

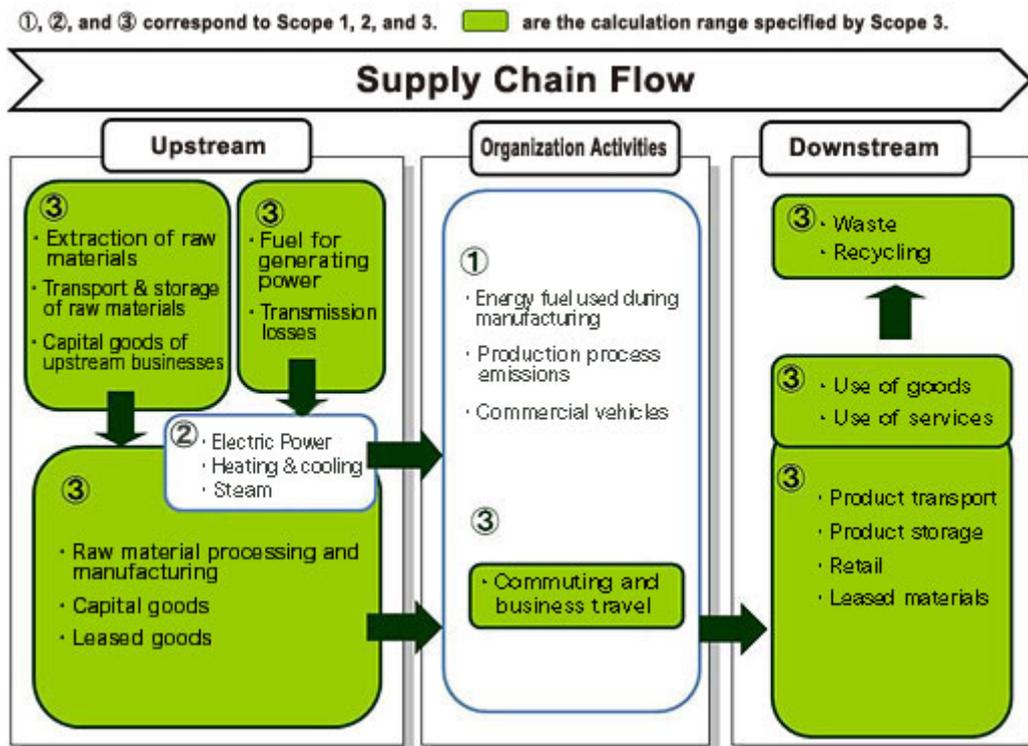
December 12, 2011

Sojitz Corporation  
Japan Climate Exchange Corporation

## Sojitz to Survey and Support Greenhouse Gas Emissions Reductions by Businesses for Ministry of the Environment

- Scope 3 Compatible Measures to Reduce Emissions throughout the Supply Chain -

Sojitz Corporation was commissioned by the Ministry of the Environment to conduct the 2011 Supply Chain Logistics Greenhouse Gas Emissions Volume Survey and Investigation Project. The project is intended to gain an understanding of emissions generated by logistics divisions and movement of employees and customers as specified in Scope 3, a new global standard for measuring greenhouse gas emissions, by conducting surveys of companies in Japan and making energy-saving diagnoses. The information will be used to reduce emissions throughout the corporate supply chain. Sojitz began recruiting companies for the survey today.



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Diagram of the Scope 3 Calculation Range

Japan is obligated under the Kyoto Protocol to reduce its average greenhouse gas emissions from 2008 to 2012 by 6% compared to the base year (1990). The Scope 1 and Scope 2 measure methods currently in use cover greenhouse gases generated directly by the company, but do not include in the scope of the calculation emissions from subcontractors or from movement of personnel. As a result, achieving more accurate calculations became an issue.

The new Scope 3 standards cover the entire supply chain including the above emissions, which allows for more accurate determination of emissions generated by corporate activities. With the introduction of Scope 3, although the scope of the calculation is broader, the increase for companies in Japan, which is an advanced environmental country, is relatively small compared to other countries, and it is expected that it will be comparatively easy for Japanese companies to separate themselves from others by making efforts to reduce emissions.

The project will be implemented by Sojitz and Japan Climate Exchange (JCX), a subsidiary as indicated below with the aim of surveying and investigating the potential for carbon dioxide emissions in logistics and make a comparative analysis of supply chain emissions according to the logistics format.

- (1) A questionnaire survey on the scope of emissions calculations, reduction measures, and logistics channels will be conducted with 3,000 Japanese firms including logistics companies.
- (2) Support for environmental education and emissions calculation will be provided to five firms that respond to the questionnaire.
- (3) About 10 companies will be selected from among those that want to conduct energy-saving diagnoses to reduce carbon dioxide emissions. Local surveys of each company will be conducted and proposals will be made to reduce carbon dioxide emissions by improving transport formats including modal shifts.
- (4) To survey emissions relating to end users, three products will be selected from among foods, beverages, and everyday goods, a survey of logistics channels, and a questionnaire survey of 3,000 individuals will be conducted.
- (5) Based on the results of the above surveys, the environmental loads of different logistics formats will be quantified and transport testing conducted.

Sojitz will work with JCX and other group companies to measure and reduce greenhouse gas emissions by domestic businesses.

■ Overview of Japan Climate Exchange Corporation

Name	Japan Climate Exchange Corporation
Address	6-1-20 Akasaka, Minato-ku, Tokyo
Representative	Toshio Hosokawa, CEO
Established	April, 2010
Corporate activities	(1) Operation of an emissions rights trading market; (2) Provision of environmental information; (3) Advertising business for environmental companies; and (4) All activities incidental or related to the above.
Shareholders	CoalinQ Corporation* (60%), Smart Energy Co., Ltd. (40%) * ColainQ, a wholly owned subsidiary of Sojitz Corporation, develops, operates, and maintains coal trading systems that use the Internet and conducts various information provision services.
URL	JCX Website: <a href="http://www.jcx.co.jp/">http://www.jcx.co.jp/</a> * Details concerning application for an energy-saving diagnosis and the application form can be obtained from the link below. <a href="http://www.sojitz.com/jp/news/releases/pdf/111212env.pdf">http://www.sojitz.com/jp/news/releases/pdf/111212env.pdf</a>

■ Reference Information

Scope 3 is a global standard for measuring emissions adopted in October 2011 by the World Resources Institute (WRI), an American think tank, and the World Business Council for Sustainable Development.

Scope 3 adopts the GHG Protocol of common rules used by government and businesses. The Protocol specifies a scope of calculation that includes logistics divisions and movement of employees and customers, areas that could not be determined under Scope 1 (the company's own plants, offices, vehicle, and so on) and Scope 2 (energy such as electric power consumed by the company). The preparation of guidelines compatible with Scope 3 is under consideration in Japan too. Under Scope 3, it is necessary to calculate the emissions generated by each employee's commuting and business travel, so there are concerns that workloads

will increase not only for small and medium businesses, but large firms as well. This survey will contribute to preparations for complying with Scope 3 prior to the adoption of guidelines.

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