

## Daiichi Sankyo Group Environmental Data Book 2022



### **Position of This Book**

The information of this book complements Daiichi Sankyo Group Value Report 2022 and the environmental data on our website. Please see them in addition.

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### **Basic Environmental Management Policy**

Safeguarding the environment is the foundation of all Group operational management. We pursue environmental management that contributes to a sustainable society and enhances our good corporate citizenship.

We implement the respective items listed below.

- Confirm the environmental impacts of each business process, from R&D to production, distribution, usage and consumption, and disposal, and reduce environmental impacts.
- 2. Comply strictly with environmental laws and ordinances, regional covenants, and voluntary standards.
- 3. Construct, operate, evaluate, and enhance an environmental management system.
- 4. Use resources and energy efficiently, reduce greenhouse gas emissions, and recycle and reduce waste.
- 5. Protect the environment and respect biodiversity by helping preserve the ecosystem.
- 6. Address environmental risks.
- 7. Educate and enlighten about the environment.
- 8. Communicate with internal and external stakeholders about environmental issues.

## Environmental Management System

## 1-1 Our Stance on Environmental Management

Environmental issues such as global warming and extreme weather are very closely related to our lifestyles and work. We are practicing environmental management on a global scale in accordance with the Daiichi Sankyo Group EHS Policy and Basic Environmental Management Policy. We thereby aim to address such environmental issues through responsible corporate activities.

## 1-2 Promoting Environmental Management

The Daiichi Sankyo Group seeks to appropriately address environmental issues through our medium- and long-term business activities with due consideration for what society demands and expects from us. Our sustainability issues are reducing environmental impact primarily through energy and resource conservation; contributing to a sustainable society by addressing environmental issues such as climate change, water risks and biodiversity; and mitigating environmental risks by practicing legal compliance and operating an environmental management system. We have designated KPIs and environmental targets for these issues and implement appropriate communication and information disclosure both in and outside the Group to promote environmental management. The following quantitative and qualitative targets have been designated as our environmental goals under the fifth five-year business plan.

### EHS Management Policy and Environmental Management Target (FY2021-FY2025)

| EHS Management Policy   | Environmental Management Target   |
|---|---|
| Lower the environmental impact of our operations<br>and supply chain by conserving energy and<br>resources, and reducing greenhouse gas emissions<br>and waste.             | <ul> <li>CO<sub>2</sub> emissions (Scope 1 + Scope 2): 42% reduction from FY2015</li> <li>CO<sub>2</sub> emissions intensity based on sales (Scope3, Cat1): 15% reduction from FY2020</li> <li>Business partner engagement (Scope 3, Cat 1): more than 70% of business partners set targets aligned with the 1.5°C scenario</li> <li>Energy consumption intensity based on sales : 30% reduction from FY2015</li> <li>Waste emission intensity based on sales : 10% reduction from FY2020</li> <li>Promote waste reduction and recycling</li> </ul>   |
| Realize a sustainable society by taking a leading<br>role in addressing environmental issues such as<br>climate change, resource recycling, water risk and<br>biodiversity. | <ul> <li>Renewable electricity utilization rate: more than 60% utilization rate</li> <li>Water consumption intensity based on sales : 10% reduction from FY2020</li> <li>Waste plastic recycling rate: Over 70% maintained</li> <li>Flood disaster manual maintenance rate: 100% at research laboratories and production sites in Japan</li> <li>Promotion of Innovative Environmental Technologies for Decarbonized Community</li> <li>Continuing Reduction of Pollutant Emissions to Atmosphere and Water Area</li> <li>Promotion of the sustainable use of ecosystem services and resources</li> </ul> |
| Minimize EHS risks by complying with related<br>laws and continual improvement of management<br>systems.  | <ul> <li>Disposal of hazardous waste: 10% reduction from FY2020</li> <li>ISO14001 acquisition rate: 100% at manufacturing sites</li> <li>Establishment of EHS management system</li> <li>Implementation of periodic EHS audits</li> <li>Reducing EHS Risks through Collaboration with Supply Chains</li> </ul>  |
| Encourage employees to practice EHS by internal communication such as EHS education and enlightening activities.  | <ul> <li>Education and awareness-raising for the prevention of environmental accidents</li> <li>Education for all employees and professional training in EHS</li> <li>Measures to improve employee motivation related to EHS</li> </ul>   |
| Ensure the reliability from society by enhancing<br>information to disclose and enhancing<br>communication with stakeholders.   | Third-party assurance coverage: 100%     Periodic Verification and Disclosure Based on TCFD Recommendations     Promoting Partnership for Sustainable Development   |

### 1-3 Environmental Management System

The head of the Corporate Affairs Division of Daiichi Sankyo serves as the chief executive EHS officer of environmental management and oversees environmental management on a Group basis, while the vice president of Sustainability Promotion Department promotes environmental management as the environmental management officer. As a system for promoting environmental management, we have established an environmental management unit that deliberates on business activities, and each environmental management unit establishes an environmental management site and discusses regions and functions as necessary while overseeing targets. In addition, we have established the EHS Management Committee, chaired by the chief executive officer of EHS management. This committee discusses the formulation of the Daiichi Sankyo Group EHS Policy and other important matters and reports them to the Board of Directors.

### Diagram of the Daiichi Sankyo Group Environmental Management Promotion System



## 1-4 ISO 14001 Certification

Operating sites with production functions that have high environmental impacts have acquired ISO 14001 certification.

### List of ISO 14001 Certified Plants (As of the End of June 2022)

|  | Company                                   | Site   | ISO 14001<br>Acquisition Period |  |
|--|---|--|---------------------------------|--|
|  |   | Sustainability Department                              |                                 |  |
|  | Daiichi Sankyo Co., Ltd.                  | Pharmaceutical Technology Division (Hiratsuka)         |                                 |  |
|  |   | Biologics Division (Tatebayashi)                       |                                 |  |
|  | Dajiahi Sankua Propharma Caulta           | Hiratsuka Plant  |                                 |  |
|  | Dalichi Sankyo Fiophanna Co., Etu.        | Technology Department                                  |                                 |  |
| Deileki Gerlaus Oreur (multisite           |   | Onahama Plant  |                                 |  |
| certification)                             |   | Tatebayashi Plant                                      | January, 1998                   |  |
|  | Daiichi Sankyo Chemical Pharma Co., Ltd.  | Biologics Technology Department (Tatebayashi)          |                                 |  |
|  |   | Odawara Plant  |                                 |  |
|  |   | Technology Department<br>(Onahama, Hiratsuka, Odawara) |                                 |  |
|  | Daiichi Sankyo Biotech Co., Ltd.          | Kitamoto Site  |                                 |  |
|  | Daiichi Sankyo Happiness Co., Ltd.        | Hiratsuka  |                                 |  |
| Daiichi Sankyo Europe                      |   | Pfaffenhofen Plant                                     | December 2019                   |  |
| Daiichi Sankyo Altkirch Sarl               |   | Altkirch Plant   | March 2019                      |  |
| Daiichi Sankyo Pharmaceutical (Beijing)    |   | Beijing Plant  | March 2019                      |  |
| Sankyo Pharmaceutical (Shanghai) Co., Ltd. |   | Shanghai Plant   | March 2019                      |  |
| Daiichi Sankyo Brasil Farmacêutica         |   | Alphaville Plant                                       | March, 2012                     |  |
|  |   | 1  | 1                               |  |
| ISO 14001 Certification Acquisition F      | Rate of Production Sites (on the basis of | Japan  | 100%                            |  |
| FY2021 CO <sub>2</sub> emissions)          |   | Entire group   | 85.8%                           |  |

Furthermore, we established the Daiichi Sankyo Group Environmental Management system in accordance with ISO 14001 for other sites.

## 1-5 Environmental Supply Chain Management

| Main Efforts                         | Details  |
|--------------------------------------|--|
| Setting of CSR procurement standards | <ul> <li>We request that our business partners make efforts based on the CSR procurement standards of the Group. The environment-related items in the CSR procurement standards are as follows.</li> <li>(1) Reinforce the environmental management system</li> <li>(2) Consider product safety</li> <li>(3) Reinforce green procurement</li> <li>(4) Respond to biodiversity conservation</li> </ul>  |
| Cooperation with Suppliers           | We ascertain the amount of CO <sub>2</sub> emissions from our major suppliers and how much water they use. We also ask<br>of any supplier that has no CO <sub>2</sub> reduction target to set one as a good opportunity for improvement. These efforts<br>are based on the Science Based Targets* initiative.<br>*An international initiative that calls on companies to set CO <sub>2</sub> emission reduction targets in line with scientific<br>evidence to achieve the Paris Agreement target of keeping the average global temperature increase below 2°C<br>compared to pre-industrial levels. |
| Cooperation with logistics partners  | We request our logistics partners to strive to reduce greenhouse gas emissions, such as by sharing the transportation weight and distance data of product transportation, stopping excessive idling on the premises of logistics centers, and practicing eco-driving.  |
| Cooperation for environment audit    | Partner companies storing and delivering our products and promotional goods cooperate for the environment audit on environment-related laws and regulations including waste management.  |

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## Environmental Auditing

### Operating Sites Subject to an Environment Audit in Fiscal 2021

| Company                            | Operating Site and Branches |
|------------------------------------|-----------------------------|
| Daijahi Sankua Chamical Dharma     | Onahama Site                |
|                                    | Odawara Site                |
| Daiichi Sankyo Biotech             | Kitamoto Site               |
| American Depart las                | Shirley Plant               |
| American Regent, inc.              | Ohio Plant                  |
| Daiichi Sankyo Brasil Farmaceutica | Alphaville Plant            |

\*There were no findings that might cause serious environmental risks.

## 1-7 Emergency Preparedness and Response

Plants and research facilities with particularly high environmental risks have protocols to prepare for and respond to emergencies, including prevention and mitigation of environmental pollution due to disasters and accidents. They also conduct periodic education and emergency drills while maintaining the necessary equipment. In recent years, we have also strengthened our measures to mitigate flooding risks.

### Emergency Drills Conducted (Plants and Research Facilities)

| Company                        | Operating site       | Details of Emergency Drills<br>(Possible accidents/incidents)  | Number of<br>Emergency<br>Drills | Total Number<br>of Participants |
|--------------------------------|----------------------|--|----------------------------------|---------------------------------|
| Daiichi Sankyo                 | Shinagawa R&D Center | Large-scale earthquake, fire, emergency report,<br>first aid training, and confirmation of employees'<br>safety              | 5 drills                         | 1,489                           |
|                                | Kasai R&D Center     | Large-scale earthquake, fire, emergency report,<br>emergency meal-serving drill  | 13 drills                        | 2,500                           |
| Daiichi Sankyo Propharma       | Hiratsuka Plant      | Leakage, and emergency response and reporting  | 69 drills                        | 1,256                           |
|                                | Onahama Plant        | Large-scale earthquake, wind and flood damage,<br>and leakage and emergency contact  | 23 drills                        | 1,161                           |
| Daiichi Sankyo Chemical Pharma | Tatebayashi Plant    | Large-scale earthquake, fire, flooding, and leakage, and confirmation of employees' safety                                   | 27 drills                        | 1,023                           |
|                                | Odawara Plant        | Large-scale earthquake, fire, leakage, and<br>emergency report, first aid training, and<br>confirmation of employees' safety | 63 drills                        | 846                             |
| Daiichi Sankyo Biotech         | Kitamoto Site        | Large-scale earthquake, fire,flooding, emergency<br>report, first aid training, and confirmation of<br>employees' safety     | 7 drills                         | 1,604                           |

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## **Business Activity and Environmental Performance**

### Business Activity and Input/Output (Entire Group)

| INP                        | UT                             |               | Daiichi Sankyo Group                                      |               | OUTF                   | TUY                           |
|----------------------------|--------------------------------|---------------|---|---------------|------------------------|-------------------------------|
| Ener                       | gies                           |               | ( B&D )   |               | Ai                     | r                             |
| Flootricity                | 213,139 thousand kWh           |               | Research into new drugs                                   |               | CO <sub>2</sub>        | 191,399 t-CO <sub>2</sub>     |
| Liectricity                | 2,033,636 GJ                   |               | nonclinical studies, clinical trials,                     |               | NOx                    | 51.4 t                        |
| City and                   | 30,347 thousand m <sup>3</sup> |               | pharmaceutical substances                                 |               | SOx                    | 1.0 t                         |
| City gas                   | 1,366,558 GJ                   |               | production research and                                   |               |                        |                               |
| 1.00                       | 61 t                           |               | drug research   |               | Wat                    | er                            |
| LPG                        | 3,094 GJ                       |               |   |               | Discharged water       | 8,464 thousand m <sup>3</sup> |
|                            | 150 KL                         | $\rightarrow$ |   | $\rightarrow$ | BOD                    | 27.1 t                        |
| Light oil                  | 64,828 GJ                      | Ť             | / Manufacturing \   | Ť             | COD                    | 17.0 t                        |
|                            | 0 KL                           |               |   |               | 14/                    | A                             |
| Heavy oil                  | 0 GJ                           |               | manufacturing, formulation,                               |               | Que austa d'aus aunt   | 14.400 +                      |
|                            | 236 KL                         |               | packaging, and quality control                            |               | Generated amount       | 14,428 t                      |
| Kerosene                   | 8,661 GJ                       |               |   |               | Emission               | 9,998 t                       |
| Steam                      | 35,836 GJ                      |               | 〈 Offices 〉   |               | Recycling amount       | 6,249 t                       |
|                            | 5,615 KL                       |               | Planning and management, sales and information provision, |               | Final disposing amount | 693 t                         |
| Gasoline                   | 139,951 GJ                     |               |   | L             |                        |                               |
| 0 11/1 11 1                | 1,570 KL                       |               | management  |               |                        |                               |
| Gas oil for diesel engines | 59,179 GJ                      |               |   |               |                        |                               |
| Total                      | 3,634,083 GJ                   |               |   |               |                        |                               |
|                            |                                |               | $\mathbf{V}$  |               |                        |                               |
| Wa                         | ter                            |               |   |               |                        |                               |
| Service water              | 1,450 thousand m <sup>3</sup>  |               | Pharmaceuticals wholesalers                               |               |                        |                               |
| Industrial water           | 5,305 thousand m <sup>3</sup>  |               |   |               |                        |                               |
| Groundwater                | 1,731 thousand m <sup>3</sup>  |               | <u> </u>  |               |                        |                               |
| Total                      | 8,486 thousand m <sup>3</sup>  |               | Hospitals and pharmacies,                                 |               |                        |                               |
|                            |                                |               | Research and inspection                                   |               |                        |                               |
| Renewabl                   | e Energy                       |               | institutions, etc.  |               |                        |                               |
|                            | 269,066 GJ                     |               |   |               |                        |                               |
|                            |                                | 1             |   |               |                        |                               |

### Business Activity and Input/Output (Group in Japan)

| En                                   | ergies   |
|--------------------------------------|--|
| Electricity                          | 163,311 thousand kWh<br>1,547,307 GJ           |
| City gas                             | 25,610 thousand m <sup>3</sup><br>1,153,391 GJ |
| LPG                                  | 6 t<br>329 GJ                                  |
| Light oil                            | 6 KL<br>230 GJ                                 |
| Heavy oil                            | 0.00 KL<br>0.0 GJ                              |
| Kerosene                             | 236 KL<br>8.661 GJ                             |
| Gasoline                             | 2,002 KL<br>69,281,91 GJ                       |
| Diesel oil                           | 3 KL<br>115 GJ                                 |
| Total                                | 2,779,450 GJ                                   |
| W                                    | <i>l</i> ater                                  |
| Service water                        | 943 thousand m <sup>3</sup>                    |
| Industrial water                     | 5,305 thousand m <sup>3</sup>                  |
| Groundwater                          | 1,731 thousand m <sup>3</sup>                  |
| Total                                | 7,979 thousand m <sup>3</sup>                  |
| Chemical                             | substances                                     |
| PRTR substances<br>(amounts handled) | 2,063 t  |



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| OUTPUT                 |                               |  |  |  |
|------------------------|-------------------------------|--|--|--|
|                        |                               |  |  |  |
| CO <sub>2</sub>        | 143,774 t-CO                  |  |  |  |
| NOx                    | 45.8 t                        |  |  |  |
| SOx                    | 0.63 t                        |  |  |  |
| PRTR substances        | 3 t                           |  |  |  |
|                        |                               |  |  |  |
| Wa                     | ater                          |  |  |  |
| Discharged water       | 8,002 thousand m <sup>3</sup> |  |  |  |
| BOD                    | 10.8 t                        |  |  |  |
| COD                    | 13.4 t                        |  |  |  |
| PRTR substances 0 t    |                               |  |  |  |
|                        |                               |  |  |  |
|                        |                               |  |  |  |
| Generated amount       | 12,598 t                      |  |  |  |
| Emission               | 8,168 t                       |  |  |  |
| Recycling amount       | 5,066 t                       |  |  |  |
| Final disposing amount | 72 t                          |  |  |  |
| PRTR substances        | 1,861 t                       |  |  |  |

| Recovery/Recycling                  |         |  |  |  |
|-------------------------------------|---------|--|--|--|
| Glass bottle (colorless)            | 172 t   |  |  |  |
| Glass bottle (brown)                | 200 t   |  |  |  |
| PET                                 | 1 t     |  |  |  |
| Plastic containers and<br>packaging | 1,205 t |  |  |  |
| Paper containers and<br>packaging   | 31 t    |  |  |  |
| Total                               | 1,609 t |  |  |  |

Note: Packaging containing post-consumer waste as required under the Containers and Packaging Recycling Law.

## 1-9 Environmental Accounting

### Environment Conservation Cost (Group in Japan)

| Environment Conservation Cost (Group in Japan) Unit: million yer |            |       |            |       |
|--|------------|-------|------------|-------|
|  | FY2        | 020   | FY2021     |       |
| Environmental Item   | Investment | Cost  | Investment | Cost  |
| Pollution Prevention Cost  | 104        | 57    | 10         | 72    |
| Global Environmental<br>Conservation Cost                        | 2,221      | 468   | 1,921      | 278   |
| Resource Circulation Cost  |            | 404   | 3          | 306   |
| Upstream / Downstream Costs                                      |            | 58    |            | 59    |
| Administration Cost  | 3          | 616   | 5          | 620   |
| R&D Cost   |            | 30    |            | 30    |
| Social Activity Cost   |            | 0     |            | 0     |
| Environmental Remediation Cost                                   |            | 226   |            | 1,038 |
| Total  | 2,328      | 1,859 | 1,940      | 2,403 |

\*There were no findings that might cause serious environmental risks.

### Environmental Conservation Benefit (Group in Japan)

## Economic Benefit (Group in Japan) Unit: million yen

|                             | FY2021 |
|-----------------------------|--------|
| Value of sales of valuables | 1.4    |

|  | Unit                | FY2020    | FY2021    | Increase/Decrease<br>Compared to the<br>Previous Year | Increase/Decrease<br>Rate Compared to the<br>Previous Year |
|--|---------------------|-----------|-----------|---|--|
| Total volume of energy consumed                            | GJ                  | 2,667,173 | 2,818,378 | 151,205   | 5.7%   |
| Water consumed   | 1,000m <sup>3</sup> | 7,926     | 7,979     | 53  | 0.7%   |
| PRTR substances used                                       | t                   | 2,064     | 2,063     | riangle 1   | △ 0.5%   |
| CO <sub>2</sub> emission                                   | t-CO <sub>2</sub>   | 130,572   | 143,774   | 13,203  | 10.1%  |
| Total volume of waste                                      | t                   | 17,315    | 12,598    | △ 4,718   | △ 27.2%  |
| Waste emissions (=Outsourced treating volume)              | t                   | 9,933     | 8,168     | △ 1,764   | △ 17.8%  |
| Volume of recycled waste                                   | t                   | 5,026     | 5,066     | 40  | 0.8%   |
| Final diposing amount of waste                             | t                   | 71        | 72        | 0   | 0.3%   |
| Recycling rate   | %                   | 50.6      | 62.0      | _   | 9.4%   |
| Recovered or recycled volume of containers<br>and packages | t                   | 1,758     | 1,609     | △ 150   | △ 8.5%   |
| SOx emissions  | t                   | 0.79      | 0.63      | △ 0.2   | △ 19.9%  |
| NOx emissions  | t                   | 41        | 46        | 4   | 10.7%  |

### **Environmental Efficiency (Entire Group)** 1-10

| Environmental Efficiency Index | Index Definition                | FY2017 | FY2018 | FY2019 | FY2020 | FY2021 |
|--------------------------------|---------------------------------|--------|--------|--------|--------|--------|
| CO <sub>2</sub>                | Sales/CO <sub>2</sub> emissions | 105    | 109    | 119    | 132    | 132    |
| Waste                          | Sales/Total waste emissions     | 140    | 126    | 143    | 146    | 118    |
| Water                          | Sales/Water consumed            | 112    | 113    | 133    | 146    | 156    |

\* The figures as of fiscal 2015 have been set to 100. Higher index shows higher level of efficiency.

## 2 Conserving Energy and Combatting Global Warming

### 2-1 Our Basic Stance

To facilitate responsible corporate activities that address climate change, we have set the goal of reducing  $CO_2$  emissions in fiscal 2025, the final year of the fifth five-year business plan, by 25% compared to fiscal 2015, in order to achieve our long-term  $CO_2$  emissions target of 37.5% reduction (a target well below 2°C<sup>\*1</sup>) in fiscal 2030 based on the approach of the Science Based Targets initiative (SBTi) \*<sup>2</sup>, which aims to help accomplish the Paris Agreement goal of keeping the average increase in global temperature below 2°C. We have since decided it was necessary to set targets that more appropriately reflect domestic and international circumstances and trends related to climate change action. Accordingly, we revised our reduction targets to 63% below fiscal 2015 levels for fiscal 2030 and 42% below fiscal 2015 levels for fiscal 2025, in alignment with the SBT 1.5°C target.

In February 2022, solar energy equipment installed at Daiichi Sankyo Europe's Pfaffenhofen Plant will officially begin operation, supplying the equivalent of 8% of its annual electricity consumption, which is expected to reduce CO<sub>2</sub> emissions by 230 tonnes per year. In fiscal 2021, CO<sub>2</sub> emissions totaled 191,396 tonnes (down 15.7% from fiscal 2015 levels). We have worked on not only "actions to mitigate" CO<sub>2</sub> emissions but also "actions to adapt" to influence from climate change that is inevitable in the medium- to long-term, including weather-related disasters that have apparently become more and more serious in recent years and in particular, flood damage, etc. which is a serious risk.

In July 2021, we joined RE100\*3, which aims to meet 100% of the electicity needs of business activities with renewable energy.

\*1 The target for lowering temperatures sufficiently below 2°C, which is more stringent than the 2°C target set by the SBTi in 2019

\*2 An international initiative that encourages companies to set CO<sub>2</sub> reduction targets based on scientific evidence in order to help accomplish the Paris Agreement goal of keeping the average increase in global temperature below 2°C

\*3 A global initiative that promotes 100% use of renewable electricity by businesses. The initiative is sponsored by The Climate Group, an international NPO, and the CDP, which urges companies to disclose information related to climate change.

## **2-2** Target and Result of CO<sub>2</sub> Emissions Reduction

### CO<sub>2</sub> Emissions by Factors for Increase/Decrease (Entire Group)





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## **2-3** CO<sub>2</sub> Emissions by Scope

Total CO<sub>2</sub> Emissions by Region (Scope 1 and Scope 2)

| fotal CO <sub>2</sub> Emissions by Region (Scope 1 and Scope 2) (t-C |        |         |         |  |
|--|--------|---------|---------|--|
|  | SCOPE1 | SCOPE2  | Total   |  |
| In Japan   | 68,736 | 75,038  | 143,774 |  |
| Outside Japan  | 19,512 | 28,112  | 47,624  |  |
| Total  | 88,249 | 103,150 | 191,399 |  |

### Supply Chain GHG Emission (Scope 3) (Group in Japan) 2-4

| Sources   | CO <sub>2</sub> emissions<br>(t-CO <sub>2</sub> ) FY2020 | CO <sub>2</sub> emissions<br>(t-CO <sub>2</sub> ) FY2021 | Increase/Decrease<br>Rate Compared to<br>the Previous Year (%) | Emissions Calculation Methodology  | Explanation   |
|---|--|--|--|--|---|
| Purchased goods and services  | 609,954  | 513,874  | △15.75%  | The figures are calculated by multiplying the emission basic unit based on<br>guidelines* by the weight or purchase amount of raw materials, ingredients,<br>and stock goods.  | Geographic scope is Japan.  |
| Capital goods   | 85,081   | 105,208  | 23.66%   | It computed based on the amount of money for acquisition of the fixed assets and CO <sub>2</sub> emission coefficients of the guidelines* issued by Ministry of Environment and Ministry of Economy, Trade and Industry.   | Geographic scope is<br>Japan.   |
| Fuel-and-energy-<br>related activities<br>(not included in<br>Scope 1 or 2) | 20,241   | 25,607   | 26.5%  | It computed based on the usage of electricity and steam and $CO_2$ emission coefficients of the guidelines* issued by Ministry of Environment and Ministry of Economy, Trade and Industry.   | Geographic scope is<br>Japan.   |
| Upstream<br>transportation<br>and distribution                              | 8,548  | 894  | △89.54%  | In accordance with guidelines*, etc., the figures are calculated with the<br>transportation distance between the logistics centers of our group and<br>the destinations (pharmaceutical wholesalers, etc.) based on the fuel<br>consumption method.                                    | Geographic scope is<br>Japan.   |
| Waste generated<br>in operations  | 10,144   | 7,640  | △24.68%  | It computed based on the weight of each waste discharged from the plants and R&D center and $CO_2$ emission coefficients of the guidelines* issued by Ministry of Environment and Ministry of Economy, Trade and Industry.   | Geographic scope is<br>Japan.   |
| Business travel   | 6,048  | 7,658  | 26.62%   | It computed based on the travel and accommodation expenses and $CO_2$ emission coefficients of the guidelines* issued by Ministry of Environment and Ministry of Economy, Trade and Industry. For travel expenses, $CO_2$ emission coefficients for aircraft were adopted.             | Geographic scope is<br>Japan. The amount of<br>emissions on business<br>trips using company<br>vehicles is included in<br>Scope 1.                  |
| Employee<br>commuting   | 3,776  | 2,736  | △27.54%  | The figures are calculated by multiplying the emission basic unit based on guidelines* by the commutation expenses of public transportation systems used by employees. The amount of emissions from the commuter cars of employees is calculated based on the amount of gasoline used. | Geographic scope is<br>Japan.   |
| Upstream leased<br>assets   |  |  |  | _  | It is irrelevant because<br>all emissions form<br>the leased assets are<br>counted in Scopes 1<br>and 2.  |
| Downstream<br>transportation<br>and distribution                            | 14,722   | 11,202   | △23.91%  | The emission basic unit of sales at wholesalers is estimated based on the sales of major pharmaceutical wholesalers and the CO <sub>2</sub> emissions. The figures are calculated based on the total sales of the pharmaceutical wholesalers and our ratio of the sales volume.        | Geographic scope is<br>Japan.   |
| Processing of<br>sold products  |  |  |  | -  | _   |
| Use of sold<br>products   |  |  |  | _  | There is no energy<br>use for product<br>use, because of<br>the characteristic of<br>medical supplies.<br>Therefore, it is<br>estimated irrelevant. |
| End of life<br>treatment of sold<br>products                                | 1,824  | 1,712  | △6.14%   | It computed based on the weight of each materials for the containers of the sold product and $CO_2$ emission coefficients of the guidelines* issued by Ministry of Environment and Ministry of Economy, Trade and Industry.  | Geographic scope is<br>Japan. Recycling is<br>included.   |
| Downstream<br>leased assets   | 2,913  | 2,913  | 0.00%  | It computed based on the floor area according to the purpose of using the rented assets and $CO_2$ emission coefficients of the guidelines* issued by Ministry of Environment and Ministry of Economy, Trade and Industry.   | Geographic scope is<br>Japan.   |
| Franchises  |  |  |  | _  | Since we have<br>no franchise, it is<br>irrelevant.   |
| Investments   |  |  |  | _  |   |
| Total   | 759,592  | 679,444  | △10.6%   |  |   |

\* Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (Ver. 2.6), Policy on Emissions Unit Values for Accounting of Greenhouse Gas Emissions, etc., by Organizations Throughout the Supply Chain (Ver. 2.6), and the Emissions Unit Value Database (Ver. 3.0)

## 2-5 Breakdown of Energy Use

### Breakdown of Energy Use (Entire Group)



## 2-6 Using Renewable Energy

Renewable Energy Usage and Breakdown

| Types of Renewable Energy      | Power Supply (MWh) | Remarks  |
|--------------------------------|--------------------|--|
| Solar energy generation        | 4,059              | Electricity generated by solar energy equipment installed in plants and research facilities.   |
| Hydroelectric power generation | 16,332             | Purchased by our Group companies in Germany and Brazil.  |
| Biomass power generation       | 500                | Purchased by group companies in Japan. Not subtracted from the amount of emissions in Scope 2. |
| Biomass heat                   | 1,892              | Purchased by our group companies in Germany.   |
| Other renewable energies       | 1,720              | Purchased by group companies in Spain, Portugal, Austria, Brazil and other countries.          |

## 2-7 Supplementary Notes

### 1 Conversion factors and their sources

The conversion factors used in this data book are as follows:

Conversion factors of the Accounting and Reporting System under the Act on Promotion of Global Warming Countermeasures (the Global Warming Countermeasures Act) are used for the  $CO_2$  conversion factor and the energy conversion factor.

Regarding the countries outside Japan, the factors commonly used in such countries or the factors based on GHG protocol are used in this data book.

### List of conversion factors in Japan

| En             |   | Conversion Factor |                         |  |   |  |  |
|----------------|---|-------------------|-------------------------|--|---|--|--|
| EIN            | ergy Source                                 | Unit Calo         | rific Value             | CO <sub>2</sub> Emission   |   |  |  |
|                | General electricity<br>utility (Day time)   | 9.97              | GJ/1,000 kWh            | Emission coefficients for<br>power utilities (used for<br>calculating greenhouse<br>gas emissions of specified<br>emitters) for FY2019 | t-CO <sub>2</sub> /1,000 kWh            |  |  |
| Electricity    | General electricity<br>utility (Night time) | 9.28              | GJ/1,000 kWh            | Emission coefficients for<br>power utilities (used for<br>calculating greenhouse<br>gas emissions of specified<br>emitters) for FY2019 | t-CO <sub>2</sub> /1,000 kWh            |  |  |
|                | Other                                       | 9.76              | GJ/1,000 kWh            | Emission coefficients for<br>power utilities (used for<br>calculating greenhouse<br>gas emissions of specified<br>emitters) for FY2019 | t-CO <sub>2</sub> /1,000 kWh            |  |  |
| A-type heavy   | oil   | 39.1              | GJ/KL                   | 2.71   | t-CO <sub>2</sub> /KL                   |  |  |
| Diesel oil     |   | 37.7              | GJ/KL                   | 2.58   | t-CO <sub>2</sub> /KL                   |  |  |
| Kerosene       |   | 36.7              | GJ/KL                   | 2.49   | t-CO <sub>2</sub> /KL                   |  |  |
| LPG            |   | 50.8              | GJ/t                    | 3.00   | t-CO <sub>2</sub> /t                    |  |  |
| City gas (13A) | )   | 44.8              | GJ/1,000 m <sup>3</sup> | 2.23   | t-CO <sub>2</sub> /1,000 m <sup>3</sup> |  |  |
| LNG            |   | 54.6              | GJ/t                    | 2.70   | t-CO <sub>2</sub> /t                    |  |  |
| Gasoline       |   | 34.6              | GJ/KL                   | 2.32   | t-CO <sub>2</sub> /KL                   |  |  |
| Steam for ind  | ustry                                       | 1.02              | GJ/GJ                   | 0.06   | t-CO <sub>2</sub> /GJ                   |  |  |

### 2 Emissions not subject to accounting

Of the emission data, both Scope 1 and Scope 2 emissions do not include emissions from small offices outside Japan. Emissions of greenhouse gasses other than  $CO_2$  are not included either, due to the small quantity.

### 3 GHG emissions from sold products

Any use of sold products will not help reduce GHS emissions.

# Bigger 2 Effective Use of Resources and Reduction of Environmental Impacts

## **3-1** Waste Reduction Targets and Achievements



### Total Waste Generation and Disposal (Group in Japan)



### 3-2 Efforts to Reduce Waste

| Name of Operating site, etc.  | Main Efforts  |
|---|---|
| Offices, sales branches, plants, etc.   | Reduce office paper consumption                         |
| Headquarters, R&D centers, etc.   | Promote the reuse of stationery, devices, and equipment |
| Cooperation between plants/research facilities and waste disposal contractors | Promote recycling work clothes and latex gloves         |

## 3-3 Appropriate Use of Water Resources

#### Volume of Water Used and Discharged (Entire Group)



#### Volume of Water Used and Discharged (Group in Japan)

Water used Water discharged Water used per basic unit of net sales (1,000m<sup>3</sup>) (1000 m<sup>3</sup>/1 billion yen) 15,000 50 12,000 40 10,311 9,867 9,856 9 4 7 6 8.894 8,002 9,000 8,797 30 7,918 7,784 7,979 6,000 20 16:8 16. 16.3 4.8 3,000 10 0 n FY2017 FY2018 FY2019 FY2020 FY2021

## **Reduction of Environmental Risks**

### **Preventing Air and Water Pollution** 4-1



### SOx Emissions (Entire Group)



**BOD** (Entire Group)

31.9

31.6

FY2018

28.3 · · · · ·

FY2019

(t)

40

30

20

10

0

\*Public water only

FY2017

#### NOx Emissions (Entire Group)









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17.0

16.1

## 4-2 Preventing Soil and Groundwater Contamination and its Countermeasures

### Progress of Measures for Soil Purification

| Office  | Overview  |
|---|---|
| Shinagawa R&D Center<br>(Shinagawa-ku, Tokyo)                         | We performed a soil investigation associated with the construction of new research facilities in accordance with a Tokyo municipal ordinance. As a result, contamination was found in a part of soil, and we therefore consult with the government and performed the necessary purification work.   |
| Site of the former<br>Yasugawa Plant (Yasu<br>City, Shiga Prefecture) | We have been continuously monitoring the groundwater since we completed on-site environmental improvement work in 2006. As a result, contamination was found in part of the soil. We are currently conducting a soil investigation in consultation with regulatory authorities to perform appropriate purification work. We also confirmed the presence of mercury used as a material for pesticides that exceeded environmental standards on the grounds of the former plant site in 1993. Since then, we have installed a robust underground storage facility in adherence to regulatory guidance to manage the soil appropriately. Although there have been no reports of leakage or health issues to date, we decided to remove the storage facility in view of increasing safety and security in the region and in response to requests from the local community. We issued a press release announcing our decision in April 2020, and we are conducting environment through measures such as temporarily setting up negative-pressure tents that cover the entire storage facility to prevent soil from scattering. |

## 4-3 Prevention of Noise, Vibration, and Offensive Odor

We conduct appropriate measures and continuous monitoring to comply with the laws and regulations related to noise, vibration, and offensive odor.

## 4-4 Usage Reduction and Emission/Transfer Control of Chemical Substances

### Emission/Transfer Chemical Substances (Group in Japan)

(Unit: metric ton; mg-TEQ for dioxins)

| Substance<br>(Annual handling amount of 1 or more<br>metric tonnes) | Handling Amount | Emission<br>(except for emission into soil) |              | Transfer Amount |                               |                           |
|---|-----------------|---|--------------|-----------------|-------------------------------|---------------------------|
|   |                 | Air   | Public Water | Sewage          | Out of Offices<br>(Recycling) | Out of Offices<br>(Other) |
| Acetonitrile  | 992.3           | 0.8   | 0.0          | 0.0             | 989.0                         | 0.0                       |
| Chloroform  | 6.6             | 0.2   | 0.0          | 0.0             | 6.3                           | 0.0                       |
| Cobalt and its compounds  | 2.4             | 0.0   | 0.0          | 0.0             | 0.0                           | 0.0                       |
| Toluene   | 455.5           | 0.5   | 0.0          | 0.0             | 455.1                         | 0.0                       |
| Cyanamide   | 5.9             | 0.0   | 0.0          | 0.0             | 0.0                           | 5.9                       |
| Triethylamine   | 104.4           | 0.2   | 0.0          | 0.0             | 104.1                         | 0.0                       |
| N-Hexane  | 1.4             | 0.0   | 0.0          | 0.0             | 1.4                           | 0.0                       |
| Total   | 1,568.5         | 1.7   | 0.0          | 0.0             | 1,555.9                       | 5.9                       |
| Dioxins   | _               | 0.000                                       | 0.000        | 0.033           | 0.000                         | 0.000                     |

### Storage and Usage of PCB Contaminants

Usage

|                                 | (units)  |
|---------------------------------|----------|
| Types of PCBs                   | Quantity |
| Capacitors                      | 0        |
| Fluorescent lamp ballasts, etc. | 0        |

### Storage

| otorage                         |           |           | (units) |  |  |
|---------------------------------|-----------|-----------|---------|--|--|
|                                 | Quantity  |           |         |  |  |
| Types of FODS                   | Heavy PCB | Light PCB | Total   |  |  |
| Capacitors                      | 0         | 0         | 0       |  |  |
| Fluorescent lamp ballasts, etc. | 0         | 0         | 0       |  |  |
| Mercury lamp ballasts           | 0         | 0         | 0       |  |  |
| Other electric devices          | 0         | 0         | 0       |  |  |
| Other polluted products         | 0         | 0         | 0       |  |  |

\* We have sorted and weighed the PCB contaminated matter and have registered the shipment to be treated by JESCO, an interim storage and environmental safety corporation. We have already disposed of all low concentration PCBs.

# 5 Climate Change and Water Risks

## 5-1 Climate Change Risk

## • Setting a Target to Reduce CO<sub>2</sub> (by 63% Compared to 2015) with Consideration for Long-Term Goals

Dailichi Sankyo Group has set a target to reduce greenhouse gases, which was approved by the Science Based Targets initiative (SBTi)\*. Our target to reduce greenhouse gases emitted through the Group's business activities falls in line with the necessary degree of reduction for keeping the average increase in global temperature below 1.5°C.

In fiscal 2021, we reduced  $CO_2$  emissions by 15.7% from fiscal 2015 levels. In terms of volume, emissions were higher than in fiscal 2020, when emissions declined with reduced activity due to the COVID-19 pandemic. We nevertheless made sufficient progress in our energy conservation measures, procurement of electricity with lower emission coefficients, and our use of renewable energy, and we remain on track to attaining our 2030 target of reducing  $CO_2$  emissions by 63% from fiscal 2015.

\*An international initiative that encourages companies to set CO<sub>2</sub> reduction targets based on scientific evidence in order to help accomplish the Paris Agreement goal of keeping the average increase in global temperature below 2°C.

### Breakdown of CO<sub>2</sub> Emissions (Entire Group)



### Disclosure based on TCFD recommendations

The Daiichi Sankyo Group announced its support for the TCFD recommendations in May 2019 and disclosed information in line with the TCFD disclosure framework, including governance and scenario analysis results in 2020. We will further reinforce our governance and business strategy with respect to climate change by promoting information disclosure in response to the revisions that were made to the TCFD recommendations in October 2021.



### Governance

The Daiichi Sankyo Group established the EHS Management Committee in an effort to protect the environment and ensure the health and safety of employees and to operate and promote management in an integrated manner. The committee is chaired by the Chief Executive Officer of EHS Management and comprise the Heads and Presidents of relevant divisions, including Directors, and the Presidents of Group companies. It meets twice a year to discuss and report on policies, target setting, and activities related to global EHS management, and it reports on the content of its deliberations and reporting to the Board of Directors, which supervises the committee's activities. In fiscal 2021, the committee discussed raising the reduction targets for CO<sub>2</sub> emissions toward achieving carbon neutrality, making effective use of renewable energy and responding to the revised TCFD recommendations, among other issues..

<Read more here>
Corporate Governance
https://www.daiichisankyo.com/about\_us/governance/
Environmental Management Promotion System
https://www.daiichisankyo.com/about\_us/responsibility/csr/business/environment/management/

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### **Risk management**

We strive to identify and address risks that may require changing our business activities, such as those related to climate change and water. The chief financial officer (CFO) oversees Groupwide risk management as the risk management officer (RMO) and conducts risk management in conjunction with the annual cycle of formulating and executing business plans. Risks with the potential to significantly affect the management of the Company are identified as material risks at the Management Executive Meeting and Board of Directors meetings. For each material risk identified, responsible persons are appointed to implement risk countermeasures in cooperation with the relevant organizations. Progress is checked through periodic monitoring twice a year, and risk countermeasures are reviewed as necessary. The EHS Management Committee plays an important role in determining the risks and opportunities presented by climate change to our business, assessing and managing the financial impact, and enhancing our resilience. Any significant risk concerns are reported to the Board of Directors and integrated into our overall risk management. In addition, the committee discusses and decides on mid-term and short-term targets and implementation plans for our transition toward carbon neutrality over the long term.

| Risk           |  |
|----------------|--|
| 1.5°C Scenario | Introduction of carbon taxes, increased costs for introducing renewable energy facilities, and reputational risk attributable to insufficient disclosure   |
| 4°C Scenario   | Supply chain disruption, temporary suspension of operations at company sites, increased air conditioning costs due to rising temperatures, and difficulty in operation due to water withdrawal risk, and reduced productivity of products derived from natural compounds |
| Opportunity    |  |
| 1.5°C Scenario | Measures to achieve Science Based Targets (SBTs)   |
| 4°C Scenario   | Contribution to diseases that will increase with climate change  |

<Source> 1.5°C Scenario, IEA WEO 2021 SDS, IEA NZE 2050; 4°C Scenario, IPCC RCP8.5

### Strategy

As the impact of various environmental factors increases, we will need to realize a sustainable society if we are to continue our corporate activities. Particularly for pharmaceuticals, which are life-related products, disruption of the supply chain due to worsening weather-related disasters and a decline in the supply capacity of pharmaceuticals are major risks, both from business and social perspectives. On the other hand, CO<sub>2</sub> emissions are characterized by low direct emissions from business activities (Scope 1 and Scope 2) and high indirect emissions from the supply chain (Scope 3). Based on this recognition, we conducted a scenario analysis to understand the impact of climate change on our businesses and to clarify the resilience of our plans.



### • Scenario Analysis for the Daiichi Sankyo Group

In fiscal 2021, we set up a cross-sectional task team to organize study sessions for relevant divisions to provide an overview of scenario analysis and the IEA and IPCC scenarios, and to consider the risks and opportunities for our business beyond 2030. Applying the IEA and IPCC scenarios, we identified risks and opportunities across our entire value chain for both the transitional and physical aspects. The risks and opportunities identified were discussed, evaluated, and approved by the EHS Management Committee. Specifically, we identified risks and opportunities in terms of procurement, direct operations, and demand for goods and services, and we classified them into six categories. We selected the 1.5°C scenario, where decarbonization is achieved, and the 4°C scenario, where decarbonization is not achieved, both provided by the IEA and IPCC , and determined that it is important to assume and prepare in advance for extreme cases with regard to both the physical and transition risks. We categorized the potential impact and resilience of our business with regard to each risk in terms of frequency of occurrence, business impact, and investor interest and conducted a comprehensive evaluation of the risks and opportunities through to 2030 and 2050 by taking into account financial impacts as well as investor perspectives.

### • Results of scenario analysis

For each value chain, we categorized the potential impact and the resilience of our business, and we conducted a comprehensive evaluation, taking into account financial impacts as well as investor perspectives.

| Scenario                           | Change in Business<br>Environment   | Risks and<br>Opportunities   | Potential Impact on Daiichi Sankyo  | Impact*  | Actions for Ensuring Daiichi Sankyo's<br>Resilience   | Business<br>Risk*   |       |
|------------------------------------|---|--|---|--|---|---|-------|
|                                    |   | Introduction of carbon taxes   | $\bullet$ Assuming that the carbon tax rises to 130 dollars /t-CO_2 as of 2030, the annual cost burden will be about 1.5 to 3.0 billion yen.  | Minor  | <ul> <li>Financial impact is limited and will be further<br/>minimized by promoting upgraded climate change<br/>measures aligned with the 1.5°C target.</li> </ul>  | Minor   |       |
| Scenario                           |   | Avoidance of the carbon tax burden by introducing renewable energy       | <ul> <li>It will be important to reduce emissions by<br/>procuring renewable energy as a countermeasure<br/>to the future introduction of carbon taxes and<br/>increase in tax rate.</li> </ul>   | Minor  | <ul> <li>Avoid the annual carbon tax burden by approximately<br/>1.6 to 3.2 billion yen as of 2030 by making active use<br/>of renewable energy.</li> <li>Shift to renewable energy for 100% of electricity used<br/>at domestic and overseas business sites by fiscal<br/>2030.</li> </ul>   | Opportunity   |       |
| 1.5°C<br>Scenario<br>(world with   | Tightening of<br>policies and<br>regulations<br>related to<br>decarbonization   | Higher cost<br>of introducing<br>renewable energy<br>facilities          | Energy sources are mainly electricity and gas.<br>Renewable electricity is already being purchased<br>in some areas.<br>Replacing all electricity used within the Group with<br>renewable energy will cost 0.3 to 0.6 billion yen<br>per year.  | Minor  | *Reduce costs by promoting our measures, as<br>additional costs for renewable energy and energy-<br>saving facilities are on a downward trend.  | Minor/<br>Opportunity   |       |
| advanced<br>transition)            |   | Higher cost of energy  | <ul> <li>Decarbonization measures will be implemented<br/>by energy utilities, but if installation and operating<br/>costs for the measures themselves increase, it<br/>may lead to higher energy procurement costs.</li> </ul>   | Minor  | * While the cost of fossil fuel-derived energy is expected to rise, the impact is currently limited.  | Minor   |       |
|                                    |   | Prices passed on<br>to procurement<br>costs                              | Reducing emissions across the supply chain<br>is important because procurement costs may<br>increase as business partners pass on their own<br>carbon tax burden to prices.   | Medium   | * Work with business partners to reduce Scope 3<br>emissions, thereby avoiding the carbon tax burden<br>and limiting the rise in procurement costs.   | Minor/<br>Opportunity   |       |
|                                    | Greater impact<br>of decarbonization<br>efforts on corporate<br>reputation  | Enhanced corporate value   | * Our decarbonization efforts are appreciated<br>by ESG investors, which will lead to enhanced<br>corporate value, including a higher stock price.  | Major  | <ul> <li>Improve our reputation by working toward a<br/>decarbonized society, proactively respond to<br/>TCFD recommendations, and disclose information<br/>that meets the expectations of shareholders and<br/>investors.</li> </ul>   | Opportunity   |       |
|                                    | Increased<br>frequency and<br>scale of weather-<br>related disasters<br>(such as heavy<br>rains, floods, and<br>typhoons) | Supply chain disruption  | <ul> <li>Heightened risk of disruptions to stable supply.</li> <li>Risk of plant shutdown or decline in sales due to<br/>the inability to produce or ship.</li> </ul>   | Major  | Strengthen inventory control to ensure stable supply<br>in the event of a disaster.     Purchase from multiple suppliers and consider<br>alternative suppliers for raw materials currently being<br>procured from a single supplier.  | Medium  |       |
|                                    |   | Temporary<br>suspension of<br>operations at<br>company sites             | Key research centers may be flooded (total cost of<br>flooding damage is approximately 9.4 billion yen).     While some of our manufacturing bases are<br>located near a river, they are unlikely to be<br>flooded. However, traffic disruption may lead to<br>temporary suspension of operations.          | Major  | Continue to strengthen our operating bases by conducting flooding risk evaluations in light of our BCP.     Strengthen our response and countermeasures for   | Minor   |       |
|                                    |   | Deadstock caused<br>by extreme weather<br>(inundation)                   | <ul> <li>Possible damage to product inventory as well<br/>as a shutdown of operations due to flooding of<br/>distribution centers and other sites.</li> </ul>   |  | verify our flood disaster manual.   |   |       |
| 4°C<br>Scenario<br>(world with     |   | Increased<br>prevalence of<br>diseases associated<br>with climate change | <ul> <li>Increased demand for pharmaceuticals related to<br/>malignant melanoma, cardiovascular, respiratory,<br/>and tropical diseases, greater demands and<br/>expectations from society.</li> <li>Potential decrease in demand for existing<br/>products due to changes in disease structure.</li> </ul> | Major  | <ul> <li>Secure production lines to meet growing demand<br/>and strengthen inventory control.</li> <li>Consider conducting research and development,<br/>along with the possibility of collaborating with external<br/>resources, to address unmet medical needs and<br/>diseases for which there is a strong social demand for<br/>treatment, including structural changes in diseases<br/>and pandemics.</li> </ul> | Medium/<br>Opportunity  |       |
| increasing<br>physical<br>impacts) | Rise in temperature   | Rise in temperature  | Increase in air conditioning costs  | <ul> <li>In principle, our operations are performed indoors<br/>at our head office, research and development<br/>bases, and manufacturing bases, so the cost of<br/>air conditioning is expected to increase as the<br/>temperature rises. However, the impact will be<br/>limited.</li> </ul> | Negligible  | Continue to improve energy efficiency, although the financial costs are within an absorbable range and their impact is small. | Minor |
|                                    |   | Increase in<br>insurance and BCP<br>costs                                | <ul> <li>Fire insurance premiums are already on the rise<br/>due to the growing severity of wind and flood<br/>damage caused by rising temperatures. However,<br/>prospects for future premium increases are<br/>limited.</li> </ul>  | Negligible   | <ul> <li>In Japan, flood frequency is expected to increase<br/>by a factor of 4 when the temperature rises by<br/>4°C. However, even if insurance premiums rise<br/>several times as a result, the financial impact will be<br/>negligible.</li> </ul>  | Minor   |       |
|                                    | Water shortages   | Temporary<br>suspension of<br>operations at<br>corporate bases           | Plants in China and Brazil are at greatest water<br>withdrawal risk and are likely to be shut down<br>because of flooding.     Possibility of unexpected short-term drought at<br>other locations.  | Medium   | Promote drought countermeasures such as installation<br>of rainwater tanks and use of recycled water.     * Consider emergency supply measures, such as<br>using other manufacturing sites and outsourcing<br>manufacturing, in line with trends in pharmaceutical<br>regulations in the event of a prolonged drought.  | Medium  |       |
|                                    | Loss of<br>biodiversity   | Reduced productivity<br>of products derived<br>from natural<br>compounds | <ul> <li>If production is halted due to unavailability of raw<br/>materials caused by the loss of biodiversity, the<br/>expected annual loss will be approximately 2.0<br/>billion yen.</li> </ul>  | Medium   | * Take prompt action before the risk materializes, as<br>we have secured several years' worth of inventories<br>for raw materials.  | Minor   |       |

\*The degree of impact is evaluated based on a scale of: Negligible (below 0.1 billion yen); Minor (between 0.1 to 5.0 billion yen); Medium (between 5.0 to 10.0 billion yen); Major (between 10.0 to 30.0 billion). Business risks are comprehensively assessed based on the degree of impact and frequency of occurrence.

While we recognize that the direct impact of transition risks on our business activities will be limited, our supply chain may be impacted by future increases in costs such as carbon taxes and transition measures. As for physical risks, there are concerns that intensifying weather disasters may affect stable supply. Based on the results of this analysis, we will address transition risks by avoiding carbon taxes and other burdens to cut costs and create business opportunities through the effective use of renewable energy, introduction of decarbonization technology, and collaboration with business partners, in addition to our ongoing energy conservation measures. With regard to physical risks, we will strengthen our BCP, including flood countermeasures, implement preventive measures to enhance supply chain stability, ensure diversity, secure supportive and alternative measures to avoid damage to the Group, and aim to sustainably increase corporate value.

The EHS Management Committee and the Board of Directors will manage the progress of important risk measures that were assessed and identified in the scenario analysis for the entire Group.

### Indicators and Targets

For each value chain, we have set up KPIs and environmental goals under the fifth five-year business plan as indicators and targets for assessing and managing the potential impact on business and climate-related risks and opportunities. In light of the progress of the fifth five-year business plan, we reviewed the KPIs related to climate change in fiscal 2021. As a result, we raised our Scope 1 and Scope 2 targets to levels aligned with a  $1.5^{\circ}$ C world. With regard to our Scope 3 target for supplier engagement, we also upgraded the CO<sub>2</sub> emission reduction targets we request our suppliers to levels aligned with the  $1.5^{\circ}$ C target.

In addition, Daiichi Sankyo has adopted a share-based compensation scheme for directors that is linked to performance under the five-year business plan, measured by the degree of achievement of ESG targets including those for climate change. With regard to internal carbon pricing, we currently operate a mechanism that verifies cost-effectiveness in the form of virtual carbon prices, targeting facilities with particularly large energy-saving potential at domestic Group companies, in which aspects such as running costs, electricity consumption, CO<sub>2</sub> emissions, and carbon taxes are taken into account. Looking ahead, we will consider shifting from this mechanism to a new system that anticipates the introduction of a carbon credit market in Japan.

<For more information>

EHS Management Policy and Environmental Management Targets under the Five-Year Business Plan (FY2021-FY2025) https://www.daiichisankyo.com/sustainability/the\_environment/climate\_strategy/

Overview of Executive Compensation System

https://www.daiichisankyo.com/about\_us/governance/compensation/

## 5-2 Water Risk

We carry out comprehensive risk evaluations based on the results of analysis of local water risks using the WWF-DEG Water Risk Filter and the survey results on water risks due to plants and research facilities.

The evaluations indicate that the operating sites with the highest water risks among our group are two plants in China, one in Brazil. Water withdraw restrictions and other strengthened regulations are considered to be major risk factors.

### Office Water Use Associated with Highest Water Risks (Volume of Water Used (Withdrawn))

| Site location  | River basin    | Volume of water used<br>(withdrawn) (1,000 m <sup>3</sup> ) | Volume of water discharged<br>(1,000 m <sup>3</sup> ) | Volume of water used<br>(1,000 m³) |
|----------------|----------------|---|---|------------------------------------|
| Bejing Plant   | Yongding River | 101.0   | 78.2  | 22.8                               |
| Shanghai Plant | Yangtze River  | 38.0  | 25.7  | 12.3                               |
| Brazil Plant   | Parana River   | 10.5  | 10.5  | 0.0                                |
| Total          |                | 149.5   | 114.4   | 35.1                               |

# 6 Initiatives for Biodiversity Conservation



### **Basic Biodiversity Principles and Action Guidelines**

### Basic Policy

- Our Basic Environmental Management Policy states that, "Safeguarding the environment is the bedrock of all Group operational management." We have therefore acted to prevent pollution and global warming and contribute to recycling. Through our initiatives, we have used biological resources properly to minimize the impacts of our operations on biodiversity and have sustainably reduced chemical and other discharges.
- We will continue striving to preserve biodiversity and respect the principles of the Convention on Biological Diversity by adhering to the following Biodiversity Action Guidelines, thereby enhancing social sustainability.

| Action Guidance   |   |
|---|---|
| 1. Actively promote to address biodiversity   | <ul> <li>Under take ongoing endeavors to avoid or reduce operational impacts on biodiversity, devoting particular</li></ul>   |
| conservation in all business activity   | attention to lowering the environmental impacts of air and water emissions and wastes.  |
| <ol> <li>Identify the biodiversity impacts of<br/>ecosystem services, using those services<br/>sustainably</li> </ol> | <ul> <li>Recognize the operational importance of ecosystem services while understanding and minimizing their impacts<br/>on biodiversity, using those services sustainably.</li> </ul>  |
| 3. Use genetically modified organisms   | <ul> <li>Maintain biosafety by continuing to responsibly use genetically modified organisms in drug discovery and</li></ul>   |
| responsibly   | production in keeping with the Cartagena Protocol on Biosafety and national laws and ordinances.  |
| <ol> <li>Access to Genetic Resources and the Fair</li></ol>   | <ul> <li>Comply with the Convention on Biological Diversity, the Bonn Guidelines, and other relevant rules to access</li></ul>  |
| and Equitable Sharing of Benefits Arising   | and utilize genetic resources of the provider countries appropriately and to share benefits arising from their  |
| from their Utilization  | utilization in a fair and equitable manner.   |
| 5. Communicate with stakeholders and<br>improve in-house awareness  | <ul> <li>Foster biodiversity preservation by communicating and liaising better with public and private entities.</li> <li>Educate employees to better understand how operations affect biodiversity and encourage internal and external efforts to safeguard biodiversity.</li> </ul> |

#### Map of Corporate Activities and Biodiversity\*1



\*1 Prepared with reference to the "Map of Corporate Activities and Biodiversity" developed by the Japan Business Initiative for Conservation and Sustainable Use of Biodiversity (JBIB)

\*2 Access to genetic resources and benefit sharing

## 6-2 Initiatives for Biodiversity Conservation

### Assessment of the biodiversity indicator called ecological footprint

We have been assessing our ecological footprint (EF), an indicator of biodiversity, jointly with experts from the NGO Global Footprint Network since fiscal 2014 to examine all environmental impacts resulting from the business activities of group companies in Japan. Moreover, we are using the assessed EF as a comprehensive indicator of environmental impacts, including those related to biodiversity, by checking and monitoring long-term changes in the relationship between the group's reduction of environmental impacts and its biodiversity conservation (trade-off).

In addition, assessing EF has been recognized as an action for achieving the Aichi Target (20 targets) that was adopted at COP10 (the 10th Meeting of the Conference of the Parties to the Convention on Biological Diversity, in Nagoya) and registered on the Nijyu-Maru Project as well.



### Implementation of WET testing

In fiscal 2021, WET test\*s were conducted as environmental impact assessments to examine water discharged from all plants and research facilities in Japan, confirming that the discharged water has no serious impact on river ecosystems.

\*A testing method that utilizes the biological responses of fish, Daphnia, and seaweed to determine the whole toxicity of discharged water.



### Ecological Footprint of Group Companies in Japan

# **Environmental Communication**

## 7-1 Main Efforts

| Efforts   | Details   |
|---|---|
| Reporting of ISO 14001 Audit Results                          | Date: Thursday, November 25, 2021<br>Time: 10:00–12:00<br>Target attendees: employees involved in the ISO 14001 internal audit<br>Video conference:<br>Agenda:<br>Report on results of the ISO 14001 surveillance audit   |
| Working Session on Combating Global Warming                   | Date: Thursday, March 23, 2022<br>Time: 13:00–15:30<br>Target attendees: employees tasked with saving energy and promotion managers<br>Video lecture:<br>Revision of the Act on Promotion of Global Warming Countermeasures and Mandatory Electronic Reporting<br>Lecture 1: Choosing Green Power for Corporate Survival<br>Lecture 2: Realizing ZEB by Renovating a Private Research Facility  |
| Lecture for Employees Involved in Environmental<br>Operations | Date: Thursday, March 10, 2022         Time: 13:30–15:30         Target attendees: employees tasked with promoting environmental management units and sites or otherwise         involved in environment-related operations         Video lecture:         The Act on Promotion of Resource Circulation for Plastics         Lecture 1: Initiatives Required of Companies under the Act on Promotion of Resource Circulation for Plastics         Lecture 2: ORIX Environmental Resources Management Corporation: An Introduction to the Waste Gasification and Reforming Process |
| Environmental Art Contest                                     | We received 1,288 applications from Group companies in and outside of Japan.<br>Categories<br>Images: 414 works from Group companies in Japan and 59 works from those outside Japan<br>"Senryu" and slogans: 802 works from Group companies in Japan and 13 from those outside Japan<br>The awards ceremony was held online on Tuesday, November 16, 2021.  |
| Environmental e-Learning 2021                                 | Theme: Achieving Carbon Neutrality and the Daiichi Sankyo Group's Environmental Management<br>Number of participants: 9,547 (participation rate: 98.1%)   |
| COOL CHOICE Program   | Period: June 14–September 3<br>Number of enrollees: 1,811   |
| Posters for raising environmental awareness                   | Posters were displayed at 140 locations.  |

## 7-2 Environment-related Awards

| Daijchi Sankvo Co. Itd    | Selected to the 2021 CDP Climate Change A List two years in a row                  |
|---------------------------|--|
| Dailetti Sankyo Oo., Etd. | Attained the CDP Supplier Engagement Rating Leaderboard for third consecutive year |

| INPUT               |                      | Unit                | Shinagawa | Kasai   | Onahama | Tatebayashi | Hiratsuka | CP Hiratsuka | Odawara | Kitamoto |
|---------------------|----------------------|---------------------|-----------|---------|---------|-------------|-----------|--------------|---------|----------|
|                     | Electricity.         | 1,000 kWh           | 24,547    | 16,853  | 16,924  | 5,450       | 34,514    | 83           | 14,106  | 40,617   |
|                     | Electricity          | GJ                  | 238,170   | 163,059 | 124,778 | 52,213      | 336,001   | 828          | 137,127 | 393,900  |
|                     | Otherse              | 1,000m <sup>2</sup> | 1,880     | 3,257   | 2,707   | 2,601       | 9,025     | 0            | 1,231   | 4,824    |
|                     | City gas             | GJ                  | 84,651    | 146,698 | 121,917 | 117,119     | 406,453   | 0            | 55,437  | 217,278  |
|                     |                      | t                   | 0         | 0       | 1       | 1           | 1         | 0            | 4       | 0        |
|                     |                      | GJ                  | 0         | 0       | 33      | 66          | 36        | 0            | 194     | 0        |
|                     | Light oil            | t                   | 0         | 0       | 0       | 0           | 0         | 0            | 1       | 5        |
|                     |                      | GJ                  | 0         | 0       | 0       | 0           | 0         | 0            | 40      | 191      |
|                     | Honwoil              | KL                  | 0         | 0       | 0       | 3           | 0         | 0            | 0       | 0        |
| Energies            | Heavy oil            | GJ                  | 10        | 0       | 0       | 117         | 0         | 0            | 0       | 7        |
|                     | Kerosene             | KL                  | 0         | 0       | 0       | 0           | 0         | 0            | 0       | 236      |
|                     |                      | GJ                  | 0         | 0       | 0       | 0           | 0         | 0            | 0       | 8,661    |
|                     | Gasoline<br>(hybrid) | KL                  | 0         | 0       | 0       | 0           | 0         | 0            | 0       | 0        |
|                     |                      | KL                  | 0         | 0       | 0       | 0           | 1         | 0            | 0       | 0        |
|                     | Gasoline             | GJ                  | 0         | 0       | 15      | 3           | 46        | 0            | 4       | 0        |
|                     | Gas oil for diesel   | KL                  | 0         | 0       | 0       | 0           | 2         | 0            | 1       | 0        |
|                     | engines              | GJ                  | 0         | 0       | 0       | 0           | 0         | 0            | 0       | 0        |
|                     | Total                | GJ                  | 322,831   | 309,757 | 246,746 | 169,518     | 742,626   | 828          | 192,824 | 620,036  |
|                     | Service water        | 1,000m <sup>3</sup> | 104       | 97      | 117     | 57          | 306       | 0            | 23      | 240      |
| Watar               | Industrial water     | 1,000m <sup>3</sup> | 0         | 0       | 5,253   | 53          | 0         | 0            | 0       | 0        |
| water               | Groundwater          | 1,000m <sup>3</sup> | 6         | 0       | 0       | 0           | 1         | 37           | 1,687   | 0        |
|                     | Total                | 1,000m <sup>3</sup> | 110       | 97      | 5,370   | 110         | 307       | 37           | 1,710   | 240      |
| Chemical substances | PRTR substances      | t                   | 0         | 0       | 0       | 0           | 0         | 0            | 0       | 0        |

### Business Activity and Input/Output in fiscal 2021 (Group in Japan: Plants and R&D Centers)

| OUTPUT        |                          | Unit                | Shinagawa | Kasai  | Onahama | Tatebayashi | Hiratsuka | CP Hiratsuka | Odawara | Kitamoto |
|---------------|--------------------------|---------------------|-----------|--------|---------|-------------|-----------|--------------|---------|----------|
|               | CO <sub>2</sub>          | t-CO <sub>2</sub>   | 13,741    | 13,600 | 12,792  | 8,040       | 33,087    | 37           | 8,056   | 27,159   |
| Airpollution  | NOx                      | t                   | 3         | 4      | 2       | 17          | 17        | 0            | 2       | 1        |
| Air poliution | SOx                      | t                   | 0         | 0      | 0       | 0           | 0         | 0            | 0       | 0        |
|               | PRTR substances          | t                   | 0         | 0      | 0       | 0           | 0         | 0            | 0       | 0        |
|               | Water discharged         | 1,000m <sup>3</sup> | 62        | 44     | 5,267   | 81          | 240       | 37           | 2,105   | 165      |
| Water         | BOD                      | t                   | 1         | 1      | 7       | 0           | 1         | 0            | 3       | 0        |
| pollution     | COD                      | t                   | 0         | 0      | 11      | 1           | 0         | 0            | 1       | 1        |
|               | PRTR substances          |                     | 0         | 0      | 0       | 0           | 0         | 0            | 0       | 0        |
|               | Generated<br>amount      | t                   | 445       | 214    | 2,629   | 393         | 1,756     | 0            | 6,069   | 1,091    |
|               | Emission                 | t                   | 445       | 214    | 2,629   | 393         | 1,375     | 0            | 2,021   | 1,091    |
| Waste         | Recycling amount         | t                   | 197       | 85     | 236     | 247         | 414       | 0            | 660     | 704      |
|               | Final disposal<br>amount | t                   | 12        | 3      | 44      | 49          | 0         | 0            | 25      | 1        |
|               | PRTR substances          |                     | 0         | 0      | 0       | 0           | 0         | 0            | 0       | 0        |

# **ESG Data (Environment)**

| Goal Reference | Classification                                   | Details   | Scope          | Unit              | FY2017  | FY2018    | FY2019  | FY2020  | FY2021    |
|----------------|--|---|----------------|-------------------|---------|-----------|---------|---------|-----------|
|                |  |   | Outside Japan  | Million yen       | 347,295 | 340,017   | 379,793 | 406,216 | 554,745   |
| Basic          | Sales  |   | In Japan       | Million yen       | 612,900 | 589,700   | 602,000 | 556,300 | 490,147   |
| Goal Reference |  |   | Entire group   | Million yen       | 960,195 | 929,717   | 981,793 | 962,516 | 1,044,892 |
|                | Employees  |   | Entire group   | Person            | 14,446  | 14,887    | 15,348  | 16,033  | 16,458    |
|                |  |   | Outside Japan  | t-CO <sub>2</sub> | 14,658  | 11,727    | 12,232  | 7,715   | 8,878     |
|                |  | Sales vehicles  | In Japan       | t-CO <sub>2</sub> | 6,193   | 5,947     | 5,617   | 4,337   | 4,636     |
|                |  |   | Entire group   | t-CO <sub>2</sub> | 20,851  | 17,674    | 17,849  | 12,051  | 13,513    |
|                |  |   | Outside Japan  | t-CO <sub>2</sub> | 6,726   | 5,512     | 4,013   | 3,801   | 2,877     |
|                |  | Offices   | In Japan       | t-CO <sub>2</sub> | 6,236   | 5,780     | 5,368   | 4,972   | 4,970     |
|                | Energy-originated CO2                            |   | Entire group   | t-CO <sub>2</sub> | 12,962  | 11,292    | 9,381   | 8,773   | 7,847     |
|                | emissions  |   | Outside Japan  | t-CO <sub>2</sub> | 37,509  | 38,018    | 38,304  | 30,944  | 35,867    |
|                |  | Plants and R&D centers  | In Japan       | t-CO <sub>2</sub> | 134,625 | 126,107   | 123,825 | 121,263 | 127,824   |
|                |  |   | Entire group   | t-CO <sub>2</sub> | 172,134 | 164,125   | 162,129 | 152,207 | 163,695   |
|                |  |   | Outside Japan  | t-CO <sub>2</sub> | 58,893  | 55,257    | 54,549  | 42,459  | 47,621    |
|                |  | Total   | In Japan       | t-CO <sub>2</sub> | 147,054 | 137,834   | 134,810 | 130,572 | 137,430   |
|                |  |   | Total          | t-CO <sub>2</sub> | 205,947 | 193,091   | 189,359 | 173,031 | 185,055   |
|                | Non–energy oriented CO <sub>2</sub><br>emissions | Incinerator   | Entire group   | t-CO <sub>2</sub> | 3,731   | 3,083     | 8,282   | 9,835   | 6,344     |
|                | Total of CO2 emissions                           | Total   | Entire group   | t-CO <sub>2</sub> | 209,678 | 196,174   | 197,641 | 182,865 | 191,399   |
|                |  |   | Outside Japan  | t-CO <sub>2</sub> | 23,823  | 20,998    | 21,814  | 17,682  | 19,512    |
|                |  | Scope 1   | In Japan       | t-CO <sub>2</sub> | 84,283  | 79,505    | 78,597  | 69,103  | 68,736    |
|                |  |   | Total          | t-CO <sub>2</sub> | 108,106 | 100,503   | 100,411 | 86,785  | 88,249    |
|                |  | Scope 2   | Outside Japan  | t-CO <sub>2</sub> | 35,069  | 34,239    | 32,735  | 34,612  | 28,112    |
|                | CO2 emissions by<br>Greenhouse Gas Protocol      |   | In Japan       | t-CO <sub>2</sub> | 85,382  | 79,901    | 73,889  | 61,468  | 75,038    |
|                |  |   | Total          | t-CO <sub>2</sub> | 120,451 | 114,140   | 106,624 | 96,080  | 103,150   |
|                |  | Category 1: Purchased goods and services  | In Japan       | t-CO <sub>2</sub> | 646,985 | 644,322   | 612,885 | 609,954 | 513,874   |
|                |  | Category 2: Capital goods   | In Japan       | t-CO <sub>2</sub> | 50,017  | 89,891    | 46,950  | 85,081  | 105,208   |
| CO2            |  | Category 3: Activities related to<br>fuel and energy (not included in<br>Scopes 1 or 2) | In Japan       | t-CO <sub>2</sub> | 6,364   | 6,058     | 11,088  | 20,241  | 25,607    |
|                |  | Category 4: Upstream<br>transportation and distribution                                 | In Japan       | t-CO <sub>2</sub> | 9,571   | 8,960     | 8,549   | 8,548   | 894       |
|                |  | Category 5: Waste generated in operations   | In Japan       | t-CO <sub>2</sub> | 7,657   | 9,955     | 9,532   | 10,144  | 7,640     |
|                |  | Category 6: Business travel   | In Japan       | t-CO <sub>2</sub> | 16,193  | 15,164    | 30,271  | 6,048   | 7,658     |
|                |  | Category 7: Employee  | In Japan       | t-CO <sub>2</sub> | 3,057   | 2,779     | 3,711   | 3,776   | 2,736     |
|                |  | Category 9: Downstream  | In Japan       | t-CO <sub>2</sub> | 21,723  | 16,867    | 16,227  | 14,722  | 11,202    |
|                |  | Category 12: End-of-life  | In Japan       | t-CO <sub>2</sub> | 1,681   | 1,939     | 1,810   | 1,824   | 1,712     |
|                |  | Category 13: Downstream   | In Japan       | t-CO <sub>2</sub> | 6,943   | 3,562     | 2,913   | 2,913   | 2,913     |
|                |  | Scope 3   | In Japan       | t-CO <sub>2</sub> | 770,193 | 799,497   | 743,936 | 759,592 | 679,444   |
|                |  | Scopes 1 + 2 + 3  | Total in Japan | t-CO <sub>2</sub> | 998,750 | 1,014,140 | 950,971 | 942,457 | 870,843   |
|                |  | Shinagawa   | In Japan       | t-CO <sub>2</sub> | 17,091  | 16,834    | 16,152  | 12,945  | 13,741    |
|                |  | Kasai   | In Japan       | t-CO <sub>2</sub> | 16,201  | 15,459    | 14,903  | 13,643  | 13,600    |
|                |  | Daiichi Sankyo Propharma  | In Japan       | t-CO <sub>2</sub> | 36,455  | 35,873    | 36,441  | 33,180  | 33,087    |
|                |  | Daiichi Sankyo Propharma  | In Japan       | t-CO <sub>2</sub> | 18,879  | 18,470    | 9,451   | 0       | 0         |
|                |  | Daiichi Sankyo Chemical Pharma<br>(Onahama)   | In Japan       | t-CO <sub>2</sub> | 9,016   | 8,871     | 8,010   | 7,504   | 12,792    |
|                | Emissions by group site in Japan                 | Daiichi Sankyo Chemical<br>Pharma (Tatebayashi)*2                                       | In Japan       | t-CO <sub>2</sub> | 6,701   | 7,250     | 8,220   | 8,231   | 8,040     |
|                |  | Dalichi Sankyo Chemical   | In Japan       | t-CO.             | 161     | 110       | 57      | 37      | 37        |
|                |  | Pharma (Hiratsuka)  | In Japan       | t-CO <sub>2</sub> | 9,017   | 8,677     | 10,554  | 9,654   | 8,056     |
|                |  | Asubio Pharma   | In Janan       | t-C:O             | 1 825   | 0         | 0       | 0       | 0         |
|                |  | Daiichi Sankyo Biotech Co.,   | In Japan       | t-CO <sub>2</sub> | 35,159  | 33,034    | 29,488  | 25,125  | 27,159    |

| Goal Reference   | Classification  | Details                            | Scope         | Unit                | FY2017    | FY2018    | FY2019    | FY2020    | FY2021    |
|--|---|------------------------------------|---------------|---------------------|-----------|-----------|-----------|-----------|-----------|
|  |   | <b>-</b>                           | Entire group  | 1,000kWh            | 233,166   | 216,865   | 209,678   | 202,174   | 211,232   |
| Goal Reference         Energy         Energy         Water         resources         Air pollution         PRTR         substances         VOC |   | Electricity                        | Entire group  | GJ                  | 2,270,529 | 2,108,908 | 2,039,611 | 1,957,586 | 2,033,636 |
|  |   | 0.1                                | Entire group  | 1,000m <sup>3</sup> | 37,117    | 35,388    | 33,095    | 28,852    | 30,347    |
|  |   | City gas                           | Entire group  | GJ                  | 1,671,450 | 1,593,608 | 1,490,315 | 1,306,634 | 1,366,558 |
|  |   |                                    | Entire group  | t                   | 62        | 59        | 59        | 53        | 61        |
|  |   | LPG                                | Entire group  | GJ                  | 3,152     | 2,989     | 2,989     | 2,675     | 3,094     |
|  |   |                                    | Entire group  | t                   | 0         | 0         | 0         | 0         | 0         |
|  |   | LNG                                | Entire group  | GJ                  | 0         | 0         | 0         | 0         | 0         |
|  |   |                                    | Entire group  | KL                  | 1,795     | 261       | 141       | 228       | 150       |
| _  | Energy consumption by group companies in Japan                  | Light oil                          | Entire group  | GJ                  | 67,661    | 63,835    | 64,652    | 55,749    | 64,828    |
| Energy   | group companies in oapan  |                                    | Entire group  | KL                  | 11        | 10        | 0         | 0         | 0         |
|  |   | Heavy oil                          | Entire group  | GJ                  | 414       | 377       | 0         | 0         | 0         |
|  |   |                                    | Entire group  | KL                  | 278       | 320       | 276       | 228       | 236       |
|  |   | Kerosene                           | Entire group  | GJ                  | 10,203    | 11,745    | 10,129    | 8,368     | 8,661     |
|  |   | Steam                              | Entire group  | GJ                  | 45,833    | 48,894    | 48,793    | 42,330    | 35,836    |
|  |   | Gasoline                           | Entire group  | KL                  | 7,247     | 7,222     | 7,243     | 4,895     | 5,615     |
|  |   | (Plants and R&D centers)           | Entire group  | GJ                  | 250,748   | 200,323   | 196,152   | 126,087   | 139,951   |
|  |   | Gasoline                           | Entire group  | GJ                  | 5,683     | 978       | 0         | 43        | 135       |
|  |   | (Business-use vehicles)            | Entire group  | GJ                  | 4,327,129 | 4,031,656 | 3,852,642 | 3,674,905 | 3,652,698 |
|  | Fluorocarbons   | Total                              | In Japan      | t-CO2               | 546       | 977       | 1,207     | 1,056     | 260       |
|  |   | Water used                         | Entire group  | 1,000m <sup>3</sup> | 10,828    | 10,393    | 9,356     | 8,395     | 8,486     |
| Water<br>resources   | Water used and discharged                                       | Effective water use volume         | Entire group  | 1,000m <sup>3</sup> | 545       | 584       | 245       | 282       | 22        |
|  |   | Water discharged                   | Entire group  | 1,000m <sup>3</sup> | 10,283    | 9,809     | 9,111     | 8,107     | 8,464     |
|  | Water used in water-<br>stressed regions                        | Water used                         | Entire group  | 1,000m <sup>3</sup> | 215       | 213       | 160       | 154       | 35        |
|  |   | BOD                                | Entire group  | t                   | 31.9      | 31.6      | 28.3      | 28.3      | 27.1      |
|  | Water pollution loads   | COD                                | Entire group  | t                   | 20.7      | 18.8      | 20.0      | 16.1      | 17.0      |
|  |   | Waste generated                    | In Japan      | t                   | 14,682    | 14,684    | 17,371    | 17,362    | 12,598    |
|  |   | Waste treated externally           | In Japan      | t                   | 10,281    | 10,933    | 10,421    | 9,979     | 8,168     |
|  |   | Waste recycled                     | In Japan      | t                   | 3,771     | 3,045     | 3,744     | 5,024     | 5,066     |
|  |   | Recycling rate                     | In Japan      | %                   | 36.7      | 27.8      | 35.9      | 50.6      | 62.0      |
|  |   | Final disposal                     | In Japan      | t                   | 63        | 74        | 50        | 113       | 72        |
| Energy Water resources Waste Air pollution Air pollution PRTR substances   |   | Final disposal rate                | In Japan      | %                   | 0.43      | 0.51      | 0.29      | 0.65      | 0.57      |
|  | Waste   | Waste treated externally           | Outside Japan | t                   | 2,065     | 2,360     | 1,944     | 1,957     | 1,830     |
|  |   | Waste recycled                     | Outside Japan | t                   | 1,014     | 950       | 1,032     | 1,184     | 1,183     |
|  |   | Final disposal                     | Outside Japan | t                   | 778       | 952       | 535       | 621       | 621       |
|  |   | Waste treated externally           | Entire group  | t                   | 12,346    | 13,293    | 12,366    | 11,936    | 9,998     |
|  |   | Waste recycled                     | Entire group  | t                   | 4,786     | 3,995     | 4,776     | 6,208     | 6,249     |
| Waste  |   | Final disposal                     | Entire group  | t                   | 840       | 1,027     | 584       | 734       | 693       |
|  |   | SOx emissions                      | Entire group  | t                   | 0.5       | 1.5       | 1.3       | 1.5       | 1.0       |
| Air pollution  | Air pollutant emissions   | NOx emissions                      | Entire group  | t                   | 42.0      | 45.3      | 51.1      | 47.1      | 51.4      |
|  | Amounts handled   |                                    | In Japan      | t                   | 1,278     | 1,798     | 2,301     | 2,064     | 2,063     |
|  | Amounts discharged and transferred (Air)                        |                                    | In Japan      | t                   | 5         | 7         | 4         | 3         | 3         |
|  | Amounts discharged and transferred (Water)                      |                                    | In Japan      | t                   | 0         | 0         | 0         | 0         | 0         |
| substances   | Amounts discharged and transferred (Sewers)                     |                                    | In Japan      | t                   | 0         | 0         | 0         | 0         | 0         |
|  | Amounts discharged and transferred (Water + sewers)             |                                    | In Japan      | t                   | 0         | 0         | 0         | 0         | 0         |
| Energy Energy Water resources Waste Air pollution PRTR substances VOC  | Amounts discharged and transferred (Waste)                      |                                    | In Japan      | t                   | 1,211     | 1,626     | 2,040     | 1,862     | 1,861     |
| VOC  | 100 VOCs specified by<br>Japan's Ministry of the<br>Environment | Amount emitted into the atmosphere | In Japan      | t                   | 1.4       | 1.1       | 1.5       | 1.5       |           |

| Goal Reference                                | Classification                                     | Details   | Scope            | Unit                                | FY2017 | FY2018 | FY2019 | FY2020 | FY2021 |
|---|--|---|------------------|-------------------------------------|--------|--------|--------|--------|--------|
|   |  | Glass bottle (colorless)                              | In Japan         | t                                   | 158    | 159    | 153    | 203    | 172    |
|   |  | Glass bottle (brown)                                  | In Japan         | t                                   | 266    | 266    | 267    | 252    | 200    |
| Goal Reference<br>Containers and<br>packaging | Containers and packaging<br>collected and recycled | PET plastic bottles                                   | In Japan         | t                                   | 0.3    | 0.3    | 0.1    | 0.1    | 1.0    |
|   | (obligatory recycling amount)                      | Plastic containers and packaging                      | In Japan         | t                                   | 1,341  | 1,386  | 1,309  | 1,265  | 1,205  |
|   |  | Paper containers and packaging                        | In Japan         | t                                   | 42     | 43     | 43     | 39     | 31     |
|   |  | Total   | In Japan         | t                                   | 1,807  | 1,854  | 1,772  | 1,365  | 1,609  |
|   | CO <sub>2</sub> carbon intensity                   | CO2 Emissions/Group Sales                             | Entire group     | t-CO <sub>2</sub> /<br>million yen  | 0.238  | 0.231  | 0.211  | 0.190  | 0.189  |
|   | CO <sub>2</sub> environmental efficiency           | Group Sales/CO <sub>2</sub> Emissions                 | Entire group     | million yen/<br>t-CO <sub>2</sub>   | 4.20   | 4.33   | 4.74   | 5.26   | 5.28   |
|   | CO <sub>2</sub> environmental efficiency index     | Relative to the value of 100 for the base year FY2015 | Entire group     | -                                   | 105    | 109    | 119    | 132    | 132    |
|   | Waste generation intensity                         | Waste generated/Group Sales                           | Entire group     | t/<br>million yen                   | 0.013  | 0.014  | 0.013  | 0.012  | 0.010  |
|   | Waste and environmental efficiency                 | Group Sales/Waste generated                           | Entire group     | million yen/t                       | 77.8   | 69.9   | 79.4   | 81.0   | 104.5  |
| Intensity                                     | Waste and environmental efficiency index           | Relative to the value of 100 for the base year FY2015 | Entire group     | -                                   | 140    | 126    | 143    | 146    | 188    |
|   | Water use intensity                                | Water consumption/Group Sales                         | Entire group     | 1,000m³/<br>million yen             | 0.011  | 0.011  | 0.010  | 0.009  | 0.008  |
|   | Water and environmental efficiency                 | Group Sales/Water consumption                         | Entire group     | million yen/<br>1,000m <sup>3</sup> | 88.7   | 89.5   | 104.9  | 114.8  | 123.1  |
|   | Waste and environmental efficiency index           | Relative to the value of 100 for the base year FY2015 | Entire group     | -                                   | 112    | 113    | 133    | 146    | 156    |
|   | CO <sub>2</sub> carbon intensity<br>(Employees)    | CO <sub>2</sub> Emissions/Employees                   | Entire group     | t-CO <sub>2</sub> /<br>person       | 15.8   | 14.4   | 13.5   | 11.4   | 12.0   |
|   | PRTR emission intensity<br>(sales)                 | PRTR emissions (air, water)/<br>Sales (billion yen)   | In Japan         | 10,000<br>sheets/<br>billion yen    | 2.0    | 2.8    | 3.4    | 3.3    | 3.8    |
|   | Status of acquisition of ISO                       |   | Outside<br>Japan | sites                               | 6      | 6      | 6      | 5      | 5      |
| Management                                    | 14001 certification                                | Number of sites certified                             | In Japan         | sites                               | 1      | 4      | 5      | 5      | 5      |
| Containers and packaging                      |  |   | Entire group     | sites                               | 7      | 10     | 11     | 10     | 10     |

\*1: Includes Daiichi Sankyo Co., Ltd., Daiichi Sankyo Chemical Pharma Co., Ltd., and Daiichi Sankyo Happiness Co., Ltd
 \*2: Includes Daiichi Sankyo Co., Ltd.
 \*Plant was sold to another company in October 2019.



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