

June 6, 2016 Taikisha Ltd.

# Taikisha Ltd. starts calculating greenhouse gas (GHG) emissions of Scope 3

Visualization of CO<sub>2</sub> emissions of the supply chain as a whole and its utilization

Taikisha Ltd. (President: Satoru Kamiyama; Head Office: Shinjuku-ku, Tokyo; hereinafter "Taikisha") has started calculating the greenhouse gas (GHG) emissions released from its upstream to downstream corporate operations in accordance with Scope 3 standard\*<sup>1</sup>, the international standard for companies to calculate and report GHG emissions of the entire supply chain.

\*1) Scope 3 Standard:

A standard established mainly by the WRI (World Resources Institute) and WBCSD (World Business Council for Sustainable Development) on calculating and reporting GHG (greenhouse gas) emissions.

#### Background/Purpose

While reduction of GHG emissions is an urgent challenge and requires measures in various aspects, companies are urged to grasp the amount of GHG emitted, not only by themselves but also by their entire supply chains from raw material procurement to use/disposal of products.

Under these circumstances, Taikisha has responded to requests for information disclosure from its stakeholders and has visualized the CO<sub>2</sub> emissions of the entire supply chain, for the first time in the air conditioning industry, in order to what initiatives we should focus on and where in the supply chain has reduction potentials.

### **Efforts**

Taikisha has calculated the GHG emissions released through the corporate activities of the entire supply chain in the year 2014, in compliance with "Standards for accounting/reporting organization's GHG emissions throughout supply chain." This is a guideline on the methods of calculating GHG emissions created by the Ministry of the Environment and the Ministry of Economy, Trade and Industry to provide simple calculation methods based on the international standard of Scope 3 for Japanese companies. In addition, Taikisha has publicly released its efforts on "Green Value Chain Platform\*2" provided by the Ministry of the Environment.

For the calculation and disclosure of Scope 3, Taikisha received the support that the

Ministry of the Environment provides to individual corporations regarding supply chain GHG emissions.

\*2) Ministry of the Environment "Green Value Chain Platform":

http://www.env.go.jp/earth/ondanka/supply\_chain/gvc/en/index.html

### In future

As a result of the calculation, Taikisha found that "Use of sold products" (Category 11)" accounts for over 90% — most of its emissions.

Taikisha has been making efforts to improve customers' environmental value through the business. However, it has become clear that the emissions from the operation phase of the facilities that we provide are the largest across our supply chain. Hence, Taikisha will focus on providing facilities and systems with high energy-saving capabilities while continuously promoting green procurement, implementing reduction of construction byproducts and proper disposal of industrial waste, aiming for global environmental conservation.

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