

July 12th, 2023
SCSK Corporation

For the First Time in Japan, SCSK Acquires I-REC Standard Foundation Platform Operator Accreditation

SCSK Corporation (Head Office: Koto-ku, Tokyo; Representative Director, President: Takaaki Touma; hereinafter SCSK) is pleased to announce that it has been accredited as a Platform Operator by the International REC Standard Foundation (hereinafter referred to as the I-REC Standards Foundation), a non-profit organization based in the Netherlands. This is the first time a Japanese company has achieved such accreditation. This accreditation serves as evidence of the high international quality and standards maintained by SCSK's services and management systems.

Through I-REC (International Renewable Energy Certificates), SCSK aims to contribute to the spread of renewable energy in Japan by creating an environment in which all people involved in renewable energy can certify the attributes of electricity reliably and easily.



1. Background

As efforts to achieve a decarbonized society are accelerating, there are growing expectations for intensified initiatives in Japan as well, marked by the establishment of the GX Promotion Act *1 in May 2023. Globally, more comprehensive, and stringent measures towards decarbonization are underway. These include Europe's CBAM*2, aimed at curbing carbon leakage across borders, initiatives requiring suppliers to utilize renewable energy for all manufacturing of their products, and efforts to always aim for renewable energy utilization and places, 24/7. Amid such circumstances, the importance of disclosing information related to carbon emissions, particularly evidence that can be objectively verified, is increasing.

Notes:

*1: Officially named "the Act on the Promotion of a Smooth Transition to a Decarbonized Growth-Oriented Economic Structure"

*2: The Carbon Border Adjustment Mechanism, an initiative by the EU, places tariffs on imports from countries with less stringent environmental regulations.

2. About I-REC, the Energy Attribute Certificate

I-REC is a standard for international energy attribute certificates, alongside REC*3 in North America and GO*4 in Europe. As of June 15, 2023, it has been rolled out in 54 countries worldwide and can be used for reporting to, CDP*5, and SBTi*6, RE100*7.

Energy attribute certificates demonstrate when, where, and how the energy was generated, indicating its origin and allowing third parties to verify who used that energy (transparency). Moreover, consumers can freely choose the energy they wish to use (selectivity), and by clearly defining the ownership or the right to use the energy (clear ownership), these certificates play a role in preventing fraudulent practices such as double-counting of renewable energy certificates.

Notes:

*3 Renewable Energy Certificate used in North America

*4 Guarantees of Origin used in Europe

*5 the Carbon Disclosure Project is a global non-profit organization that collects and analyzes environmental data from companies, cities, and regions to promote transparency and inform investors about environmental performance.

*6 The Science Based Targets initiative (SBTi) is a collaborative effort by several organizations, including the United Nations Global Compact, the World Resources Institute (WRI), the World Wide Fund for Nature (WWF), and the Carbon Disclosure Project (CDP).

*7 RE100 is a global initiative where leading businesses commit to sourcing 100% of their electricity from renewable sources

3. The Role of Platform Operators

The framework of I-REC is organized into three tiers: the I-REC Standard Foundation, which sets the standards, market facilitators, and market participants (Figure 1). The I-REC Standards Foundation defines the basic principles, definitions, and rules that the registry operator, issuer, and platform operator, who are market facilitators, should comply with, and accredits the market facilitators. The registry operator manages the world's only I-REC registry and ensures that I-RECs are auditable and permanently recorded. The issuer is responsible for authenticating the registration applications of generation facilities and the issuance applications of I-RECs, and subsequently issues the I-RECs. The platform operator provides an IT platform that makes it easy for market participants to use I-RECs and plays a role in promoting the spread of I-RECs in each region.

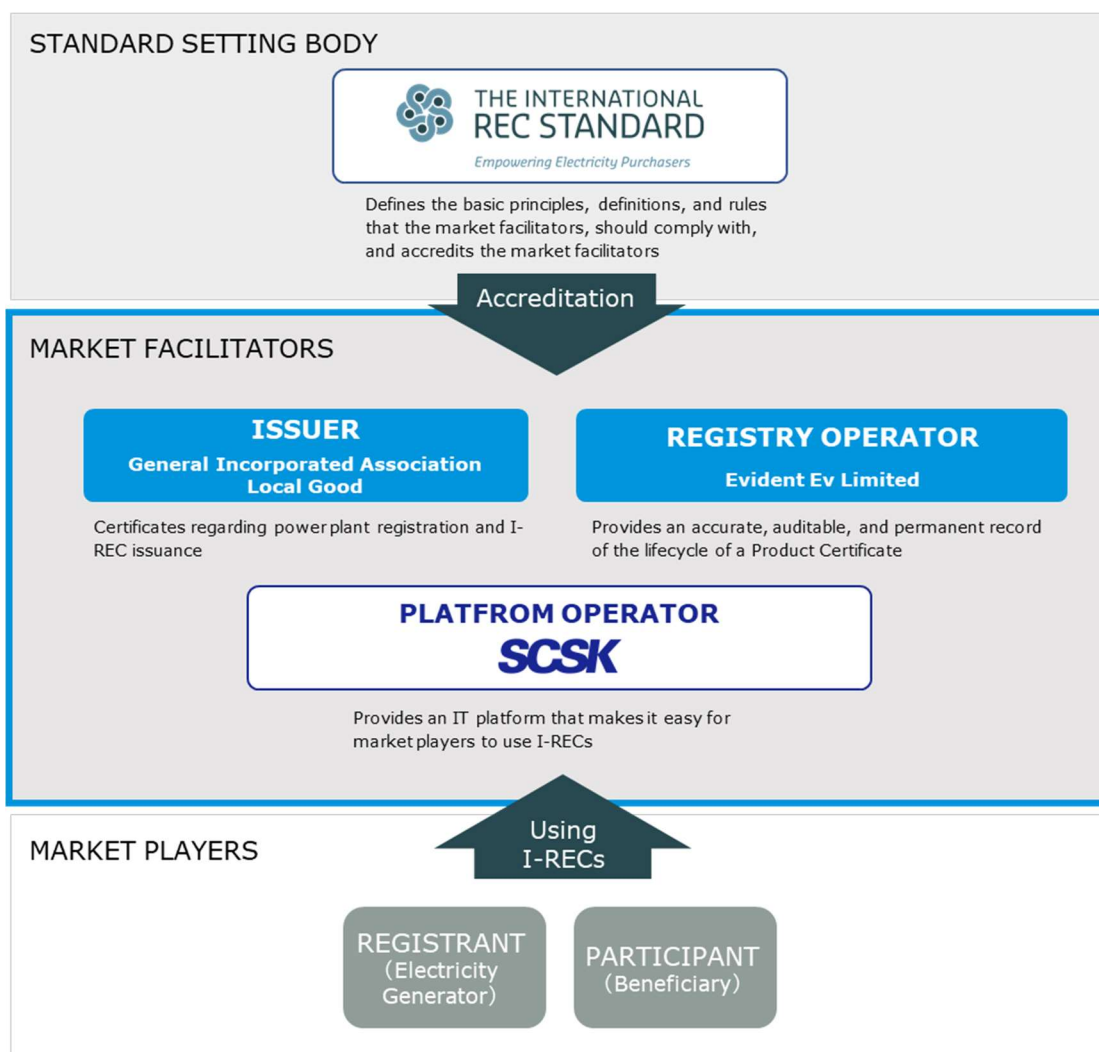


Figure 1

4. About EneTrack®

EneTrack, provided by SCSK, is a web service designed to facilitate smooth transactions for renewable energy generators and consumers in Japan, serving as a domestic I-REC trading platform. It covers everything from the issuance of I-RECs to their transfer (sale) and redemption (use).

Through I-REC, SCSK offer consumers the 'freedom to choose renewable energy' and enable 'more legitimate claims.' In addition, we provide renewable energy generators with opportunities to increase their profits according to the value of the renewable energy they generate and the needs of the consumers.

Currently, EneTrack has started accepting applications from generators, and plans to start accepting applications from consumers soon.

EneTrack service site: <https://www.scsk.jp/sp/enetrack/>

5. Endorsements

- Comment from Jared Braslawsky, Secretary General of the International REC Standard Foundation and Member of RE100 Technical Advisory Group

" The International REC Standard Foundation is pleased to have SCSK facilitating their services as an accredited Platform Operator and is looking forward to seeing its benefits being reflected in the activity of the Japanese I-REC(E) market."

The International REC Standard Foundation
Secretary General Jared Braslawsky

- Comment from Evident Ev Limited, I-REC's registry operator based in the UK
" Evident welcomes SCSK as a facilitator in the I-REC(E) market and is looking forward to the continued collaboration."

Evident Ev Limited
CEO Ed Everson

- Comment from General Incorporated Association Local Good, I-REC's issuer in Japan
" General Incorporated Association Local Good, the issuer, welcomes SCSK's accreditation as an I-REC platform operator in Japan.
Since I-REC proves the energy attributes such as the origin and type of power source, consumers can choose the electricity they want to support with peace of mind, such as power plants that contribute to the community. Local Good will promote renewable energy that is symbiotic with the local community and has additional potential by disseminating I-REC, which is a mechanism in which good renewable energy is highly evaluated locally. We believe that SCSK's platform services will play an important role in enhancing convenience for businesses that need I-REC and activating the I-REC market. I hope that Japan's I-REC will be used by more people."

General Incorporated Association Local Good
Representative Director Seiichi Otaki

About SCSK Corporation

SCSK provides a full lineup of services to support any area of IT solution required for businesses from consulting to system integration, verification services, IT infrastructure implementation, IT management, IT hardware and software sales, and BPO(business process outsourcing).

URL: https://www.scsk.jp/index_en.html

The SCSK Group's Materiality

To achieve the SCSK Group's corporate philosophy of Create Our Future of Dreams, we are promoting sustainability management that seeks continuous growth together with society. We specified the issues that it views as particularly important and that it should prioritize taking action on to achieve growth together with society as seven material issues. This initiative contributes to "Global Environmental Contribution".

-Promote the use of renewable energy and contribute to the decarbonization of society

•SCSK Group Identified Seven Material Issues to Implement Our Corporate Philosophy

https://www.scsk.jp/corp_en/csr/materiality/index.html

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