

ENVIRONMENTAL REPORT 2020

Scope of environmental management: Tokyo Head Office of Taisho Pharmaceutical, Kitanihon Branch, Kitanihon Branch Sapporo Office, Nakanihon Branch, Nakanihon Branch Kanazawa Office, Kansai Branch, Chushikoku Branch, Chushikoku Branch Shikoku Office, Kyushu Branch, Yokohama Office, Okinawa Office, three factories (Omiya, Hanyu, and Okayama), Research Center, five distribution centers (Hiroshima, Sendai, Yokohama, Osaka, Fukuoka), etc. and its group companies, Taisho Pharma Co., Ltd., MEJIRO KOSAN Co., Ltd., and Taisho Pharmaceutical Logistics Co., Ltd.

Policies for Environmental Activities

Taisho Pharmaceutical has promoted environmental activities and established initiatives on an annual basis based on the Fundamental Policy and Code of Conduct related to the Environment and on the Fourth Fundamental Environmental Plan (FY2016 to FY2020) that we established in July 2016.

Fundamental Policy and Code of Conduct Related to the Environment

Taisho Pharmaceutical positions environmental issues as one of the important issues for our business activities and sets and strives to achieve the numerical goals of resource saving and reduction of CO₂ emissions.

Fundamental Policy

The Company's mission is to contribute to society by creating and offering superior pharmaceuticals and health-related products as well as healthcare-related information and services in socially responsible ways that enrich people's lives by improving health and beauty. Based on this mission, we consider the environment and biodiversity in all corporate activities from product R&D, manufacturing and disposal to distribution and sales.

Code of Conduct

- ① We shall comply with environmental laws and regulations and our agreements with stakeholders including government institutions, related industry groups, and local residents. We shall also set voluntary management standards and work to improve our level of environmental management.
- ② We shall reduce our use of limited energy and resources to promote energy and resource conservation and help preserve the environment, and work to reduce CO₂ emissions.
- ③ We shall promote the three Rs of reduce, reuse and recycle to reduce waste and practice responsible waste treatment.
- ④ We shall work to create the conditions for effective environmental initiatives by providing environmental information to all employees to raise their awareness and broaden their perspective.
- ⑤ We shall participate in the environmental activities of related pharmaceutical manufacturing organizations, material recycling organizations and other organizations, and cooperate with them on environmental tasks.
- ⑥ We shall work to achieve harmony with local communities by energetically participating in the preservation and improvement of the local environment.
- ⑦ We shall proactively disclose information related to the environment and participate in various environmental events to promote communication outside the Company.
- ⑧ We shall prepare for environmental emergencies in ways such as preparing appropriate systems and manuals, and shall upgrade our crisis management system.

Sustainable Development Goals (SDGs) are 17 goals comprising 169 targets to be achieved by 2030 that were adopted by the 2015 UN Summit and seek resolution to problems confronting the world, such as poverty, the environment and social justice. Our CSR activities as a pharmaceutical company include actions within the scope of the SDGs around an axis of "Goal 3: Ensure healthy lives and promote well-being for all at all ages," based on our corporate philosophy to contribute to achieving the SDGs.



Targets and Results of Environmental Activities and Details of Future Actions

Targets and Results of Environmental Activities and Details of Future Actions

Initiative	Targets for the fiscal year ended March 31, 2020	Achievements of the fiscal year ended March 31, 2020	Self-assessment	Future initiatives
1. Rationalization of energy use	Continue to receive "A-class or higher" in evaluation system by class under the Energy Conservation Law	<ul style="list-style-type: none"> Continued to receive "A-class or higher" (since 2016) <Groupwide average annual energy consumption rate*1: 103.0%> Omiya Factory: 103.6% Hanyu Factory: 100.9% Okayama Factory: 109.2% Sales and back offices: 91.6% 	△	<ul style="list-style-type: none"> Manage the monthly energy consumption rate for each factory Upgrade to high-efficiency equipment Detection and treatment of waste
2. Reduction of CO ₂ emissions	<p>Reduce the average amount of CO₂ emissions from the offices in Saitama Prefecture (Omiya Factory, Research Center, and Hanyu Factory over the fiscal years ending March 31, 2016 to 2020 by 13% compared with the baseline year*2) (Target CO₂ emissions: 41,998 t-CO₂)</p> <p>Reduce CO₂ emissions at domestic offices (Scope 1, 2) by 25% by the fiscal year ending March 31, 2031 (FY2030) compared to the fiscal year ended March 31, 2014 (FY2013) (FY2013: 56,264 tons)</p>	<ul style="list-style-type: none"> Average amount of CO₂ emissions from offices in Saitama Prefecture at the 2nd planning period: 42,120 tons (down 12.7%) In FY2019, 41,044 tons (down 15.0%) In FY2019, CO₂ emissions in Japan were 56,279 tons (0.0% up) 	△	<ul style="list-style-type: none"> Introduction of high-efficiency equipment Examination of new reduction measures
3. Promotion of environmentally friendly logistics operations	Reduce average annual energy consumption rate associated with transport by 1% or more against the baseline year by the fiscal year ended March 31, 2020	<ul style="list-style-type: none"> Annual average energy consumption rate (over 5 years) improvement by 0.7% Improvement by 3.2% year on year Fiscal year ended March 31, 2019: 0.337 KL/10,000 ton-km Fiscal year ended March 31, 2020: 0.326 KL/10,000 ton-km 	△	<ul style="list-style-type: none"> Promotion of modal shift Use of trucks with increased load capacity Improvement in fuel efficiency
4. Appropriate management of waste handling	Continue to appropriately manage waste treatment operations through status checks conducted by the Environment Management Division and continue waste management self-checks at each office based on the Industrial Waste Management and Waste Management Regulations	<ul style="list-style-type: none"> Implementation of status checks of waste treatment and seminars on waste: Nakanihon Branch (June 2019) Kansai Branch (February 2020) Waste management self-checks: Conducted at all 15 offices in May 	○	<ul style="list-style-type: none"> Continue conducting status checks of waste treatment and waste self-checks Continue holding waste management seminars at offices Office-based inspection of waste disposal contractors
5. Compliance with the Act on Rational Use and Proper Management of Fluorocarbons	Manage fluorocarbons in accordance with the act	<ul style="list-style-type: none"> Conducted simple inspections and periodic inspections Calculated degree of leaks 	○	<ul style="list-style-type: none"> Conduct inspections Calculate degree of leaks
6. Promotion of environmental risk management	Eliminate environmental risks*3 that have an impact on the external environment	<ul style="list-style-type: none"> Incidents of environmental risk that had an impact on the external environment: 0 	○	<ul style="list-style-type: none"> Identify environmental risks and assess their impact Risk prevention measures
7. Promotion of environmental communication	Raise employees' awareness of the environment through Companywide Environmental Month events and group training events, including environmental seminars held at each branch Objective: Environmental Month (held in summer and winter) Number of participants: 1,500 people	<ul style="list-style-type: none"> Conducted surveys to confirm the effectiveness of training events —Achieved the target at the branches that held training events Failed to achieve a total of 1,500 participants in the Environmental Month events July 2019 (summer): Not carried out February 2020 (winter): 1,168 participants 	△	<ul style="list-style-type: none"> Hold seminars on environmental education Environmental Month initiatives —Environmental quiz Incorporate activities in daily life, such as saving electricity and reducing resource consumption
	Publicly disclose information on environmental activities in a proper, fair and timely manner	<ul style="list-style-type: none"> Published an online edition of the Social and Environmental Report (in October) 	○	<ul style="list-style-type: none"> Publish the Social and Environmental Report (online edition) Participate in environmental activities held by external organizations

Self-assessment

○ = Made progress with adequate results

△ = Made progress with some degree of results

× = More effort required although some progress was made

*1 Groupwide average annual energy consumption rate
Omiya Factory (including Research Center): Energy consumption / (number of production lots × floor area)
Okayama Factory and Hanyu Factory: Energy consumption / (production × floor area)
Sales and back offices: Energy consumption / floor area

*2 Annual average of CO₂ emissions between the fiscal years ended March 31, 2003 and 2005 (Total emissions of the Omiya Factory, Research Center and Hanyu Factory: 48,275 tons)

*3 Events that have a certain magnitude, calculated by multiplying the impact of accidents or emergencies whose occurrence would have a significant environmental impact by the probability of such occurrence

Global Warming Prevention & Promotion of Energy Conservation



CO₂ and fluorocarbons are the main causes of global warming. The reduction of these emissions is therefore a global issue. As a corporation that has a responsibility toward climate change, the Taisho Pharmaceutical Group is engaged in reducing the emission of CO₂ and fluorocarbons by appropriately managing equipment using fluorocarbons, and has set the goals outlined below.

Reduction of CO₂ Emissions

Goal

- Reduce the amount of CO₂ emissions (Scope 1, 2) by 25% by the fiscal year ending March 31, 2031 compared to CO₂ emissions in the fiscal year ended March 31, 2014
- Reduce the average amount of CO₂ emissions from the offices in Saitama Prefecture over FY2015 to FY2019 by 13% compared with the baseline year

❖ Changing the Amount of CO₂ Emissions (Scope 1, 2) Produced by Factories and Research Centers in Japan

In FY2019, we undertook measures such as upgrading to equipment with higher energy efficiency focused on factories and research centers in Japan and reviewing the conditions for using air conditioning. CO₂ emissions increased by 0.0% (15 tons) compared with the baseline year, but decreased by 4.2% compared to the previous fiscal year. Because emission factors for electricity increased in FY2019 compared with the baseline year, CO₂ emissions also increased. However, usage amounts for electricity and fuel are being reduced compared with the baseline year.

Amount of CO₂ Emissions by Scope and Basic Units of CO₂ Emissions

Fiscal year	2013 (baseline year)	2016	2017	2018	2019
Scope 1* (t-CO ₂)	26,236	26,295	27,201	25,766	24,841
Scope 2* (t-CO ₂)	30,028	36,149	34,402	32,956	31,438
Total (t-CO ₂)	56,264	62,444	61,603	58,723	56,279
Amount of CO ₂ emissions compared to fiscal 2013	—	111.0%	109.5%	104.4%	100.0%
Basic units of CO ₂ emissions (t-CO ₂ /net sales (millions of yen))	0.190	0.223	0.220	0.225	0.195

* Scope 1: Direct emissions of greenhouse gases from the Company's business operations

* Scope 2: Indirect emissions from use of electricity and fuel provided by other companies

Details of Changing CO₂ Emissions in FY2019 Compared to FY2013 (Baseline Year)

Increase factor	Decrease factor
Change of power coefficient 2,435t	Decrease of electric power consumption 1,025t
	Decrease of fuel consumption 1,395t

❖ Saitama Prefecture Ordinance to Promote Measures Against Global Warming (Objective: Offices in Saitama Prefecture)

Approximately 80% of energy consumption from Taisho Pharmaceutical's domestic offices is generated within Saitama Prefecture, including the Omiya and Hanyu Factories, along with the Research Center.

At offices in Saitama Prefecture, we are pursuing a reduction in the average amount of CO₂ emissions by 13% for the second plan period (FY2015 to FY2019) when compared to the baseline year (average from FY2002 to FY2004) with a system for planning global warming countermeasures in accordance with Saitama Prefecture Ordinance to Promote Measures Against Global Warming.

During FY2019, efforts to improve energy efficiency at the Hanyu Factory and Research Center resulted in a 15.0% reduction in CO₂ emissions on a single-year basis, exceeding the target. The average annual rate of reduction in the second period was 12.7%.

Trends in the Amount of CO₂ Emissions for the Second Plan Period for Global Warming Counter Measures

Fiscal year	Baseline year (2002-2004)	2015	2016	2017	2018	2019
Emissions	48,275	42,149	43,265	42,688	41,444	41,056
Reduction rate (%)	—	12.7	10.4	11.6	14.2	15.0
Average reduction rate in the 2nd planning period (%)		12.7				

❖ Participation in FPMAJ's Low-Carbon Society Project

To contribute to a low-carbon society, we are participating in the Low-Carbon Society Project led by the Federation of Pharmaceutical Manufacturers' Associations of JAPAN (FPMAJ).

Control of Fluorocarbon Emissions

Goal

Compliance with the law (simple inspections, periodic inspections, reports on calculated degree of leaks)

We endeavor to reduce the degree of leaks by implementing training for all our employees who are in charge of fluorocarbons throughout the Company

Appropriate Management of Equipment Using Fluorocarbons

To ensure compliance with the Act on Rational Use and Proper Management of Fluorocarbons, we have established a groupwide system for managing devices using fluorocarbons, etc. and have selected a general manager and assigned responsible managers and management representatives at the respective offices to form a system that allows systemized management.

Calculated Leaked Amount of Fluorocarbons, etc.

Fiscal year	2016	2017	2018	2019
No. of incidents	18	17	9	4
Calculated leaked amount of fluorocarbons (t-CO ₂ e)	807	474	62.6	75.1

Promotion of Environmentally Friendly Offices

Goal

Taisho Pharmaceutical will work on improving the energy consumption rate*¹, and will continue to receive "A-class or higher"^{**2} in evaluation system by class under the Energy Conservation Law

We will continue to work on eliminating CO₂ emissions in the medium and long terms, and also to work on improving the energy consumption rate, for the purpose of using limited energy.

Change of Energy Consumption Amount (Calorific Value) and Energy Consumption Rate

Fiscal year	2015	2016	2017	2018	2019
Energy consumption (calorific value MJ)	1,060	1,091	1,074	1,041	1,041
Energy consumption rate compared to the previous fiscal year (%)	100.3	96.7	106.5	98.0	103.0
Average consumption rate for 5 fiscal years (%)	101.0				

In FY2019, energy consumption increased by 3.0% compared with the previous year due to reinforcing storage temperature management for raw materials, products and the like, and a decrease in floor space due to progress on removal of factory buildings and other factors. Maintained an "A-class or higher" evaluation under the Energy Conservation Law as the 5-year average remained below 105% and the rate had decreased in the previous fiscal year.

*1 Energy consumption rate

Factories, research centers: Energy consumption (kL) / Number of production lots (hundred-million) (or production (hundred-million yen)) x Floor area (m²)

Sales and back offices: Energy consumption (kL) / Floor area (m²)

**2 In order to continue to receive "A-class or higher," the following conditions have to be avoided:

- Energy consumption rate of 100% or more for two consecutive years
- Average consumption rate is 105% or more for five consecutive years

Measures to Save Energy and to Reduce CO₂ Emissions Implemented in FY2019

Measures	
Taisho Pharmaceutical Company	1) Upgrading to higher-efficiency devices
	2) Applying LED lighting and promoting turning on the lights partially
	3) Conducting the Cool-Biz Campaign
	4) Participating in the Lights-Down Campaign
Production and Logistic Department	5) Reviewing operating conditions of manufacturing equipment and air conditioning
	6) Upgrading to higher-efficiency devices
	7) Improving activities to combat energy loss (air leak, heaters)

Promotion of Environmentally Friendly Logistics Operations

Goal

Reduce average annual energy consumption rate associated with transport by 1% or more by FY2019

The annual amount we transport as a cargo owner is 30 million ton-km or more, so we fall under the "Specified Shippers" referred to in the Energy Conservation Act.

We are performing activities such as the promotion of a modal shift (changing transport methods to reduce the burden on the environment), reducing the number of transport occasions, and improvement of fuel efficiency to reduce energy consumption during transport.

The energy consumption rate in FY2019 decreased by 3.2% compared with the previous year, and the average annual energy consumption rate was 99.3%.

In FY2019, the energy consumption rate decreased due to greater efficiency by advancing shipments using large-scale trucks and increasing the proportion of shipments transported by railroad.

Energy Consumption Rate and Specific Energy Consumption Associated with Transport

Fiscal year	2015	2016	2017	2018	2019
Energy consumption (converted to crude oil) (kL)	2,690	2,626	2,494	2,413	2,267
Transportation amount (10,000 ton-kilometer)	8,000	7,934	7,507	7,169	6,953
Energy consumption rate* (%)	0.336	0.331	0.332	0.337	0.326
Average consumption rate for 5 years (%)	99.3				

* Energy consumption rate: Energy consumption (kL) / Amount of transportation (10,000 ton-kilometer)

Establishment of a Sustainable Recycling Society and Reducing Waste



In a recycling society, the establishment of 3R strategies is required. Taisho Pharmaceutical is striving to reduce the landfill disposal volume by controlling the waste amount and promoting the appropriate use of recycled products.

Reducing Waste and Appropriate Management of Waste Handling

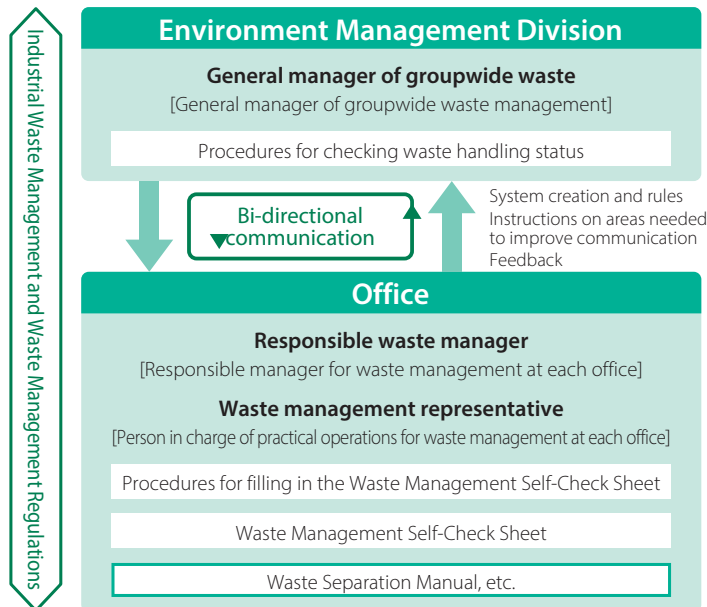
Goal

Continue the status check of waste handling and the self-check of waste management at each office based on the Industrial Waste Management and Waste Management Regulations to operate waste disposal appropriately

❖ Waste Management and Formulating Rules

To be sure to comply with the Waste Management and Public Cleansing Act, we have established a groupwide system for managing waste and have selected a general manager of groupwide waste and assigned responsible waste managers and waste management representatives at the respective offices (15 offices) to create a system that allows systemized waste management. In addition, we have established the Industrial Waste Management and Waste Management Regulations and related procedures to manage waste appropriately.

Groupwide System for Managing Waste (Conceptual Diagram)



❖ Waste Materials and Recycling

Reducing the volume of waste generated to zero is extremely difficult, but we pursue reduced content and volume of packaging and containers to reduce the amount of waste generated. Waste materials are also sorted by type, appropriate methods selected and recycling advanced by commissioning recycling companies. In FY2019, the rate of recycling was 99.7%.

Fiscal year	2015	2016	2017	2018	2019
Waste generated (Tons)	6,277	5,744	5,427	4,563	4,426
Recycling rate (%)	99.8	99.8	99.8	99.8	99.7

❖ Waste Generators' Responsibilities

We periodically visit disposal companies entrusted with disposing waste materials generated at factories, branches and offices to confirm the status of things such as waste storage. We also check that waste materials can continue to be disposed properly and that there is no risk of illegal dumping.

We oversee commissioned waste disposal for products being discarded.

❖ Proper Management of PCB Waste

We properly manage storage of polychlorinated biphenyl (PCB) waste materials in compliance with the Waste Management and Public Cleansing Act and Act on Special Measures concerning Promotion of Proper Treatment of PCB Wastes. We periodically confirm the status of storage management and report to government authorities every year. In July 2020, fluorescent lighting ballasts containing PCBs that had been stored and managed through the Japan Environmental Storage & Safety Corporation (JESCO) were disposed of as waste.

❖ Employee Training

Administrative employees receive training on initiatives to reduce waste materials for handling waste materials during inspections at branches and offices.

Moreover, we strive to raise employee awareness by monitoring and disclosing the amount of waste generated in the Production Department, which accounted for 73% of waste materials produced (FY2019).

Water Management

❖ Effective Use of Water Resources

Water is an important resource for the production of high-quality pharmaceuticals. To ensure it has the water resources it needs, the Taisho Pharmaceutical Group is striving to conserve water by managing the quality of wastewater generated by its factories and Research Center, by reusing used water, and so forth.

Water use in FY2019 was 777,000 m³, an increase of 9.9% compared with the previous fiscal year, and the rate of internal recycling of water such as in coolants was 1.1%.

Fiscal year	2015	2016	2017	2018	2019
Water use (10,000 m ³)	84.0	83.0	76.9	70.7	77.7

❖ Response to Water Risk

Taisho Pharmaceutical conducts water resource risk assessments at production bases and ascertains the impact its business activities will have on water resources in the future and works to reduce the impact. The World Resources Institute's Aqueduct Water Risk Atlas and the Ministry of the Environment's National Ground Environment Information Directory are among the tools used for the risk assessment.

At this point in time, there are no bases that have the latent risk in the near future of operations being forced to halt for reasons such as drought, water shortage or worsening water quality, or subsidence caused by drawing groundwater.

We will continue to strive for effective use of water resources.

Environmental Friendliness of Goods Used and Products



We are striving to select and purchase environmentally friendly goods and design environmentally friendly products. In addition, we handle containers and packaging when they are finally disposed of in accordance with the relevant laws and regulations.

Purchasing Environmentally Friendly Goods (Green Purchasing)

❖ Internet Purchasing System

In FY2005, we introduced an Internet purchasing system for consumables. The purchase catalog preferentially contains environmentally friendly products, which leads to green purchasing.

❖ Green Purchasing of Automobiles

Taisho Pharmaceutical and Taisho Pharma Co., Ltd. use 589 cars for their business activities (as of the end of March 2020). All the cars used for business activities achieve a reduction of 75% or more in exhaust gas compared with the certification standard in 2005.

Since FY2013, we have altered the main car from 1,500 cc to 1,200 cc with lower displacement to improve fuel consumption. Moreover, we are also striving to reduce the burden on the environment, such as by implementing economical driving through in-house training.

Percentage of Green Purchasing of Corporate Cars (As of the end of March 2019)

	Number of cars	Percentage
Total number of cars	589	
Exhaust gas certification standard in 2005	589	
Reduced by 75% (New ☆☆☆☆) Hybrid	3	100%
Reduced by 75% (New ☆☆☆☆)	586	
Reduced by 50% (New ☆☆☆)	0	
Others	0	0%

Environmental Friendliness of Products

❖ Designing Environmentally Friendly Products

Containers and packaging after a product is used generate environmental loads when they become waste. To reduce them, we are considering designing the products with lower environmental loads.

❖ Compliance with the Containers and Packaging Recycling Act

We fulfill our duties as a business operator by outsourcing product reconfiguration to the Japan Containers and Packaging Recycling Association.

The outsourcing cost for product reconfiguration in FY2019 was a total of 113.47 million yen in glass bottles, paper containers and packaging, plastic containers and packaging, and PET bottles.

The outsourcing cost for the product reconfiguration for each material is also found on the website of the Japan Containers and Packaging Recycling Association.

Outsourcing Costs for Product Reconfiguration in FY2019

Container type	Glass bottles
	Paper containers and packaging
	Plastic containers and packaging
	PET bottles
Outsourcing cost (after clearing)	113.47 million yen

Impact of Corporate Activities on the Environment

We quantitatively evaluate the environmental influences of resource inputs, including various raw materials, water, and energy, from research and development to production, distribution, and sales.

About Environmental Loads

The basic concept of our environmental activities is to reduce “inputs” and “outputs.” We are striving to increase the reduction rate by improving the facilities and operation methods for each material, water, and energy and effectively using disposed/emitted objects.

Our important initiatives are “reduction of CO₂ emissions” and “reduction of final landfill disposal volume of waste.” Our environmental activities were also implemented with a focus on these two points.

❖ Important Initiatives

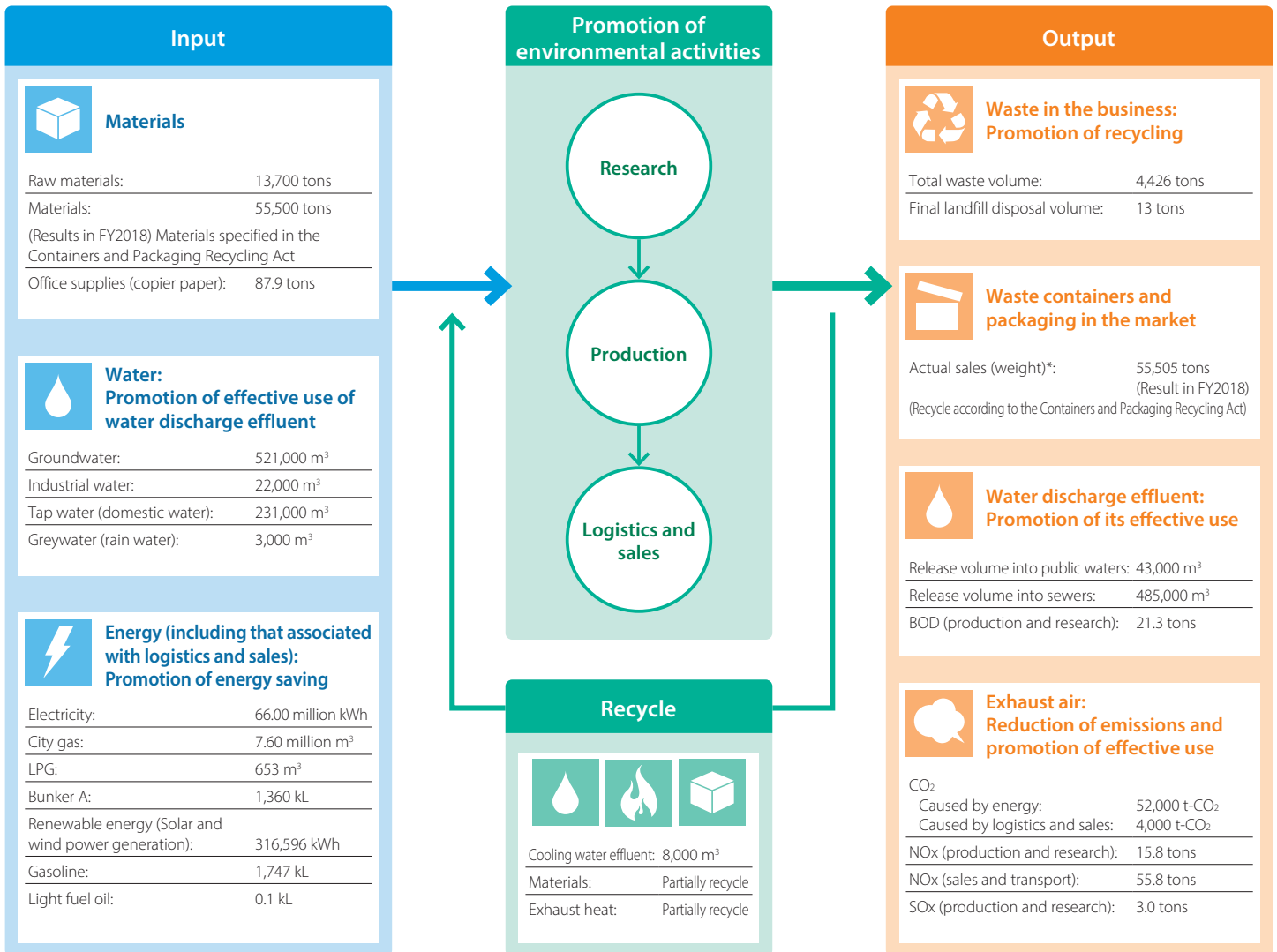
Reduction of CO₂ emissions (global warming countermeasures)

We positioned the reduction of CO₂ emissions as an important issue because it is a global issue for preventing global warming.

Reduction of final landfill disposal volume of waste

We positioned it as an important issue because the reduction of waste is a major issue in Japan where the final landfill disposal fields are almost full.

❖ Outline of Environmental Loads



* Only the containers and packaging covered by the Containers and Packaging Recycling Act

Environmental Risk Management and Pollution Prevention

We have established a groupwide framework for managing environmental risks. In addition, we have set unique management standards and make efforts for preventing environmental pollution such as air pollution and water contamination.

Reduction of Environmental Risks

❖ Establishment of Organization that Deals with Environmental Risks

Since FY2008, we have prepared an appropriate framework and procedures for an emergency event related to the environment and have established the following guidelines to build a groupwide crisis management framework.

- Guidelines for Environmental Pollution Special Crisis Response
- Chronological Action Plan for Environmental Pollution Special Crisis

The Production Department uses the ISO 14001 system to establish a framework against environmental risks.

❖ Implementation of Emergency Event Response Training

We provided emergency event response training, which assumes an explosion or fire caused by a chemical leakage or ignition, to teach the response methods, highlight problems, and improve countermeasures.

The Production Department also provides training every year that assumes that an emergency event occurs in a dark place where fewer workers are present, such as at nighttime and on days off.

Operational Status of ISO 14001

❖ Status of Audit

Taisho Pharmaceutical integrated the environmental management systems certified for each factory into the Production Department and commenced its operation in FY2010. In the periodic audit performed in FY2019, no indicated items were found.

In addition, in the internal environmental audit, we conduct not a simple system audit but a performance audit, which audits the system in terms of performance, and an environmental risk audit. Additionally, auditor training is also carried out to provide opportunities for improvement.

❖ Implementation Status of ISO 14001 Audit

Office	Certificate integrated date	Audit date	Findings	
			Minor nonconformance	Item for observation
Production Department	January 2011	November 2019	0	0

❖ Training

The Production Department has produced a list of laws and regulations for each factory to stress the materiality compliance obligations, clarifying such matters as required items and management methods and conducting employee training while striving to disseminate materiality.

Efforts for Pollution Prevention

❖ Air Pollution and Water Contamination Prevention

We not only comply with laws and regulations but also set our own management standards stricter than regulatory values and monitor them to reduce environmental load.

❖ Soil and Groundwater Pollution Countermeasures

As for soil and groundwater pollution, which was found during the factory site soil investigation conducted from November 1999 to May 2000 at the Omiya Factory, we have undertaken continuous cleaning since FY2001.

Once every two months, we measure environmental standard substances in groundwater at factory sites.

* The environmental data can be found on our website.

❖ Management of Chemical Substances

As for the PRTR-applicable chemicals specified in the Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof as well as environmentally toxic chemicals, we strive to manage them appropriately and reduce their emissions according to the related rules and Taisho Pharmaceutical's unique management procedures.

Environmental Communication

We are striving for environmental communication internally and externally through group education regarding the environment, bi-directional external communication, and information disclosure via our website, etc.

Bi-Directional External Communication —Active Discussions with the Government, Local Residents, and Pharmaceutical Associations, etc.—

We are striving for bi-directional communication through information disclosure regarding the environment and interactions with local communities.

During FY2019, the Okayama Factory set up a booth at the Shoo Industrial Park Open Factory Initiative 2019. The Omiya Factory planned to set up a booth at the Saitama City Environment Forum as it does every year, but the event was canceled due to the effects of a typhoon.



Shoo Industrial Park Open Factory held on October 26, 2019

Implementation Status of Environmental Communication

We are promoting environmental activities in cooperation with the environment-related committees of the pharmaceutical associations and the material recycling associations.

Activities implemented	Detailed activity
Participation in the Shoo Industrial Park Open Factory initiative	Nearby residents and students can better understand Taisho Pharmaceutical's business activities with introductions to our products, technology, environmental activities, etc.
Eco exhibition	Installed in the corridor for visitors at the Omiya Factory (manufacturing laboratory building 2)
Participated in industrial associations	Participated in the operation of the environment-related committees hosted by the Japan Pharmaceutical Manufacturers Association and the Japan Self-Medication Industry to cooperate in promoting environmental activities
Participated in recycling associations	Participated in the Glass Bottle Recycling Promotion Association to promote recycling

Organizations We Are Associated with

- Environmental Safety Committee, Japan Pharmaceutical Manufacturers Association
- Japan Containers and Packaging Recycling Association
- Glass Bottle Recycling Promotion Association
- Saitama City Environment Conservation Liaison Council

Biodiversity

❖ Fundamental Policy and Code of Conduct Related to the Environment

Taisho Pharmaceutical's fundamental policy is that "we consider the environment and biodiversity in all corporate activities."

When buying mandatory supplies and the like, we think about whether the item is absolutely necessary, and if making the purchase, strive to buy the item that places the least possible load on the environment, in addition to considering price and quality.

Activities conducted	Specific details of the activity
Procurement of raw materials	We make purchases from companies considerate of initiatives to reduce the load on the environment, stipulating comprehensive guidelines, holding briefings with business partners about our environmental policies and thoughts about compliance and compliance with laws and regulations.
Promotion of green purchases	We strive to prioritize purchases of items with small environmental load. The proportion of green purchases of administrative items is 72%.
Reduction of photocopy paper use	We make companywide efforts to reduce paper used for photocopying. In FY2019, we achieved a 14% reduction YoY.

Environmental Education and Internal Communication Activities

—Providing Awareness of Environmental Friendliness and the Reduction of Excessive Workload, Waste, and Unevenness—

❖ Group Training

The Production Department provides environmental training to all workers for each factory according to the ISO 14001 system.

Recently, there have been many reports about global climate change caused by greenhouse gases that occur in conjunction with increased economic activity and reports about disposed garbage. In consideration of environmental problems confronting the earth and effective use of energy, the sales and back-office departments explain the risks regarding the disposal of novelty goods and compliance with the Waste Management and Public Cleansing Act at sales meetings to improve employees' awareness of compliance with laws.

We have also been continuously providing environmental training at the head office and branch offices. During FY2019, we conducted environmental training for employees of the Nakanihon and Kansai branches. Training for the fiscal year under review was held under the titles of "Energy-Saving Initiatives" and "Preventing Global Warming." In addition, training was held for those in charge of waste disposal management under the title of "Deterrence and Prevention of Waste Disposal Scandals" about those responsible for waste disposal.

Training on the environment will continue going forward while striving to raise employees' awareness of the environment and legal compliance.



A lecture on environmental training



A lecture for those in charge of waste disposal

❖ Environment Month

During Environment Month in FY2019, we held a quiz about the meaning of the logo proclaiming products or services to be considerate of the environment as displayed on many products and services with the objective of making environmental initiatives more familiar.

Moreover, as many people use cars to commute, the Production Department set up the "No Car Week," asking people to refrain from commuting by car and instead travel by public transport such as trains, or use a bicycle in an initiative to reduce CO₂ emissions.

通勤 NO マイカー ウィーク
2020年2月17日(月)～21日(金)

徒歩・自転車
マイナスイメージ

一人当たりのCO₂排出量
172g-CO₂/km

電車
約1/10
18g-CO₂/km
—CO₂データ:国土交通省データより—

自動車での通勤をひかえ、電車通勤等への切り替えによるCO₂削減にご協力願います。

A display urging the use of trains and other forms of transport

Environment Month Initiatives Conducted in FY2019

- Environment quiz
- Week of car-free commuting (twice a year)
- Lights-Down Campaign (on the day of the summer solstice and on Cool Earth Day)