



ENVIRONMENTAL REPORT 2022

Scope of environmental management: Tokyo Head Office of Taisho Pharmaceutical, Kitanihon Branch, Kitanihon Branch Sapporo Office, Nakanihon Branch, Kansai Branch, Chushikoku Branch, 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 Fifth Fundamental Environmental Plan (FY2021 to FY2025) that we established in August 2021.

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, 2022	Achievements of the fiscal year ended March 31, 2022	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" (since 2016) <Groupwide average annual energy consumption rate*¹: 99.8%> Omiya Factory: 100.0% Hanyu Factory: 105.3% Okayama Factory: 97.0% Sales and back offices: 95.0% 	<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	Reduce CO ₂ emissions at domestic offices (Scope 1, 2) by 46%* ² by the fiscal year ending March 31, 2031 (FY2030) compared to the fiscal year ended March 31, 2014 (FY2013) (FY2013: 56,263 tons)	<ul style="list-style-type: none"> In FY2021, CO₂ emissions in Japan were 50,085 tons (down by 11.0% compared to the baseline year) (down by 3.5% compared to FY2020) 	<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, 2022	<ul style="list-style-type: none"> Annual average energy consumption rate*³ (over 5 years) improvement by 0.3% Up by 1.0% year on year Fiscal year ended March 31, 2021: 0.331 kL/10,000 ton-km Fiscal year ended March 31, 2022: 0.328 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 and continue waste management self-checks at each office	<ul style="list-style-type: none"> Waste management self-checks: Conducted at all 13 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 (not subject to report) 	<ul style="list-style-type: none"> Conduct inspections Calculate degree of leaks
6. Promotion of environmental risk management	Eliminate environmental risks* ⁴ that have an impact on the external environment	<ul style="list-style-type: none"> Occurrence of environmental risk: zero 	<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	<ul style="list-style-type: none"> July 2021 (summer): Issued energy-saving information February 2022 (winter): Conducted an environment quiz 	<ul style="list-style-type: none"> Hold seminars on environmental education Environmental Month initiatives Incorporate environmental communication and 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 November) 	<ul style="list-style-type: none"> Publish the Social and Environmental Report (online edition) Participate in environmental activities held by external organizations

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

*2 Revised target in connection with targets being revised by The Federation of Pharmaceutical Manufacturers' Associations of Japan

*3 Average annual energy consumption rate: fuel consumption (kL) / transport distance x weight (10,000 ton-km)

*4 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 46%* by the fiscal year ending March 31, 2031 compared to CO₂ emissions in the fiscal year ended March 31, 2014

* Revised target in connection with targets being revised by The Federation of Pharmaceutical Manufacturers' Associations of Japan

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

In FY2021, we undertook measures such as upgrading to higher-efficiency devices focused on factories and research centers in Japan. Total CO₂ emissions decreased by 11.0% compared with the baseline year and also decreased 3.5% year on year.

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

Fiscal year	2013 (baseline year)	2018	2019	2020	2021
Scope 1* (t-CO ₂)	26,234	25,766	24,841	22,947 <input checked="" type="checkbox"/>	22,353 <input checked="" type="checkbox"/>
Scope 2* (t-CO ₂)	30,029	32,956	31,438	28,940 <input checked="" type="checkbox"/>	27,732 <input checked="" type="checkbox"/>
Total (t-CO ₂)	56,263	58,723	56,279	51,887 <input checked="" type="checkbox"/>	50,085 <input checked="" type="checkbox"/>
Amount of CO ₂ emissions compared to FY2013	—	104.4%	100.0%	92.2%	89.0%
Basic units of CO ₂ emissions (t-CO ₂ /net sales (millions of yen))	0.190	0.225	0.195	0.184	0.187

Indicates information subject to third-party assurance. (Refer to the Company's website)

* 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 FY2021 Compared to FY2013 (Baseline Year)

Increase factor	Decrease factor
Change of power coefficient 257 t	Decrease of electric power consumption 2,554 t
	Decrease of fuel consumption 3,881 t

❖ Participation in FPMAJ's Low-Carbon Society Project

To contribute to a low-carbon society, we are participating in the Carbon Neutrality Action Plan 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	2018	2019	2020	2021
No. of incidents	9	4	8	6
Calculated leaked amount of fluorocarbons (t-CO ₂)	63	75	987	182

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 term, 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	2017	2018	2019	2020	2021
Energy consumption (calorific value TJ)	1,074	1,044	1,041	981	966
Energy consumption rate compared to the previous fiscal year (%)	106.5	98.0	103.0	97.0	99.8
Average consumption rate for 5 years	99.4				

In FY2021, energy consumption decreased by 1.5% compared with the previous year due to energy-saving measures. Meanwhile, the energy consumption rate improved by 0.2% compared with the previous year due to the impact of a decrease in production volume and other factors.

We maintained an “A-class or higher” evaluation under the evaluation system by class, which had been one of our goals, as the energy consumption rate improved compared to 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 FY2021

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
Production and Logistic Department	4) Reviewing operating conditions of manufacturing equipment and air conditioning
	5) Upgrading to higher-efficiency devices
	6) Improving activities to combat energy loss (such as fixing air leaks)

Promotion of Environmentally Friendly Logistics Operations

Goal

Reduce average annual energy consumption rate associated with transport by 1% or more by FY2021

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 FY2021 decreased by 1.0% compared with the previous fiscal year, and the average consumption rate for 5 years was 99.7%.

The main reason for the improved energy consumption rate in FY2021 was a percentage increase in the use of large vehicles.

Energy Consumption Rate and Specific Energy Consumption Associated with Transport

Fiscal year	2017	2018	2019	2020	2021
Energy consumption (converted to crude oil) (kL)	2,494	2,413	2,267	2,002	2,025
Transportation amount (10,000 ton-kilometer)	7,507	7,169	6,953	6,053	6,183
Energy consumption rate*	0.332	0.337	0.326	0.331	0.328
Average consumption rate for 5 years	99.7				

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

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 FY2021 was 624,000 m³, a decrease of 2.3% compared with the previous fiscal year.

Fiscal year	2017	2018	2019	2020	2021
Water use (10,000 m ³)	76.9	70.7	77.7	63.9	62.4

❖ 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.

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."

We also consider the impact on biodiversity by reducing environmental impact through conserving energy, cutting greenhouse gas emissions, and appropriately managing waste, chemical substances and water.

When buying goods, we think about whether the item is absolutely necessary, and when 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	The Company's procurement policy stipulates that "we will promote procurement activities in consideration of human rights, labor, the environment, and the like with the aim of achieving a sustainable society." We also ask our business partners to comply with relevant laws and regulations, and promote environmentally conscious business activities in order to protect the global environment, and we cooperate with them in conducting initiatives.
Promotion of green purchases	We strive to prioritize purchases of items with a small environmental load. The proportion of green purchases of administrative items is over 70%.
Reduction of photocopy paper use	We make companywide efforts to reduce paper used for photocopying. In FY2021, we achieved a 3.3% reduction YoY.

Reduction and Appropriate Management of Waste



In a recycling society, the establishment of 3R strategies is required. Taisho Pharmaceutical is striving to make effective use of limited resources by controlling the waste amount and promoting the appropriate use of recycled products.

Goal

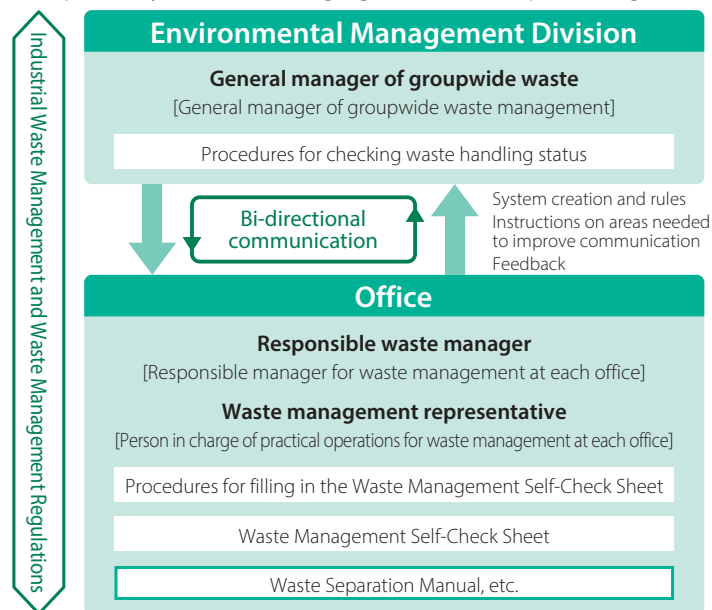
Continue the status check of waste handling and the self-check of waste management at each office based on the Industrial Waste Management and Waste Management Regulations to operate waste disposal appropriately

Waste Management and Formulating Rules

To be sure to comply with the Waste Management and Public Cleansing Act, we 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 (13 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

In order to make effective use of limited resources, Taisho Pharmaceutical reduces and appropriately sorts the waste it generates, thereby promoting activities for the 3Rs of reduce, reuse and recycle.

In particular, the Production Department, which accounts for 70% of total waste generated, has set environmental targets under the environmental management system and works to reduce waste to achieve them.

In addition, for plastic waste, which has become an issue in recent years, we restrict its use in products and select disposal companies capable of recycling in order to address a range of plastic-related issues.

Fiscal year	2017	2018	2019	2020	2021
Waste generated (tons)	5,427	4,563	4,426	3,952	3,660
Final landfill disposal amount (tons)	37.6	36.2	40.4	43.6	50.0

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 are present on-site to 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. We have completed full disposal of devices containing high densities as currently ascertained.

Employee Training

Administrative employees receive training on initiatives to reduce waste materials and appropriate management of waste materials during inspections at branches and offices.

- 1) Specialist training related to responsibility for waste disposal and compliance, etc. for responsible waste managers and those responsible for waste disposal
- 2) General training on initiatives for reduction of waste materials for administrative employees

Environmental Management

The Production Department has produced a list of laws and regulations, using an environmental management system based on ISO 14001, confirming compliance with laws, regulations and ordinances and striving for appropriate management.

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)

❖ Promotion of Online Purchasing

We promote online purchasing, an initiative that began in FY2005 with the introduction of an online system for office supplies.

The purchase catalog preferentially contains environmentally friendly products, which leads to green purchasing.

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 FY2021 was a total of 140.03 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 association's website.

Outsourcing Costs for Product Reconfiguration in FY2021

Container type	Glass bottles
	Paper containers and packaging
	Plastic containers and packaging
	PET bottles
Outsourcing cost (after clearing)	140.03 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

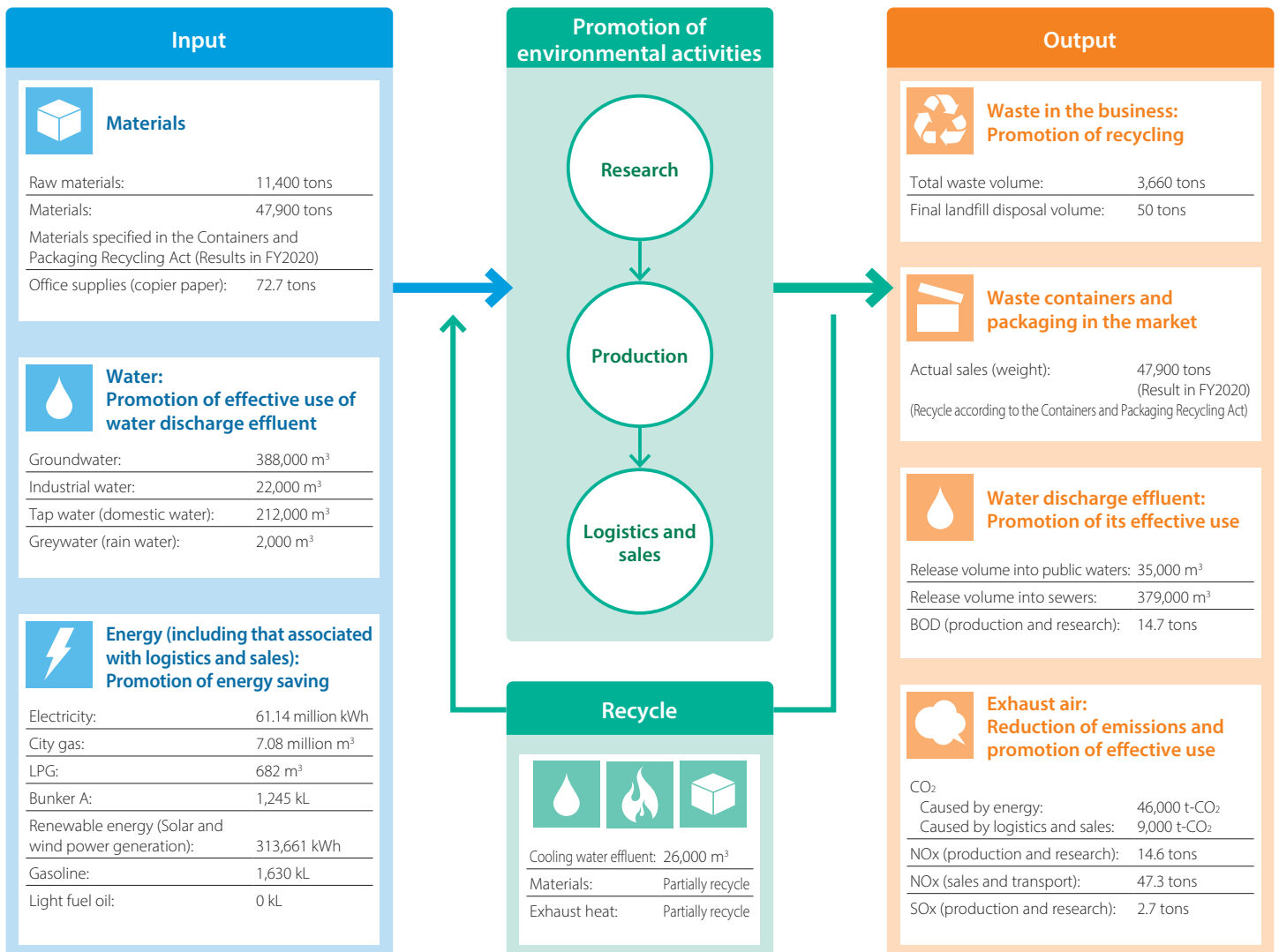
Reduction of CO₂ emissions (global warming countermeasures)

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



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 an environmental management system established internally based on ISO 14001 to establish a framework for addressing environmental risks.

✿ Implementation of Emergency Event Response Training

We provide 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 renewal audit performed in 2021, there were no cases of either major or minor nonconformance observed, but remarks were made for one case.

In the internal environmental audit, we confirm the appropriateness and effectiveness of compliance with laws and regulations based on a relevant list, the degree of achievement of environmental targets, progress of activities, and other areas. We also examine opportunities for improvement from the standpoint of possible inefficiency, excessive workload, and waste.

✿ Implementation Status of ISO 14001 Audit

Office	Certificate integrated date	Audit date	Findings	
			Nonconformance	Remarks
Production Department	January 2011	December 2021	0	1

✿ 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.

Outside Communication Activities

❖ Active Discussions with Governments, Local Residents, and Pharmaceutical Associations

We strive to engage in bi-directional communication through disclosing environmental information and interacting with local communities.

At the Saitama City Environment Forum held on November 23, 2022, we set up a company booth and introduced our environmental initiatives and those of the Omiya Factory. Efforts were made to communicate with visitors through our environmental initiatives.

In addition, we carry out activities in close connection with the community, including cleanups in the areas around our offices.



Saitama City Environment Forum, November 23, 2022



Cleanup activities (Okayama Factory)

❖ Implementation Status of Environmental Communication

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

Activities implemented	Detailed activity
Participated in industrial associations	Participated in the operation of the Japan Self-Medication Industry's Environment Committee to cooperate in promoting environmental activities
Participated in recycling associations	Participated in the Glass Bottle 3R Promotion Association to promote recycling

Organizations We Are Associated with

- Japan Self-Medication Industry's Environment Committee
- Japan Containers and Packaging Recycling Association
- Glass Bottle 3R Promotion Association
- Saitama City Environment Conservation Liaison Council

Environmental Education and Internal Communication Activities

❖ Internal Environmental Education

It is important that all employees recognize the impact of their work activities on the environment and actively strive to reduce the environmental load. At Taisho Pharmaceutical, we conduct employee education to raise environmental awareness. This includes such topics as effective use of energy and limiting the amount of waste generated in business activities.

In April 2022, we conducted an educational program on waste sorting at the workplace level for all employees. Sorting waste involves reusing what can be effectively utilized as a resource, which, as a result, reduces waste and the CO₂ emitted when waste is collected and incinerated, thereby helping to counter global warming.

In addition, the Production Department provides environmental education to all employees in each of its departments in accordance with the ISO 14001 framework. This includes making employees aware of waste generation targets and achievements at each office and promoting corresponding initiatives.

We work to raise the environmental awareness of employees by promoting environmental education related to greenhouse gases and waste generated by business activities.



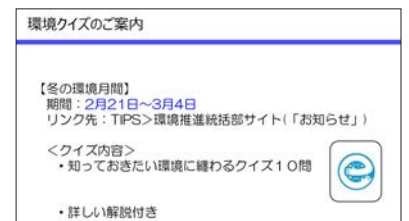
Educational materials used throughout the company

❖ Environment Month

February and July are designated as Environment Month, and during these months, we conduct various activities related to the environment.

During Environment Month in FY2021, following on from FY2020, we held a company-wide quiz using an internal online network with the objective of making environmental initiatives more familiar. The quiz was conducted in a question format about the meaning of the logo proclaiming products or services to be considerate of the environment as displayed on many products and services, the problem of global warming, initiatives related to CO₂ emissions, and other related topics.

In addition, the Production Department communicated methods to effectively save energy and electricity by demonstrating specific examples that can be done at home.



Environmental quiz during the winter Environment Month

Environment Month Initiatives Conducted in FY2021

- Communicating information about saving energy
- Conducted an environmental quiz

Verification Opinion

17 August 2022
Opinion No : SGS22/051

Mr. Shigeru Uehara
Chief Executive Officer
Taisho Pharmaceutical Co., Ltd.
3-24-1 Takada, Toshima-ku, Tokyo

Objective

SGS Japan Inc. (hereinafter referred to as "SGS") was commissioned by Taisho Pharmaceutical Co., Ltd. (hereinafter referred to as "the Organization") to conduct independent verification based on Criteria of Verification (ISO14064-3: 2019 and the SGS verification protocol) regarding the data prepared by the Organization on the scope of verification (hereinafter referred to as "the statement"). The objective of this verification is to confirm that the statement in the Organization's applicable scope has been correctly calculated and reported in the statement in conformance with the criteria, and to express our views as a third party. The organization is responsible for the preparation and fair presentation of the statement.

Scope

The scope of verification is Scope1 and 2 emissions, and energy consumption.

The period subject to report is from 1 April 2021 to 31 March 2022.

Refer to the following table for the detailed scope of verification.

The details of the scope of verification

The scope	The boundary	The statement
1 The performance data Scope 1 and 2 include energy related carbon dioxide emissions and energy consumption.	3 production sites (including research center) and 16 non-production sites in domestic	Scope1:22,353 t- CO ₂ Scope2:27,732 t- CO ₂

Procedure of Verification

The statement was verified in accordance with Criteria of Verification, and the following processes were implemented at a limited level of assurance:

- Verification of the calculation system: Interviews on the measurement, tabulation, calculation and reporting methods employed by the Organization as well as review of related documents and records
- Verification of the statement: On-site verification and review of vouchers conducted at Omiya Factory (including Research Center) and Okayama Factory, and analytical procedures and interviews for other sites in the scope of verification carried out at Omiya Factory

The criteria for this review are based on the GHG Emissions Calculation and Reporting Manual Ver. 4.8 and the Act on the Rational Use of Energy and the protocol specified by the Organization.

Conclusion

Within the scope of the verification activities employing the methodologies mentioned above, nothing has come to our attention that caused us to believe that the Organization's statement was not calculated and reported in conformance with the criteria.

SGS Japan Inc. affirms our independence from the organization, being free from bias and conflicts of interest with the Organization.

For and on behalf of SGS Japan Inc
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Senior Executive & Director
Knowledge

Yuji Takeuchi

