

	Companies' approach
<p>□ Background and purpose of accounting</p>	<ul style="list-style-type: none"> At Sapporo Holdings, we are committed to realizing a low-carbon society as we focus on CSR management as part of “principal strategies that drive sustainable growth of the Sapporo Group,” in line with our Group's “Important CSR Issues” which identify specific key considerations. We have undertaken supply chain emissions accounting so that we can better comprehend our supply chain emissions and, thereby, implement more effective measures in terms of the overall environmental load.
<p>□ Utilization of accounting results</p>	<ul style="list-style-type: none"> We make use of our accounting results to understand our emissions across the entire supply chain, and discuss and consider an effective approach to achieving a low-carbon society. Our results are made publicly available on our website, and used to disclose information to various surveys.
<p>□ Benefits of accounting</p>	<ul style="list-style-type: none"> We have been enabled to identify areas of higher emissions in our entire supply chain by visualizing such “hot spots” having great impact. We will be able to address a request from the outside for information disclosure.
<p>□ Internal system for accounting</p>	<ul style="list-style-type: none"> Group CSR Department acts as the lead office in emissions accounting, working with the relevant departments and divisions to collect data, and so on.

Companies' approach	
□ Efforts to reduce supply chain emissions	<ul style="list-style-type: none"> • In 2012 Sapporo Holdings established its carbon emissions reduction target for the Sapporo Group of 7% cut in CO2 emission factor by 2015 compared to 2009 (the scope is intended for Specified Business Operators and Specified Shippers under the “Energy Saving Act”). • We found that, according to the current accounting results, the subject target scope of emissions accounted for about 31% of our Group’s overall emissions that correspond to the combined Scope 3 emissions (currently accounted for) and Scope 1 & 2 emissions (conventionally accounted for). • Since an outline, and a mix, of our overall emissions will be expected to expand and vary as a new growth strategy for our Group’s business operations is undertaken in the future, we will continue to keep track of our overall supply chain emissions to develop an effective measures for emissions reduction with a focus on hot spots.
□ Issues in supply chain emissions accounting	<ul style="list-style-type: none"> • In order for us to not only develop a holistic understanding of our overall supply chain emissions, but also to take advantage of accounting results as a basis for substantive emissions reduction, we will need to pursue a more refined and sophisticated data and methodologies used for accounting. This task might require considerably greater efforts.
□ Other remarks	<ul style="list-style-type: none"> • We recognize that by making visible the magnitude of supply chain emissions, which have not previously been so much kept in mind, we can create incentives or provide opportunities for new types of activities and cooperation among relevant actors. This, we believe, has made our current accounting efforts all the more helpful and meaningful. • We have previously regarded the concept of “3R waste management” as part of our efforts and activities for promoting a recycling-oriented society. In this regard, however, now that we have found that benefits from such 3R initiatives to achieve a low-carbon society can also be accounted for in Category 5 “Waste generated in operations” and Category 12 “End-of-life treatment of sold products,” we will intend to perceive the effects of our waste-related activities in terms of both aspects above.

3

Sapporo Holdings Limited

Category	Accounting methods	
	Activity data	Emission factor
Category 1: Purchased goods and services	<ul style="list-style-type: none"> Amount of (raw) materials procured 	<ul style="list-style-type: none"> Emission factor per procured amount (CFP-DB)
Category 2: Capital goods	<ul style="list-style-type: none"> Amount of money of capital goods procured 	<ul style="list-style-type: none"> Emission factor per capital goods price (Ministry of the Environment DB)
Category 3: Fuel and energy related activities not included in Scope 1 or 2	<ul style="list-style-type: none"> Electricity and steam energy usage 	<ul style="list-style-type: none"> Emission factor per energy used (Ministry of the Environment DB)
Category 4: Transportation and delivery (upstream)	<ul style="list-style-type: none"> Amount of fuel used by us as the sender for transportation 	<ul style="list-style-type: none"> Emission factor per transport amount (Global Warming Countermeasures Act regular report)
Category 5: Waste generated in operations	<ul style="list-style-type: none"> Amount of waste discharged, by type 	<ul style="list-style-type: none"> Emission factor by waste type (Ministry of the Environment DB)
Category 6: Business travel	<ul style="list-style-type: none"> Number of employees 	<ul style="list-style-type: none"> Emission factor per employee (Ministry of the Environment DB)
Category 7: Employee commuting	<ul style="list-style-type: none"> Number of employees 	<ul style="list-style-type: none"> Emission factor per gasoline usage (Ministry of the Environment DB)
Category 8: Leased assets (upstream)	<ul style="list-style-type: none"> Gasoline usage by sales vehicles 	<ul style="list-style-type: none"> Emission factor per gasoline usage (Ministry of the Environment DB)
Category 9: Transportation and delivery (downstream)	<ul style="list-style-type: none"> Diesel fuel usage by transport vehicles 	<ul style="list-style-type: none"> Emission factor per diesel usage (Ministry of the Environment DB)
Category 10: Processing of sold products	<ul style="list-style-type: none"> Not relevant 	<ul style="list-style-type: none"> Not relevant
Category 11: Use of sold products	<ul style="list-style-type: none"> Shipment volume 	<ul style="list-style-type: none"> Emission factor per shipment volume (Ministry of the Environment DB)
Category 12: End-of-life treatment of sold products	<ul style="list-style-type: none"> Amount of materials used 	<ul style="list-style-type: none"> Emission factor per amount of materials used (Ministry of the Environment DB)
Category 13: Leased assets (downstream)	<ul style="list-style-type: none"> Number of vending machines 	<ul style="list-style-type: none"> Power usage per vending machine (manufacturer's website)
Category 14: Franchises	<ul style="list-style-type: none"> Not relevant 	<ul style="list-style-type: none"> Not relevant
Category 15: Investments	<ul style="list-style-type: none"> Investment amount 	<ul style="list-style-type: none"> Emission factor per investment amount (Ministry of the Environment DB)
Other	<ul style="list-style-type: none"> Not relevant 	<ul style="list-style-type: none"> Not relevant

* CFP-DB: Carbon Footprint Communication Program Basic Database

Ministry of the Environment DB: Emission Factor Database on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain

Overview of the Sapporo Group's Accounting Results Percentages of Supply Chain Emissions

Accounting results

