This accounting facilitates CO<sub>2</sub> emission reduction actions in cooperation with supply-chain partners.</li> <li>• By understanding emission reduction potentials for each category, we can develop effective actions for CO<sub>2</sub> emission reductions.</li> <li>• The results of accounting and evaluation over time can be reflected in mid- to long-term programs and strategies.</li> <li>• Accounting practice will foster understanding on our environmental activities.</li> <li>• It raises our credibility with our stakeholders.</li> <li>• It allows us to respond to external surveys.</li> </ul>
④ <b>Internal system for accounting</b>	<ul style="list-style-type: none"> <li>• Select categories for accounting and identify accounting boundary (CSR・CSV promotion office)</li> <li>• Select emission factor for each category (CSR・CSV promotion office, General Affairs Dept.)</li> <li>• Collect and account for activity data for accounting period (relevant divisions)</li> <li>• Account for CO<sub>2</sub> emissions for each category (CSR・CSV promotion office, General Affairs Dep.)</li> </ul>

## 2

## Sogo &amp; Seibu Co., Ltd.

	<b>Companies' approach</b>
<b>⑤ Efforts to reduce supply chain emissions</b>	<ul style="list-style-type: none"> <li>• For Scope 1 &amp; 2 emissions, we introduce LED lightings at store renovations or aging facility upgrade in order to reduce emissions, in addition to our ongoing actions such as utilizing BEMS and moderating cooling temperature during summer.</li> <li>• For Scope 3 emissions, Category 1 “Purchased goods and services” is the largest source of emissions (84.4%). In order to reduce our entire supply-chain emissions, we need to take into consideration raw materials and production processes at merchandise procurement stage.</li> </ul>
<b>⑥ Issues in supply chain emissions accounting</b>	<ul style="list-style-type: none"> <li>• Accounting method that uses purchase amount as activity data does not always reflect effects from actions in the accounting result. It is necessary to develop other emission factor that can reflect outcomes of efforts in CO<sub>2</sub> equivalence, in cooperation with our business partners.</li> </ul>
<b>⑦ Other</b>	<ul style="list-style-type: none"> <li>• Our company has promoted various actions to share importance of the environment with our customers, such as “Green Wrapping*,” “Green Curtain Project” and “Sprinkle water campaign.” We expect that accounting guidelines would be developed to evaluate emission reductions through such actions, promoting society-wide contribution to reduce CO<sub>2</sub> emissions. * Green Wrapping Eco-friendly gift wrapping service that we offer at a cost of 100 yen for ribbon with a leaf-shaped charm, of which 50 yen is contributed to forestation activities.</li> </ul>

## 3

## Sogo &amp; Seibu Co., Ltd.

Category	Accounting methods ※Accounting period : March 2017 - February 2018	
	Activity data	Emission factor
Category 1: Purchased goods and services	<ul style="list-style-type: none"> <li>Sales amount by type of product, purchased amount for wrapping materials</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor per sales amount</li> </ul>
Category 2: Capital goods	<ul style="list-style-type: none"> <li>Amount of capital investment</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor per capital goods</li> </ul>
Category 3: Fuel and energy related activities not included in Scope 1 or 2	<ul style="list-style-type: none"> <li>Energy consumption</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor per energy used</li> </ul>
Category 4: Transportation and delivery (upstream)	<ul style="list-style-type: none"> <li>Transportation load x travel distance</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor per transportation load x travel distance</li> </ul>
Category 5: Waste generated in operations	<ul style="list-style-type: none"> <li>Waste generation by type of waste and by type of treatment method</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor per waste generation</li> </ul>
Category 6: Business travel	<ul style="list-style-type: none"> <li>Travel cost that the company owes by transportation mode</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor per travel cost that the company owes</li> </ul>
Category 7: Employee commuting	<ul style="list-style-type: none"> <li>Commutation cost that the company owes by transportation mode</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor per commutation cost that the company owes</li> </ul>
Category 8: Leased assets (upstream)	Included in Scope 1 & 2	
Category 9: Transportation and delivery (downstream)	<ul style="list-style-type: none"> <li>Transportation load x travel distance</li> <li>Fuel consumption</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor per transportation load x travel distance</li> <li>Emission factor per fuel used</li> </ul>
Category 10: Processing of sold products	Not included in the boundary	
Category 11: Use of sold products	<ul style="list-style-type: none"> <li>Weight of clothing x number of cleanings</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor per weight of clothing x number of cleanings</li> </ul>
Category 12: End-of-life treatment of sold products	<ul style="list-style-type: none"> <li>Waste generation by type of waste</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor per waste generation</li> </ul>
Category 13: Leased assets (downstream)	<ul style="list-style-type: none"> <li>Energy consumption by tenants.</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor per energy used</li> </ul>
Category 14: Franchises	Not included in the boundary	
Category 15: Investments	Not included in the boundary	
Other	<ul style="list-style-type: none"> <li>Emissions by electricity consumption at employee home</li> </ul>	<ul style="list-style-type: none"> <li>Amount of electricity consumption per person (sampling) × number of employee</li> </ul>

## 4

## Sogo &amp; Seibu Co., Ltd.

## Supply chain emissions : Accounting results

