## 1

		Companies' approach
1	Background and purpose of accounting	<ul> <li>To contribute to the realization of a sustainable global environment through setting the medium-to long term targets to reduce environmental burdens, implementing reduction measures, and achieving the goal of the Paris Agreement.</li> <li>To get a full picture of the emissions throughout the whole supply chain of our group companies to facilitate consideration of measures.</li> </ul>
2	Utilization of accounting results	<ul> <li>To utilize the results to set the emissions reduction target of the supply chain of our group companies.</li> <li>To utilize the results to promote collaborative commitment with our suppliers.</li> <li>To utilize the results for information disclosure through our sustainability report and/or various questionnaires.</li> </ul>
3	Benefits of accounting	'Visualization' of values of each category enables disclosure of more accurate information as well as consideration of effective measures.
4	Internal system for accounting	Data are collected from departments of accounting, procurement/distribution, general affaires, human resources, etc. in our group companies, and aggregated in the environment department of the corporate.

		Companies' approach		
(5)	Efforts to reduce supply chain emissions	We pursue our commitment to category 1 as the primary target of reduction because it accounts for more than 80% of Scope 3. (measures to be considered in the future)		
6	Issues in supply chain emissions accounting	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			

Cotogony	Accounting methods    ※Accounting period: April 2020 – March 2021		
Category	Activity data	Emission factor	
Category 1: Purchased goods and services	Value of purchased raw materials and goods	Emission factor per value of purchase (*1)	
Category 2: Capital goods	Value of purchased fixed assets	Emission factor per value of purchase (*1)	
Category 3: Fuel and energy related activities not included in Scope 1 or 2	Amount of energy usage by type	Emission factor per amount of energy usage (electric power *1, other fuels *2)	
Category 4: Transportation and delivery (upstream)	<ul> <li>Weight of shipped products of the upstream transportation (consigner is our company) and distance (per metric ton-km) travelled to the destination</li> <li>Amount of energy usage at the storage base.</li> </ul>	<ul> <li>Emission factor by mode of transportation (*1)</li> <li>Emission factor by electric power company (Emission coefficient by electric power company published by 'Ministry of Environment/Ministry of Economy, Trade and Industry' January 7, 2020)</li> </ul>	
Category 5: Waste generated in operations	Weight of emission by type of waste and method of disposal	Emission factor by type of waste and method of disposal (*1)	
Category 6: Business travel	Number of employees	Emission factor by mode of transportation (*1)	
Category 7: Employee commuting	Expenditures for transportation fares	Emission factor per expenditure for transportation fares (*1)	
Category 8: Leased assets (upstream)	N/A(included in Scope 1 and 2)	• -	

<sup>\*1</sup> Emission Factor Database on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (ver.3.0)

<sup>\*2</sup> LCI database (IDEAv2)

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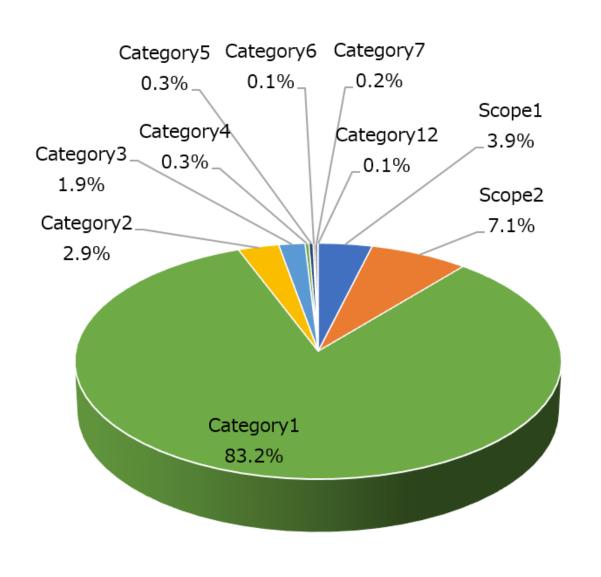
Cotogomy	Accounting methods    ※Accounting period: April 2020 - March 2021		
Category	Activity data	Emission factor	
Category 9: Transportation and delivery (downstream)	[Unaccounted for] Weight of shipped products of the downstream transportation (consigner is another company) and distance (per metric ton-km) travelled to the destination, and amount of energy usage at the storage base.	• –	
Category 10: Processing of sold products	[Unaccounted for] Volume of sold intermediate products such as active pharmaceutical ingredients	• -	
Category 11: Use of sold products	• N/A	• -	
Category 12: End-of-life treatment of sold products	Weight of containers and packaging of products	Emission factor by type of waste (*1)	
Category 13: Leased assets (downstream)	[Unaccounted for] Operation of leased assets	• -	
Category 14: Franchises	• N/A	• -	
Category 15: Investments	[Unaccounted for] net stock investment	• -	
Other	● N/A	• -	

<sup>\*1</sup> Emission Factor Database on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (ver.3.0)

<sup>\*2</sup> LCI database (IDEAv2)

#### Mitsubishi Tanabe Pharma

#### **Supply chain emissions: Accounting results**



Scope 1 : 26,630 [tCO2]

Scope 2: 48,803 [tCO2]

Scope 3:611,548 [tCO2]