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Mitsubishi Tanabe Pharma

| | Companies' approach |
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| ① Background and purpose of accounting | <ul style="list-style-type: none"> ● To contribute to achievement of a sustainable global environment through setting the medium and long term goal to reduce environmental burdens, implementing reduction measures, and achieving the goal of the Paris Agreement. ● To get a full picture of the emissions throughout the supply chain of our group companies to facilitate consideration of measures. |
| ② Utilization of accounting results | <ul style="list-style-type: none"> ● We utilize the results to set the emissions reduction target of the supply chain of our group companies. ● We utilize the results to promote collaborative commitment with our suppliers. ● We utilize the results for CSR report and information disclosure through various questionnaires. |
| ③ Benefits of accounting | <ul style="list-style-type: none"> ● 'Visualization' of values of each category enables disclosure of more accurate information as well as consideration of effective measures. |
| ④ Internal system for accounting | <ul style="list-style-type: none"> ● Data are collected from departments of accounting, procurement/distribution, general affaires, human resources, etc. of our group companies, and accounted for in the environment department of the corporate. |

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| | Companies' approach |
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| ⑤ Efforts to reduce supply chain emissions | <ul style="list-style-type: none"> ● We pursue our commitment to category 1 as the primary target of reduction because it accounts for 80% of Scope 3. (measures are to be considered) |
| ⑥ Issues in supply chain emissions accounting | <ul style="list-style-type: none"> ● It takes time to get a full picture of the weight of raw material in category 1, and the weight of shipped products and distance (per metric ton-km) travelled to the destination in category 9. |
| ⑦ Other | |

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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"> Value of purchased raw materials and goods | <ul style="list-style-type: none"> Emission factor per value of purchase (*1) |
| Category 2: Capital goods | <ul style="list-style-type: none"> Value of purchased fixed assets | <ul style="list-style-type: none"> Emission factor per value of purchase (*1) |
| Category 3: Fuel and energy related activities not included in Scope 1 or 2 | <ul style="list-style-type: none"> Amount of energy usage by type | <ul style="list-style-type: none"> Emission factor per amount of energy usage (electric power *1, other fuels *2) |
| Category 4: Transportation and delivery (upstream) | <ul style="list-style-type: none"> Weight of shipped products of the upstream transportation (consigner is our company) and distance (per metric ton-km) travelled to the destination Amount of energy usage at the storage base. | <ul style="list-style-type: none"> Emission factor by mode of transportation (*1) Emission factor by electric power company (Emission coefficient by electric power company published by 'Ministry of Environment/Ministry of Economy, Trade and Industry' December 27, 2018) |
| Category 5: Waste generated in operations | <ul style="list-style-type: none"> Weight of emission by type of waste and method of disposal | <ul style="list-style-type: none"> Emission factor by type of waste and method of disposal (*1) |
| Category 6: Business travel | <ul style="list-style-type: none"> Number of employees | <ul style="list-style-type: none"> Emission factor by mode of transportation (*1) |
| Category 7: Employee commuting | <ul style="list-style-type: none"> Expenditures for transportation fares | <ul style="list-style-type: none"> Emission factor per expenditure for transportation fares (*1) |
| Category 8: Leased assets (upstream) | <ul style="list-style-type: none"> N/A(included in Scope 1 and 2) | <ul style="list-style-type: none"> — |

*1 Emission Factor Database on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (ver.2.6)

*2 Carbon Footprint Communication Program Basic Database ver. 1.01(data in Japan)

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| Category | Accounting methods | ※Accounting period: April 2018 - March 2019 | |
|--|--|--|--|
| | Activity data | Emission factor | |
| Category 9: Transportation and delivery (downstream) | <ul style="list-style-type: none"> ● [Unaccounted for] Weight of shipped products of the downstream transportation (consigner is another company) and distance (per metric ton-km) travelled to the destination | <ul style="list-style-type: none"> ● Emission factor by mode of transportation (*1) | |
| Category 10: Processing of sold products | <ul style="list-style-type: none"> ● [Unaccounted for] Volume of sold intermediate products such as active pharmaceutical ingredients | <ul style="list-style-type: none"> ● Emission factor per volume of manufacturing | |
| Category 11: Use of sold products | <ul style="list-style-type: none"> ● N/A | <ul style="list-style-type: none"> ● – | |
| Category 12: End-of-life treatment of sold products | <ul style="list-style-type: none"> ● Weight of containers and packaging of products | <ul style="list-style-type: none"> ● Emission factor by type of waste (*1) | |
| Category 13: Leased assets (downstream) | <ul style="list-style-type: none"> ● N/A | <ul style="list-style-type: none"> ● – | |
| Category 14: Franchises | <ul style="list-style-type: none"> ● N/A | <ul style="list-style-type: none"> ● – | |
| Category 15: Investments | <ul style="list-style-type: none"> ● [Unaccounted for] net stock investment | <ul style="list-style-type: none"> ● – | |
| Other | <ul style="list-style-type: none"> ● N/A | <ul style="list-style-type: none"> ● – | |

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Supply chain emissions : Accounting results

