Natural Capital Strategy

The MEDIPAL Group is advancing efforts aimed at fulfilling SDGs, such as driving reductions in environmental burden through optimizations across distribution as a whole.
Among these, one of our material tasks (materiality) is "Initiatives for Decarbonization," with reducing greenhouse gas emissions by 50% (compared to FY2020 levels) by FY2030 and carbon neutrality by FY2050 set as medium- to long-term goals. We are advancing various efforts aimed at achieving these goals, while aspiring to build a distribution model that is aware of the global environment.

General Overview of Environmental Burden

In order to visualize and reduce environmental impact across the entire supply chain, the Group calculates Scope 3 as well as Scope 1 and Scope 2 greenhouse gas emissions.

Greenhouse Gas Emissions (Company Emissions Only)

Unit: t-CO_2

	FY2022	FY2023	FY2024	FY2025
Scope 1	28,439	31,081	31,208	**30,315**
Scope 2 (location-based)[1]	-	-	48,649	**48,807**
Scope 2 (market-based)	46,552	42,494	40,518	**37,465**
Scope 1 + Scope 2 (market-based) total	74,991	73,575	71,726	**67,780**

Greenhouse Gas Emissions (Scope 3)[2]

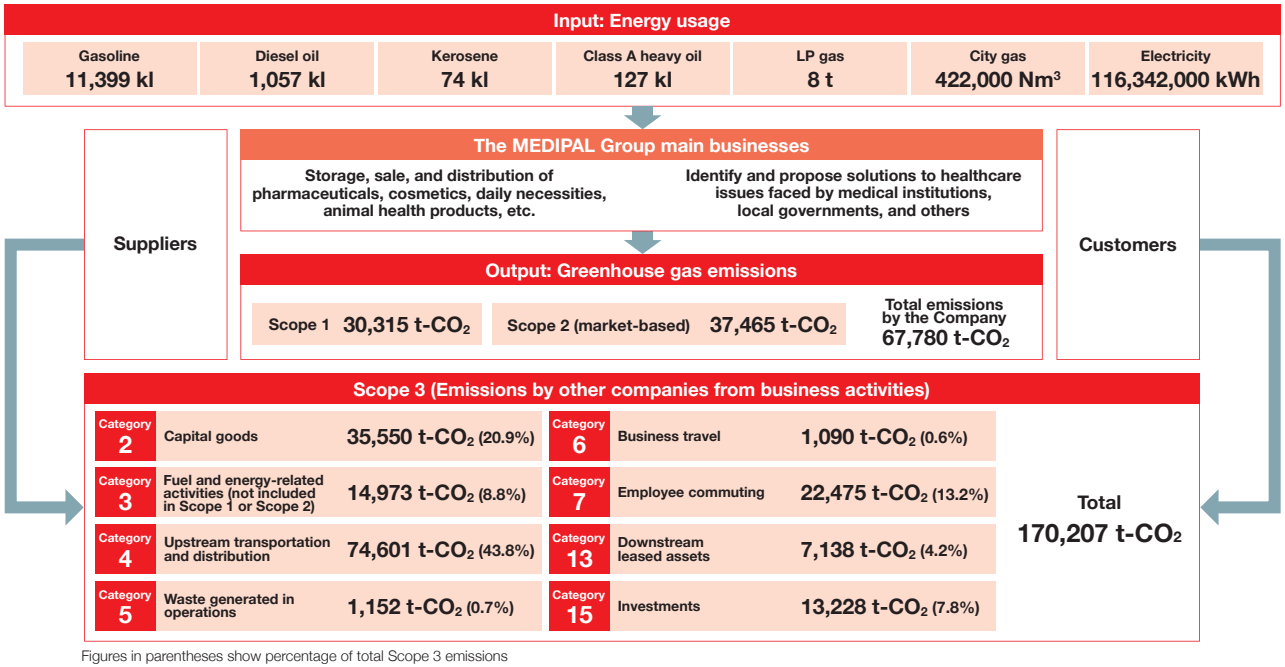
Unit: t-CO_2

	FY2022[3]	FY2023	FY2024	FY2025
Scope 3 total	228,773	219,650	185,379	**170,207**

Greenhouse Gas Emissions from Company-Owned Vehicles

	FY2022	FY2023	FY2024	FY2025
Amount of fuel (kl)	11,329	12,785	12,814	**12,456**
Greenhouse gas emissions (t-CO_2)	26,543	29,561	29,679	**28,875**
Number of vehicles[4]	8,555	9,608	9,555	**9,552**
Average emissions per vehicle (t-CO_2)	3.10	3.07	3.10	**3.02**

Environment Burden from the Supply Chain



Figures in parentheses show percentage of total Scope 3 emissions

Approach to Biodiversity

In recent years, there have been growing calls to address biodiversity as part of corporate environmental efforts. We believe that in the relationship between the Group's business activities and the natural environment, at present, there are no major direct dependencies that threaten business feasibility, and severe negative impacts on the natural environment are limited.

While major risks have not manifested at this point in time, we recognize that the importance of natural capital will continue to grow going forward with climate change and the advancing destruction of the natural environment. The MEDIPAL Group is continuously evaluating the relationship between the natural environment and our business activities, with reference to international indicators and the latest information from the government. Based on the outcomes of such evaluations, we are instituting necessary and appropriate measures in response to changes in the business environment.

1. Publicly disclosed from FY2024
2. Target categories are 2, 3, 4, 5, 6, 7, 13, and 15. We are in the process of carefully examining other categories to increase the accuracy of calculations.
3. Implemented at MEDIPAL HOLDINGS CORPORATION, MEDICEO CORPORATION, EVERLTH Co., Ltd., ATOL CO., LTD., MM CORPORATION, PALTAC CORPORATION, MP AGRO CO., LTD., and MEDIPAL FOODS CORPORATION
4. As of March 31