1 YKK CORPORATION

		Companies' approach
①	**Background and purpose of accounting**	• Understanding our CO_2 emissions across the entire supply chain is important in reducing the environmental load, and it allows us to implement effective measures to take advantage of larger potential opportunities for emissions reduction. • The social demand for disclosing environmental load information is increasing, and therefore we need to aggressively disclose environmental load information.
②	**Utilization of accounting results**	• To become involved in reducing the environmental load by taking advantage of reduction opportunities in larger categories. • To gain the understanding and trust of customers by clarifying our involvement with environmental matters. • To improve the transparency of our emissions by establishing internal calculation methods and calculation mechanisms.
③	**Benefits of accounting**	• The emissions from the entire supply chain can be clarified and then effective measures can be taken. • The transparency of our emissions will be improved, so that we will be able to respond to demands for information disclosure by our customers.

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		Companies' approach
④	**Internal system for accounting**	• Data is collected from the Procurement, Logistics and Accounting departments, and then calculated by the Environmental department.
⑤	**Efforts to reduce supply chain emissions**	• Because Category 1 emissions account for about 60 percent of our overall CO2 emissions across the entire supply chain, we are aggressively promoting a transition to raw materials with lower CO2 emissions. • With respect to logistics, we dispatching vehicles in a more efficient way, improving loading rates and attempting a modal shift. • We are starting "green" procurement and recycling of waste. • With respect to fastening products, we are developing more environment-friendly products and attempting to reduce emissions when disposing of sold products.
⑥	**Issues in supply chain emissions accounting**	• When calculated on a monetary basis, fluctuations in procurement amounts affect emissions. • Improved accuracy for emission factor and activity data are necessary. • Activity data and emission factor for overseas facilities must be implemented. • More specific reduction measures should be developed and implemented. • Emissions accounting should be conducted more efficiently.

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Category	Accounting methods　※Accounting period : April 2021 - March 2022	
	Activity data	**Emission factor**
Category 1: Purchased goods and services	● Weight of purchased raw materials	● Emission factor database（※1 ※3）
Category 2: Capital goods	● Equipment investment value of capital goods	● Emission factor database（※1）
Category 3: Fuel and energy related activities not included in Scope 1 or 2	● Amount of energy (electricity and fuel) consumption	● Emission factor database（※1 ※2 ）
Category 4: Transportation and delivery (upstream)	● Cargo owner's procurement ton-kilometers	● Emission factor database（※1 ※2 ）
Category 5: Waste generated in operations	● Amount of processed waste materials per type	● Emission factor database（※1 ※2 ）
Category 6: Business travel	● Transportation allowance per transportation means	● Emission factor database（※1）
Category 7: Employee commuting	● Transportation allowance per transportation means	● Emission factor database（※1 ※2 ）
Category 8: Leased assets (upstream)	● We excluded emissions associated with the operation of the leased assets because they were included in Scope 1 and 2.	
Category 9: Transportation and delivery (downstream)	● We excluded it because we included it in category 4 because the product is shipped directly to the customer.	
Category 10: Processing of sold products	● Amount of production (duration and number of pieces)	● Intensity per amount of production in YKK processing process
Category 11: Use of sold products	● We excluded this because there are no use-stage emissions by the products we sold.	
Category 12: End-of-life treatment of sold products	● Amount of production (weight)	● Emission factor database（※1 ※3）
Category 13: Leased assets (downstream)	● We excluded this because we do not lease to others.	
Category 14: Franchises	● We excluded this because we are not franchise presidents.	
Category 15: Investments	● We excluded it because we are not an investment business and not a financial services provider.	
Other	● Not included in the scope of calculations, because it is an option category	

*1 "Emission factor Database for Calculating Greenhouse Gas Emissions for Organizations through Supply Chains (Ver. 3.1)"
*2 "LCI Database IDEAv2 (for Calculating Greenhouse Gas Emissions for Supply Chains)"
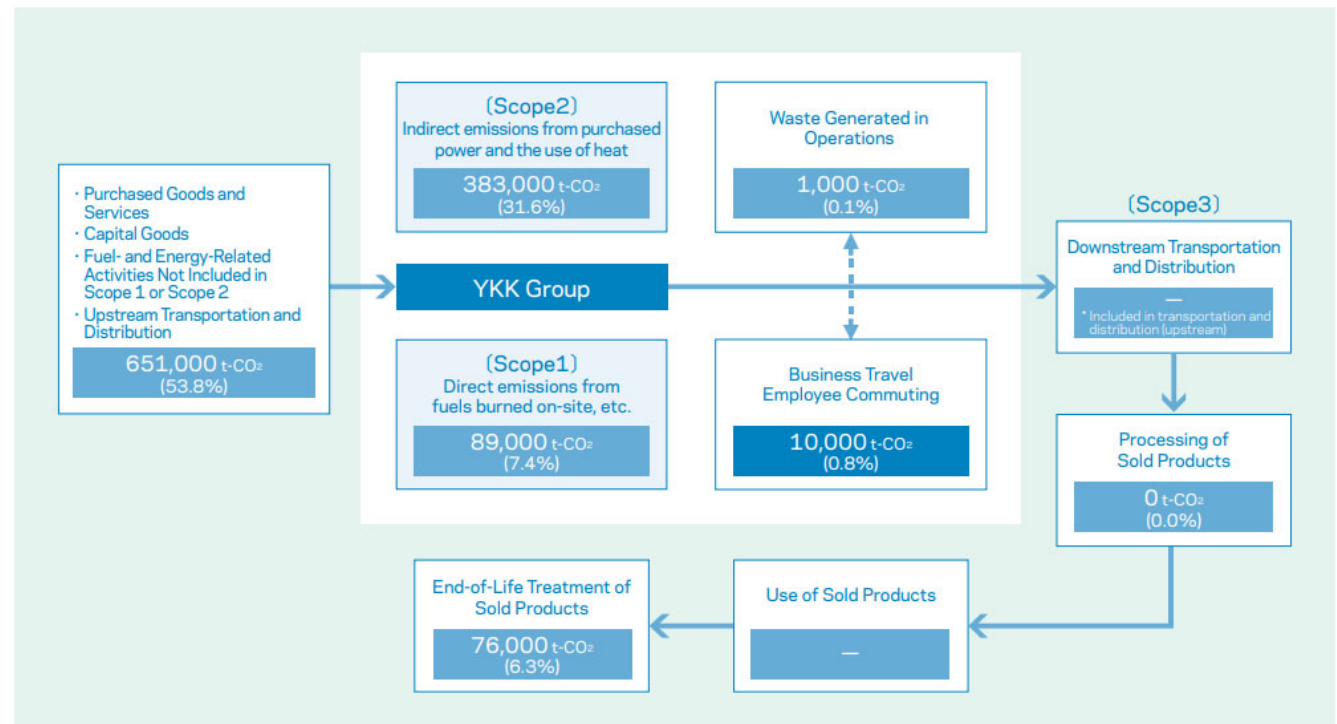*3 "GaBi Database"

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Accounting results

● Supply chain emissions　（1,000t−CO2）

Scope 1		89
Scope 2		383
Scope 3	Category 1	474
	Category 2	73
	Category 3	50
	Category 4	54
	Category 5	1
	Category 6	1
	Category 7	9
	Category 8	–
	Category 9	–
	Category 10	0
	Category 11	–
	Category 12	76
	Category 13	–
	Category 14	–
	Category 15	–
	Scope 3 Total	738
Scope 1, 2, and 3 Total		1,210

・Purchased Goods and Services
・Capital Goods
・Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2
・Upstream Transportation and Distribution
651,000 t-CO₂ (53.8%)

(Scope2) Indirect emissions from purchased power and the use of heat
383,000 t-CO₂ (31.6%)

Waste Generated in Operations
1,000 t-CO₂ (0.1%)

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(Scope1) Direct emissions from fuels burned on-site, etc.
89,000 t-CO₂ (7.4%)

Business Travel Employee Commuting
10,000 t-CO₂ (0.8%)

(Scope3) Downstream Transportation and Distribution
— * Included in transportation and distribution (upstream)

Processing of Sold Products
0 t-CO₂ (0.0%)

End-of-Life Treatment of Sold Products
76,000 t-CO₂ (6.3%)

Use of Sold Products
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* CO2 emission calculations: Global emissions for YKK in FY2021