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DAIKEN Corporation

	Companies' approach
① Background and purpose of accounting	<ul style="list-style-type: none"> ● To drive more effective reduction activities by getting a full picture of the GHG emissions from the entire supply chain, and thereby visualizing the relationship between our group companies and global warming. ● To meet requests for information disclosure from stakeholders and also deepen their understanding of the commitment of our group companies.
② Utilization of accounting results	<ul style="list-style-type: none"> ● To identify reduction targets in the supply chain emissions and facilitate emissions reduction. ● Setting and progress management of greenhouse gas reduction targets such as SBT ● To post the accounting results on our website and disclose information to stakeholders. ● To utilize the accounting results for responses to various verifications including CDP.
③ Benefits of accounting	<ul style="list-style-type: none"> ● Understanding processes with significant emission in the entire supply chain enables us to identify challenges our group companies need to address and targets relevant to reduction activities.
④ Internal system for accounting	<ul style="list-style-type: none"> ● Data is collected from related departments such as production sites, procurement departments, and logistics departments, and the department in charge of sustainability performs accounting.

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DAIKEN Corporation

	Companies' approach
⑤ Efforts to reduce supply chain emissions	<ul style="list-style-type: none"> ● Procurement of raw materials and outsourced products contributes to significant emissions. We, therefore, need to promote resource saving and weight reduction of products by research and development. etc. and reduce the entire emissions including transportation and delivery.
⑥ Issues in supply chain emissions accounting	<ul style="list-style-type: none"> ● It is difficult to reflect the effects of reduction activities in existing calculations based on basic factor, so it is necessary to use primary data. ● There are items and ranges that cannot be calculated based on the basic factor published in Japan. ● We need to reduce the workload by efficient data aggregation.
⑦ Other	<ul style="list-style-type: none"> ● From fiscal 2021, calculations and disclosures will be made on a group-wide basis, including overseas bases.

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Category	Accounting methods ※Accounting period: April 2021 - March 2022	
	Activity data	Emission factor
Category 1: Purchased goods and services	<ul style="list-style-type: none"> Amount of purchased materials, goods and services 	<ul style="list-style-type: none"> Emission factor database (*1 *2), value in literature Research findings by industry organizations and suppliers
Category 2: Capital goods	<ul style="list-style-type: none"> Value of procured capital goods 	<ul style="list-style-type: none"> Emission factor database (*1)
Category 3: Fuel and energy related activities not included in Scope 1 or 2	<ul style="list-style-type: none"> Amount of energy purchased 	<ul style="list-style-type: none"> Emission factor database (*1 *2)
Category 4: Transportation and delivery (upstream)	<ul style="list-style-type: none"> Metric ton-km traveled by specified consigners under the Energy Conservation Act For supplier transportation, metric ton-km traveled based on a scenario 	<ul style="list-style-type: none"> Emission factor under the Accounting and Reporting System (*3)
Category 5: Waste generated in operations	<ul style="list-style-type: none"> Emissions by type of waste 	<ul style="list-style-type: none"> Emission factor database (*1)
Category 6: Business travel	<ul style="list-style-type: none"> Number of employees 	<ul style="list-style-type: none"> Emission factor database (*1)
Category 7: Employee commuting	<ul style="list-style-type: none"> Number of employees, number of days worked 	<ul style="list-style-type: none"> Emission factor database (*1)
Category 8: Leased assets (upstream)	<ul style="list-style-type: none"> Included in Scope 1 and 2 	<ul style="list-style-type: none"> —
Category 9: Transportation and delivery (downstream)	<ul style="list-style-type: none"> Metric ton-km traveled based on a scenario 	<ul style="list-style-type: none"> Emission factor under the Accounting and Reporting System (*3)
Category 10: Processing of sold products	<ul style="list-style-type: none"> Weight of products shipped 	<ul style="list-style-type: none"> Emission factor per weight in our manufacturing process

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Category	Accounting methods	※Accounting period: April 2021 - March 2022	
	Activity data	Emission factor	
Category 11: Use of sold products	● Number of products sold, product lifetime, anticipated uses, electricity consumed	● Emission factor under the Accounting and Reporting System (*3)	
Category 12: End-of-life treatment of sold products	● Weight of products shipped	● Emission factor per weight in our manufacturing process	
Category 13: Leased assets (downstream)	● N/A We have no operation of leasing.	● —	
Category 14: Franchises	● N/A We have no operation of franchises.	● —	
Category 15: Investments	● N/A We are not an investor company.	● —	
Other	● N/A	● —	

*1 Emission Factor Database on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (ver.3.0)

*2 LCI Database IDEAv2

*3 Accounting and Reporting System, List of Emission Factors (*3)

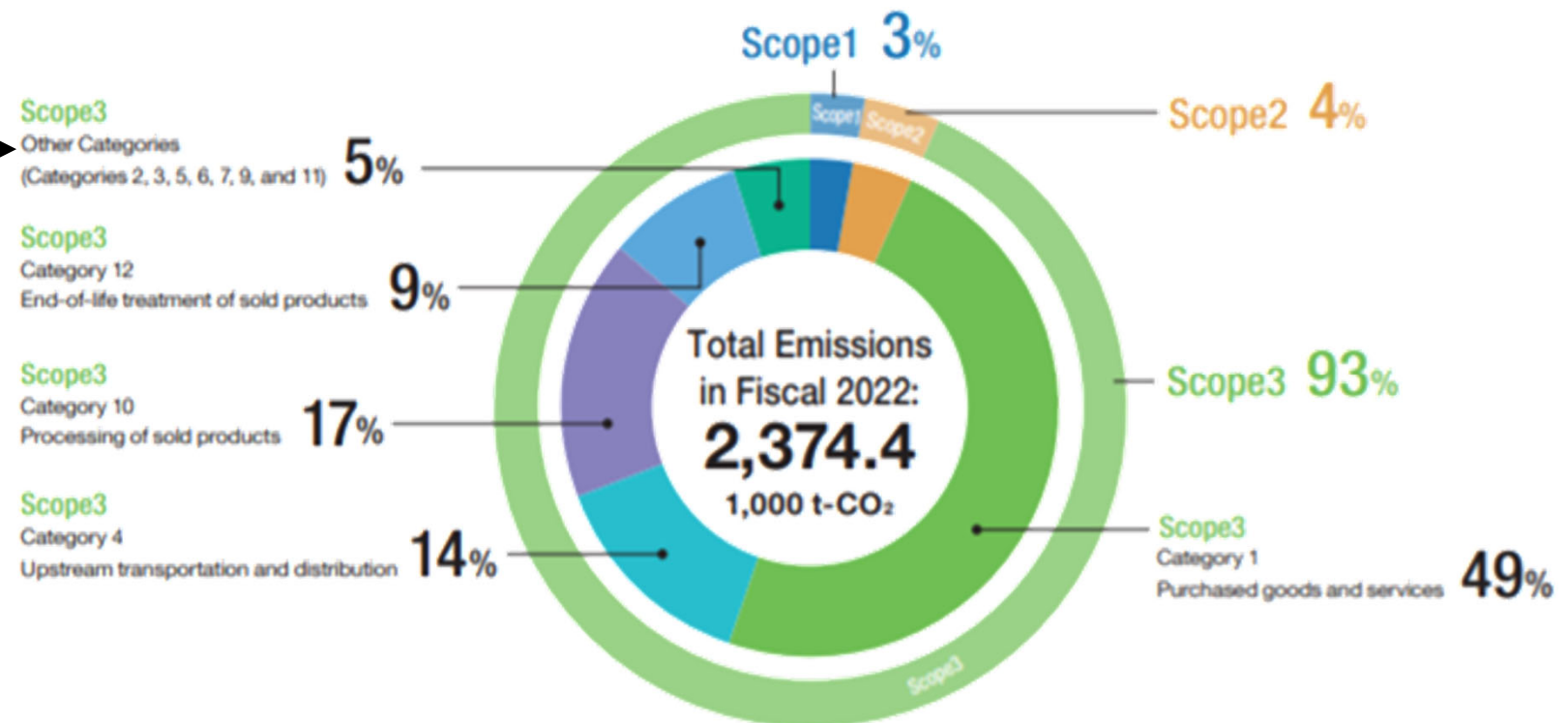
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Supply chain emissions : Accounting results

**Scope 3
Other categories
(categories 2, 3, 5~10)**

Other categories	breakdown
Category 2	0.6%
Category 3	1.7%
Category 5	0.2%
Category 6	0.0%
Category 7	0.1%
Category 9	0.9%
Category 11	1.2%



Scope 1: Direct emissions by the reporting company itself.

Scope 2: Indirect emissions from the use of electricity, heat, or steam supplied by others.

Scope 3: Other indirect emissions.

* Not applicable to Scope 3 Category 8, Category 13, Category 14 and Category 15.