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Takasago International Corporation

	Companies' approach
① Background and purpose of accounting	<ul style="list-style-type: none"> We have a long-term CSR plan called EHS100(2019-2020) that includes objectives such as reduction of GHG emissions. Now we are trying to account Scope3 following the trend which the responsibility as discharger is extending to supply chain. Accounting Scope3 make us find actual situation and promoting our environmental activity. For getting SBT, it is essential for us to grasp Scope1,2&3. And as requirement from stakeholder, we think it important to disclose GHG emissions and targets of reduction.
② Utilization of accounting results	<ul style="list-style-type: none"> Disclosure of information to our stakeholders. Identification of our target to reduce GHG emissions and evaluation of the performance. Basic Information for determination of a long-term target such as SBT.
③ Benefits of accounting	<ul style="list-style-type: none"> Thorough calculation, we can find our activity amount of supply-chain and value chain, not only our own activity. We can identify the target to reduce emission, and look into making our operation efficient.
④ Internal system for accounting	<ul style="list-style-type: none"> <u>EHS Headquarters</u> is responsible for accounting and managing data of GHG emissions as well as leading Global EHS committee, in which the EHS representatives of each affiliate participate. About Scope3, EHS Headquarters and relevant department with supply chain is responsible for accounting GHG emissions.

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	Companies' approach
⑤ Efforts to reduce supply chain emissions	<ul style="list-style-type: none"> We had not accounted category1,3 etc. Grasping the whole aspects, we will consider concrete ways to reduce GHG emissions in Scope3. For example about category 4<Transportation and delivery (upstream)>, we are considering the improvement of logistics.
⑥ Issues in supply chain emissions accounting	<ul style="list-style-type: none"> We have to improve accuracy of GHG emissions accounting more and more by utilizing the rules of the accounting way. Through accounting GHG emissions, we need to construct the common way and concept globally. About some categories, we use the amount based on money. It is difficult to evaluate the results of efforts to reduce emissions.
⑦ Other	<ul style="list-style-type: none">

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Category	Accounting methods ※Accounting period : April 2018 - March 2019	
	Activity data	Emission factor
Category 1: Purchased goods and services	<ul style="list-style-type: none"> • Purchase amount of raw materials and packages • Production amount of Outsourcing • Purchase amount of resale business 	<ul style="list-style-type: none"> • SC-DB,CFP-DB, and our own way.
Category 2: Capital goods	<ul style="list-style-type: none"> • Capital investment 	<ul style="list-style-type: none"> • SC-DB
Category 3: Fuel and energy related activities not included in Scope 1 or 2	<ul style="list-style-type: none"> • Each energy usage 	<ul style="list-style-type: none"> • SC-DB,CFP-DB
Category 4: Transportation and delivery (upstream)	<ul style="list-style-type: none"> • Amount of products and distance of conveyance in the transportation provided by us 	<ul style="list-style-type: none"> • Ton-kilometer approach • SC-DB,CFP-DB
Category 5: Waste generated in operations	<ul style="list-style-type: none"> • Waste amount in operations 	<ul style="list-style-type: none"> • SC-DB,CFP-DB
Category 6: Business travel	<ul style="list-style-type: none"> • Amounts under expenses of business trip using air plane 	<ul style="list-style-type: none"> • An annual report about air transportation from Ministry of Land, infrastructure, and Transport in Japan.
Category 7: Employee commuting	<ul style="list-style-type: none"> • Distance in each way of commuting and number of employees 	<ul style="list-style-type: none"> • White paper about Land, infrastructure and Transport in Japan.
Category 8: Leased assets (upstream)	<ul style="list-style-type: none"> • To be omitted (Some warehouse are under this category. However, account data of the activity is little. The activity of Headquarter building is included in Scope1&2) 	
Category 9: Transportation and delivery (downstream)	<ul style="list-style-type: none"> • To be omitted (Our business style is “B to B”, so our products are used in various ways, In add, usage ratio in end products is very low. Therefore, it is difficult to account GHG emissions under these categories.) 	
Category 10: Processing of sold products		
Category 11: Use of sold products		
Category 12: End-of-life treatment of sold products	<ul style="list-style-type: none"> • Purchase amount of packages 	<ul style="list-style-type: none"> • CFP-DB
Category 13: Leased assets (downstream)	<ul style="list-style-type: none"> • To be omitted (Too little) 	
Category 14: Franchises	<ul style="list-style-type: none"> • N/A 	<ul style="list-style-type: none"> • N/A
Category 15: Investments	<ul style="list-style-type: none"> • N/A 	<ul style="list-style-type: none"> • N/A
Other	<ul style="list-style-type: none"> • N/A 	<ul style="list-style-type: none"> • N/A

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Supply chain emissions : Accounting results

Category		Emissions [CO2e-t]	Ratio [%]
Category 1	Purchased goods and services	666,355.340	39.2
Category 2	Capital goods	12,317.760	0.7
Category 3	Fuel and energy related activities not included in Scope1 or 2	10,185.010	0.6
Category 4	Transportation and delivery(upstream)	994,377.807	58.5
Category 5	Waste generated in operations	935.699	0.1
Category 6	Business travel	3,280.250	0.2
Category 7	Employee commuting	6,172.000	0.4
Category 12	End-of-life treatment of solid products	5,588.340	0.3
合計		1,699,212.206	100.000