



Daiichi Sankyo Group Environmental Data Book 2023

Position of This Book

The information of this book complements Daiichi Sankyo Group Value Report 2023 and the environmental data on our website. Please see them in addition.

Contents

1 Environmental Management System	P 1	6 Initiatives for Biodiversity Conservation	P 15
2 Conserving Energy and Combatting Global Warming	P 6	7 Environmental Communication	P 17
3 Effective Use of Resources and Reduction of Environmental Impacts	P 9	8 Site Data	P 18
4 Reduction of Environmental Risks	P 10	9 ESG Data (Environment)	P 19
5 Climate Change and Water Risks	P 11		

Daiichi Sankyo Group EHS Policy

The Daiichi Sankyo Group has established a global policy to express its commitment to protecting the environment and ensuring the health and safety of our employees as fundamental corporate responsibilities.

The Daiichi Sankyo Group has implemented EHS initiatives based on the recognition that protecting the environment and ensuring the health and safety of our employees throughout every aspect of its corporate activities constitutes key management issues.

We comply with the related applicable laws and regulations of each country as well as international agreements for protecting the environment and ensuring the health and safety while setting even higher goals that we strive to exceed.

We maintain a management system, in which organizational roles and responsibilities are clearly defined for continuous improvement as a means of thoroughly protecting the environment and ensuring the health and safety of our employees.

We strive to increase the knowledge of our employees through training and educational activities in order to raise their awareness of the need and means for environmental issues and concerns.

We actively communicate information to stakeholders on the Daiichi Sankyo Group's efforts to protect the environment and ensure the health and safety of our employees.

Basic Environmental Management Policy

1. 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.

1 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.

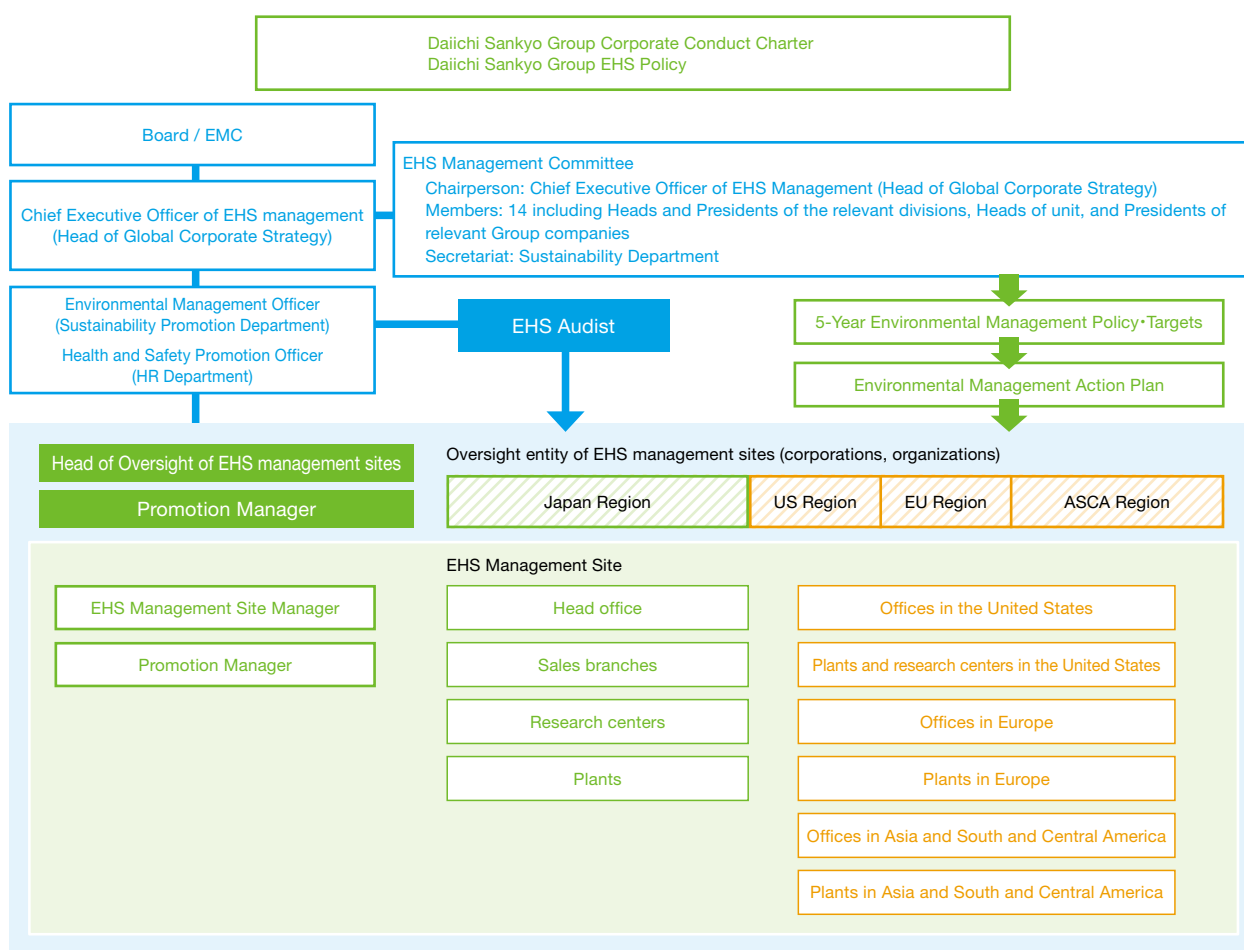
EHS Management Policy and Environmental Management Target (FY2021-FY2025)

EHS Management Policy	Environmental Management Target
Lower the environmental impact of our operations and supply chain by conserving energy and resources, and reducing greenhouse gas emissions and waste.	<ul style="list-style-type: none"> • CO₂ emissions (Scope 1 + Scope 2): 42% reduction from FY2015 • CO₂ emissions intensity based on sales (Scope3, Cat1): 15% reduction from FY2020 • Business partner engagement (Scope 3, Cat 1): more than 70% of business partners set targets aligned with the 1.5°C scenario • Energy consumption intensity based on sales : 30% reduction from FY2015 • Waste emission intensity based on sales : 10% reduction from FY2020 • Promote waste reduction and recycling
Realize a sustainable society by taking a leading role in addressing environmental issues such as climate change, resource recycling, water risk and biodiversity.	<ul style="list-style-type: none"> • Renewable electricity utilization rate: more than 60% utilization rate • Water consumption intensity based on sales : 10% reduction from FY2020 • Waste plastic recycling rate: Over 70% maintained • Flood disaster manual maintenance rate: 100% at research laboratories and production sites in Japan • Promotion of Innovative Environmental Technologies for Decarbonized Community • Continuing Reduction of Pollutant Emissions to Atmosphere and Water Area • Promotion of the sustainable use of ecosystem services and resources
Minimize EHS risks by complying with related laws and continual improvement of management systems.	<ul style="list-style-type: none"> • Disposal of hazardous waste: 10% reduction from FY2020 • ISO14001 acquisition rate: 100% at manufacturing sites • Establishment of EHS management system • Implementation of periodic EHS audits • Reducing EHS Risks through Collaboration with Supply Chains
Encourage employees to practice EHS by internal communication such as EHS education and enlightening activities.	<ul style="list-style-type: none"> • Education and awareness-raising for the prevention of environmental accidents • Education for all employees and professional training in EHS • Measures to improve employee motivation related to EHS
Ensure the reliability from society by enhancing information to disclose and enhancing communication with stakeholders.	<ul style="list-style-type: none"> • 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 Head of Global Corporate Strategy, of Daiichi Sankyo serves as the The Head of EHS Management 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 "Oversight entity of EHS management sites" that deliberates on business activities, and each "Oversight entity of EHS management sites" establishes an "EHS Management Site" and discusses regions and functions as necessary while overseeing targets. In addition, we have established the EHS Management Committee, chaired by The Head of EHS Management of environmental 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 Environmental Auditing

Operating Sites Subject to an Environment Audit in Fiscal 2022

Company	Operating Site and Branches
Daiichi Sankyo	Sales Branches (Sapporo Branch, Tohoku Branch, Tokai Branch, Kyoto Branch, Kansai Branch, Kyusyu Branch)
Daiichi Sankyo Propharma	Hiratsuka site
Daiichi Sankyo Chemical Pharma	Tatebayashi site

Company	Operating Site and Branches
Daiichi Sankyo Altkirch Sarl	Altkirch Plant
Daiichi Sankyo Europe	Pfaffenhofen Plant

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

1-5 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 2023)

	Company	Site	ISO 14001 Acquisition Period
Daiichi Sankyo Group (multisite certification)	Daiichi Sankyo Co., Ltd.	Sustainability Department	January, 1998
		Pharmaceutical Technology Division (Hiratsuka)	
		Biologics Division (Tatebayashi)	
	Daiichi Sankyo Propharma Co., Ltd.	Hiratsuka Plant	
		Technology Department	
	Daiichi Sankyo Chemical Pharma Co., Ltd.	Onahama Plant	
		Tatebayashi Plant	
		Biologics Technology Department (Tatebayashi)	
		Odawara Plant	
	Daiichi Sankyo Biotech Co., Ltd.	Technology Department (Onahama, Hiratsuka, Odawara)	
		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
ISO 14001 Certification Acquisition Rate of Production Sites (on the basis of FY2022 CO ₂ emissions)		Japan	100%
		Entire group	86.3%

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

1-6 Environmental Supply Chain Management

Main Efforts	Details
Setting of Sustainable procurement standards	<p>We request that our business partners make efforts based on the Sustainable procurement standards of the Group. The environment-related items in the Sustainable procurement standards are as follows.</p> <p>(1) Reinforce the environmental management system (2) Consider product safety (3) Reinforce green procurement (4) Respond to biodiversity conservation</p>
Cooperation with Suppliers	<p>We ascertain the amount of CO₂ emissions from our major suppliers and how much water they use. We also ask of any supplier that has no CO₂ reduction target to set one as a good opportunity for improvement. These efforts are based on the Science Based Targets* initiative.</p> <p>*An international initiative that calls on companies to set CO₂ emission reduction targets in line with scientific evidence to achieve the Paris Agreement target of keeping the average global temperature increase below 2°C compared to pre-industrial levels.</p>
Cooperation with logistics partners	<p>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.</p>
Cooperation for environment audit	<p>Partner companies storing and delivering our products and promotional goods cooperate for the environment audit on environment-related laws and regulations including waste management.</p>

1-7 Emergency Preparedness and Response

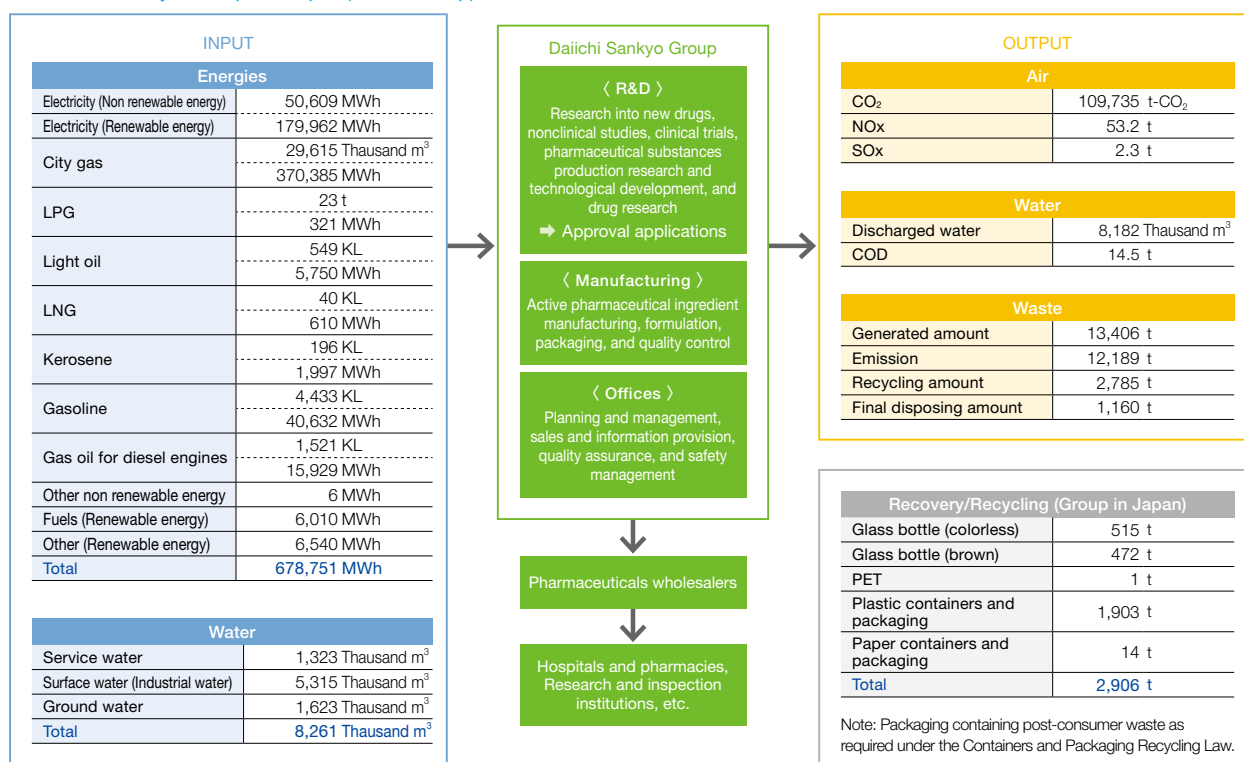
Plants and research facilities with particularly high environmental risks have protocols to prepare for and respond to emergencies, including prevention and mitigation of environmental pollution due to disasters and accidents. They also conduct periodic education and emergency drills while maintaining 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 (Possible accidents/incidents)	Number of Emergency Drills	Total Number of Participants
Daiichi Sankyo	Shinagawa R&D Center	Large-scale earthquake, fire, emergency report, emergency meal-serving drill, and confirmation of employees' safety	6	1,545
	Kasai R&D Center	Large-scale earthquake, fire, emergency report, emergency meal-serving drill, and confirmation of employees' safety	8	854
Daiichi Sankyo Propharma	Hiratsuka Plant	Leakage, exposure to high potency chemicals, emergency report	55	1,044
Daiichi Sankyo Chemical Pharma	Onahama Plant	Large-scale earthquake, wind and flood damage, and leakage and emergency contact	23	1,530
	Tatebayashi Plant	Large-scale earthquake, fire, flooding, leakage, Loss of specific chemicals	22	785
	Odawara Plant	Large-scale earthquake, fire, leakage, emergency report, emergency meal-serving drill, and confirmation of employees' safety	56	695
Daiichi Sankyo Biotech	Kitamoto Site	Large-scale earthquake, fire, flooding, emergency report, emergency meal-serving drill, and confirmation of employees' safety	7	977

1-8 Business Activity and Environmental Performance

Business Activity and Input/Output (Entire Group)



1-9 Environmental Accounting

Environment Conservation Cost (Group in Japan)

Unit: million yen

Environmental Item	FY2021		FY2022	
	Investment	Cost	Investment	Cost
Pollution Prevention Cost	10	72	102	68
Global Environmental Conservation Cost	1,921	278	490	327
Resource Circulation Cost	3	306	4	360
Upstream / Downstream Costs		59	0	65
Administration Cost	5	620	0	651
R&D Cost		30	0	50
Social Activity Cost		0	0	0
Environmental Remediation Cost		1,038	0	37
Total	1,940	2,403	596	1,557

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

Economic Benefit (Group in Japan)

Unit: million yen

	FY2022
Value of sales of valuables	0.1

Environmental Conservation Benefit (Group in Japan)

	Unit	FY2021	FY2022	Increase/Decrease Compared to the Previous Year	Increase/Decrease Rate Compared to the Previous Year
Total volume of energy consumed	GJ	2,779,450	2,793,593	14,143	0.5%
Water consumed	Thousand m ³	7,979	7,860,312	△ 119	△ 1.5%
PRTR substances used	t	1,570	2,074	504	32.1%
CO ₂ emission	t-CO ₂	143,774	63,098	△ 80,676	△ 56.1%
Total volume of waste	t	12,598	13,406	808	6.4%
Waste emissions (=Outsourced treating volume)	t	8,168	10,346	2,177	26.7%
Volume of recycled waste	t	2,542	1,660	△ 881	△ 34.7%
Final disposing amount of waste	t	134	466	332	247.7%
Recycling rate	%	31.1	16.1	—	△ 15.1%
Recovered or recycled volume of containers and packages	t	1,609	2,906	1,297	80.6%
SOx emissions	t	45.84	47.51	1.7	3.6%
NOx emissions	t	1	1	0	30.6%

2 Conserving Energy and Combatting Global Warming

2-1 Our Basic Stance

As a responsible corporate activity for climate change, we have set a long-term CO₂ emission target of -63% (1.5°C target) by 2030 based on the "Science Based Targets (SBTi)"^{*1} approach, which is aligned with the "2°C target" of the Paris Agreement, and have been certified as the 1.5°C target by the SBTi in 2023.

Accordingly, the CO₂ emissions target for FY2025, the final year of 5 Year Business Management Plan, has been revised from -25% to -42% from fiscal 2015 levels.

In January 2023, solar energy equipment installed at Shanghai Plant in China will officially begin operation, supplying the equivalent of annual electricity consumed in the office building of the plant, which is expected to reduce CO₂ emissions by 300 tonnes per year.

In fiscal 2021, CO₂ emissions totaled 109,739tonnes (down 49.6% from fiscal 2015 levels). We have worked on not only "actions to mitigate" CO₂ 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.

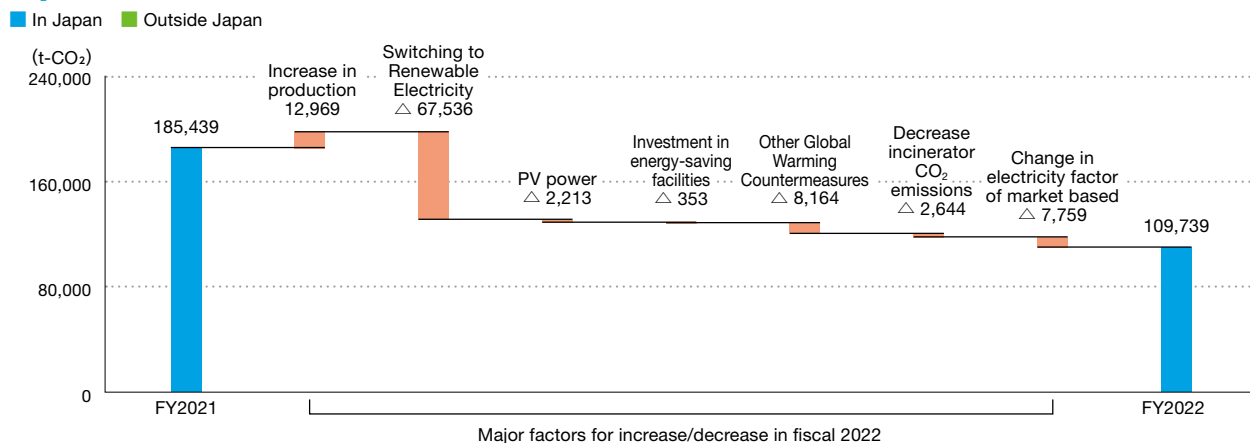
In July 2021, we joined RE100^{*2}, which aims to meet 100% of the electricity needs of business activities with renewable energy.

^{*1} An international initiative that encourages companies to set CO₂ 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

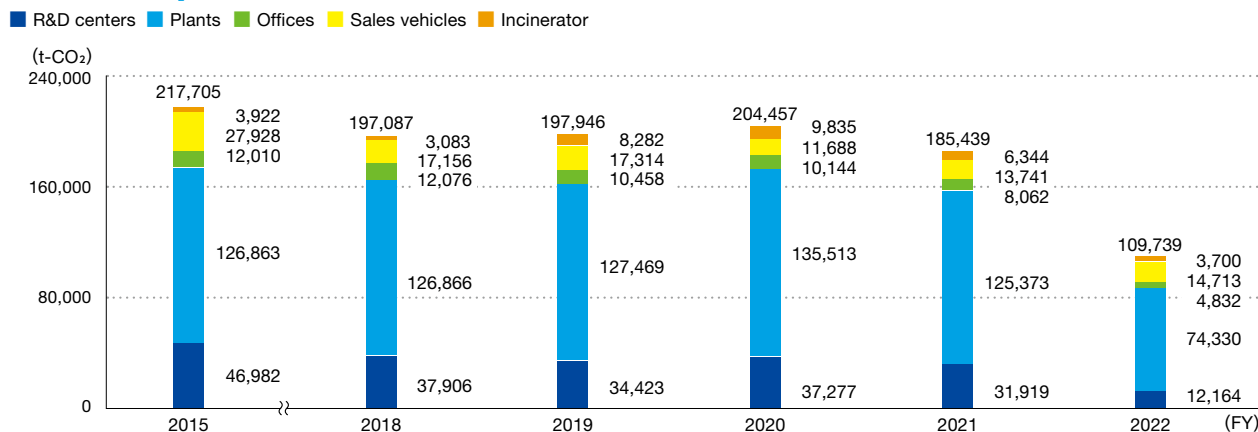
^{*2} A global initiative that promotes 100% use of renewable electricity by businesses. The initiative is sponsored by The Climate Group, an international NPO, and the CDP, which urges companies to disclose information related to climate change.

2-2 Target and Result of CO₂ Emissions Reduction

CO₂ Emissions by Factors for Increase/Decrease (Entire Group)



Breakdown of CO₂ Emissions (Entire Group)



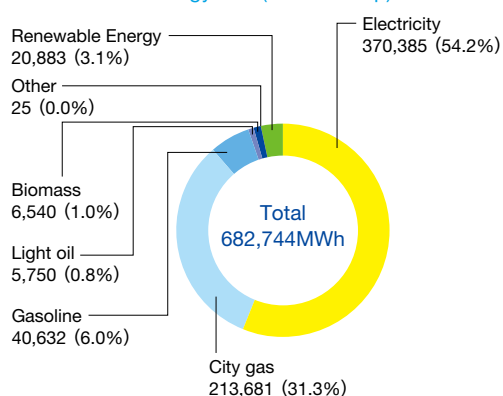
2-3 Supply Chain GHG Emission (Scope 3) (Entire Group)

Sources	CO ₂ emissions (t-CO ₂) FY2021	CO ₂ emissions (t-CO ₂) FY2022	Increase/Decrease Rate Compared to the Previous Year	Emissions Calculation Methodology
Purchased goods and services	1,687,965	1,892,504	12.12%	The figures are calculated by multiplying the emission basic unit based on guidelines* by the purchase amount.
Capital goods	148,989	161,326	8.28%	It computed based on the investment of the fixed assets and CO ₂ emission coefficients of the guidelines* issued by Ministry of Environment and Ministry of Economy, Trade and Industry.
Fuel-and-energy-related activities (not included in Scope 1 or 2)	20,133	24,051	19.46%	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.
Upstream transportation and distribution	29,281	47,270	61.43%	In accordance with guidelines*, etc., the figures are calculated with the transportation cost based on the fuel consumption method.
Waste generated in operations	8,147	10,517	29.08%	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.
Business travel	13,329	34,473	158.62%	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.
Employee commuting	9,546	10,624	11.29%	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.
Upstream leased assets	—	—	—	It is irrelevant because all emissions from the leased assets are counted in Scopes 1 and 2.
Downstream transportation and distribution	13,817	14,163	2.51%	The emission basic unit of sales at wholesalers is estimated based on the sales of major pharmaceutical wholesalers and the CO ₂ emissions. The figures are calculated based on the total sales of the pharmaceutical wholesalers and our ratio of the sales volume.
Processing of sold products	—	—	—	There is no energy use for processing of sold products, because of the characteristic of medical supplies. Therefore, it is estimated irrelevant.
Use of sold products	—	—	—	There is no energy use for product use, because of the characteristic of medical supplies. Therefore, it is estimated irrelevant.
End of life treatment of sold products	2,501	2,747	9.85%	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.
Downstream leased assets	2,913	2,820	△3.19%	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.
Franchises	—	—	—	Since we have no franchise, it is irrelevant.
Investments	6,134	5,485	△10.59%	CO ₂ emissions were calculated pro rata based on the Company's shareholding in the shares held.
Total	1,942,756	2,205,979	13.55%	

* 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)

2-4 Breakdown of Energy Use

Breakdown of Energy Use (Entire Group)



2-5 Using Renewable Energy

Renewable Energy Usage and Breakdown

Types of Renewable Energy	Power Supply (MWh)	Remarks
Solar energy generation	4,676	Electricity generated by solar energy equipment installed in plants and research facilities.
Hydroelectric power generation	31,120	Purchased by our Group companies in Japan, Germany and Brazil.
Biomass heat	6,540	Purchased by our group companies in Germany.
Other renewable energies	144,658	Purchased by group companies in Japan, Spain, Portugal, Austria, Brazil and other countries.

2-6 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 CO₂ 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

Energy Source		Conversion Factor			
		Unit Calorific Value		CO ₂ Emission	
Electricity	General electricity utility (Day time)	—	—	Emission Factors by Electricity Supplier (Released on January 24, 2023)	t-CO ₂ /MWh
	General electricity utility (Night time)	—	—	Emission Factors by Electricity Supplier (Released on January 24, 2023)	t-CO ₂ /MWh
	Other	—	—	Emission Factors by Electricity Supplier (Released on January 24, 2023)	t-CO ₂ /MWh
A-type heavy oil			kWh/KL	2.71	t-CO ₂ /KL
Diesel oil			kWh/KL	2.58	t-CO ₂ /KL
Kerosene			kWh/KL	2.49	t-CO ₂ /KL
LPG			kWh/t	3.00	t-CO ₂ /t
City gas (13A)			kWh/Thousand m ³	2.23	t-CO ₂ /Thousand m ³
LNG			kWh/t	2.70	t-CO ₂ /t
Gasoline			kWh/KL	2.32	t-CO ₂ /KL

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 CO₂ are not included either, due to the small quantity.

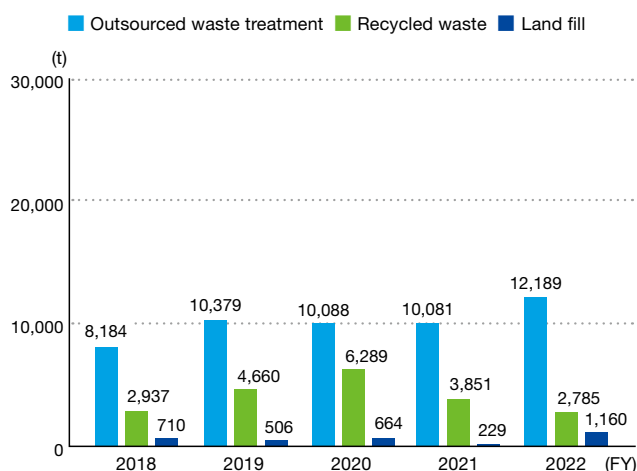
③ GHG emissions from sold products

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

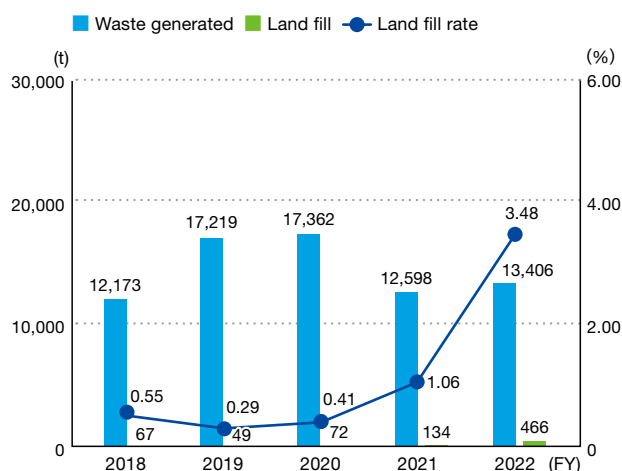
3 Effective Use of Resources and Reduction of Environmental Impacts

3-1 Waste Reduction Targets and Achievements

Outsourced waste treatment, Recycled Waste, and Land fill Volume (Entire Group)



Total Waste Generation and Disposal (Group in Japan)

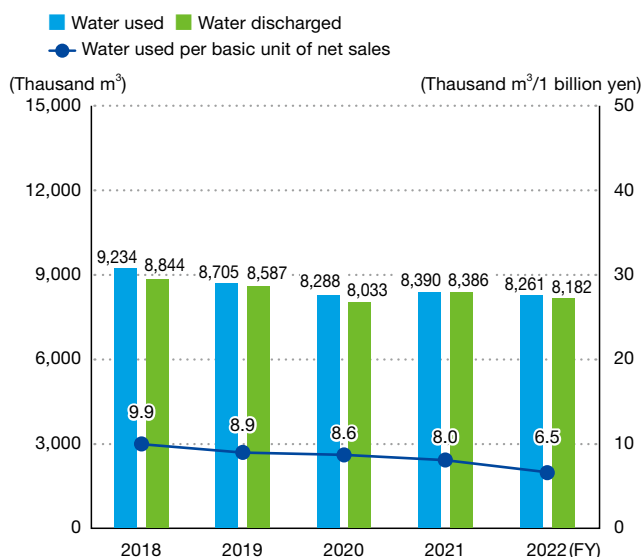


3-2 Efforts to Reduce Waste

Operating site	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	Change to a new waste disposal contractor, promote recycling

3-3 Appropriate Use of Water Resources

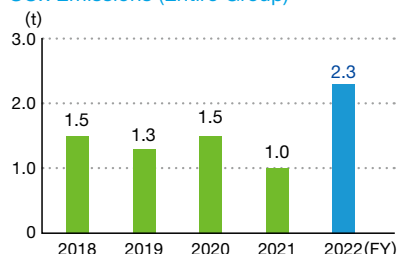
Volume of Water Used and Discharged (Entire Group)



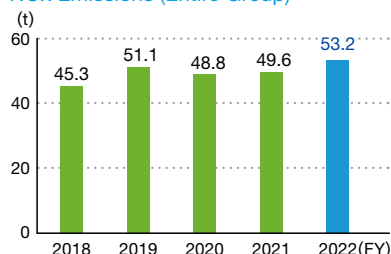
4 Reduction of Environmental Risks

4-1 Preventing Air and Water Pollution

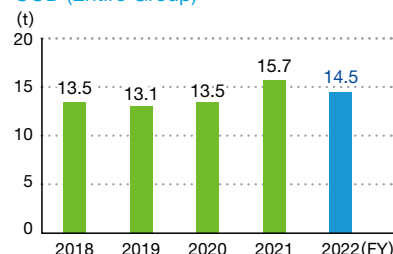
SOx Emissions (Entire Group)



NOx Emissions (Entire Group)



COD (Entire Group)



*Public water only

4-2 Preventing Soil and Groundwater Contamination and its Countermeasures

Progress of Measures for Soil Purification

Office	Overview
Site of the former Yasugawa Plant (Yasu 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 removal work in consultation and coordination with all concerned parties. During excavation, we take due care not to affect the surrounding 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 (Annual handling amount of 1 or more metric tonnes)	Handling Amount	Emission (except for emission into soil)		Transfer Amount		
		Air	Public Water	Sewage	Out of Offices (Recycling)	Out of Offices (Other)
Acetonitrile	1,165.1	0.7	0.0	0.0	1,165.1	0.0
Toluene	776.5	0.4	0.0	0.0	776.0	0.0
Cyanamide	8.7	0.0	0.0	0.0	0.0	7.2
Triethylamine	121.8	0.4	0.0	0.0	121.5	0.0
N-Hexane	2.1	0.0	0.0	0.0	2.1	0.0
Total	2,074.1	1.5	0.0	0.0	2,064.7	7.2
Dioxins	—	0.000	0.000	0.000	0.000	0.000

PCB use and storage status: All PCB equipment, devices, etc. have been disposed of.

5 Climate Change and Water Risks

5-1 Climate Change Risk

• Setting a Target to Reduce CO₂ (by 63% Compared to 2015) with Consideration for Long-Term Goals

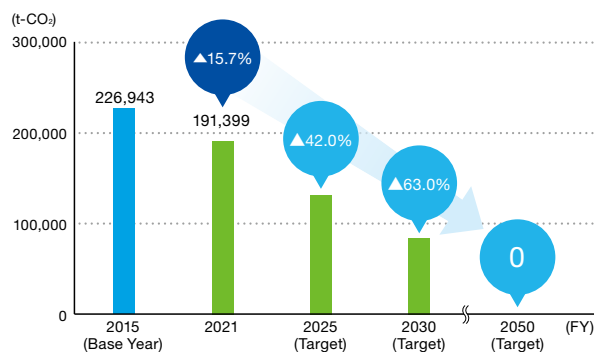
Daiichi Sankyo Group has set a target to reduce greenhouse gases, which was approved by the Science Based Targets initiative (SBTi)*. Our target to reduce greenhouse gases emitted through the Group's business activities falls in line with the necessary degree of reduction for keeping the average increase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

In FY2022, we reduced CO₂ emissions by 49.6% from the FY15 level.

We have changed the source of electricity at our main domestic bases to renewable energy sources, thus achieving drastic reduction of CO₂ emissions. We will continue to take energy-saving measures, procure electricity with low emission coefficients, and utilize renewable energy, aiming to achieve our FY2030 target of reducing CO₂ emissions by 63% from FY2015 levels.

*An international initiative that encourages companies to set CO₂ 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 CO₂ 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 FY2022, the committee discussed setting new Scope 3 targets, the use of renewable energy, and internal carbon pricing.

<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/

Risk management

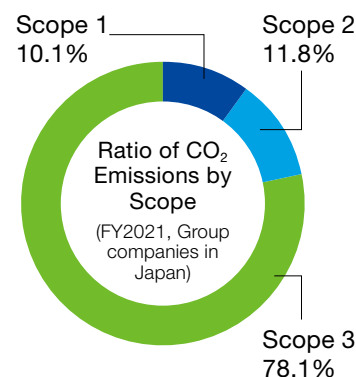
We strive to identify and address risks that may require changing our business activities, such as those related to climate change and water. The chief financial officer (CFO) oversees Groupwide risk management as the risk management officer (RMO) and conducts risk management in conjunction with the 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, CO₂ 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 Environment	Risks and Opportunities	Potential Impact on Daiichi Sankyo	Impact*	Actions for Ensuring Daiichi Sankyo's Resilience	Business Risk*
1.5°C Scenario (world with advanced transition)	Tightening of policies and regulations related to decarbonization	Introduction of carbon taxes	* 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	* Financial impact is limited and will be further minimized by promoting upgraded climate change measures aligned with the 1.5°C target.	Minor
		Avoidance of the carbon tax burden by introducing renewable energy	* It will be important to reduce emissions by procuring renewable energy as a countermeasure to the future introduction of carbon taxes and increase in tax rate.	Minor	* Avoid the annual carbon tax burden by approximately 1.6 to 3.2 billion yen as of 2030 by making active use of renewable energy. * Shift to renewable energy for 100% of electricity used at domestic and overseas business sites by fiscal 2030.	Opportunity
		Higher cost of introducing renewable energy facilities	* Energy sources are mainly electricity and gas. Renewable electricity is already being purchased in some areas. * Replacing all electricity used within the Group with renewable energy will cost 0.3 to 0.6 billion yen per year.	Minor	* Reduce costs by promoting our measures, as additional costs for renewable energy and energy-saving facilities are on a downward trend.	Minor/ Opportunity
		Higher cost of energy	* Decarbonization measures will be implemented by energy utilities, but if installation and operating costs for the measures themselves increase, it may lead to higher energy procurement costs.	Minor	* While the cost of fossil fuel-derived energy is expected to rise, the impact is currently limited.	Minor
		Prices passed on to procurement costs	* Reducing emissions across the supply chain is important because procurement costs may increase as business partners pass on their own carbon tax burden to prices.	Medium	* Work with business partners to reduce Scope 3 emissions, thereby avoiding the carbon tax burden and limiting the rise in procurement costs.	Minor/ Opportunity
	Greater impact of decarbonization efforts on corporate reputation	Enhanced corporate value	* Our decarbonization efforts are appreciated by ESG investors, which will lead to enhanced corporate value, including a higher stock price.	Major	* Improve our reputation by working toward a decarbonized society, proactively respond to TCFD recommendations, and disclose information that meets the expectations of shareholders and investors.	Opportunity
4°C Scenario (world with increasing physical impacts)	Increased frequency and scale of weather-related disasters (such as heavy rains, floods, and typhoons)	Supply chain disruption	* Heightened risk of disruptions to stable supply. * Risk of plant shutdown or decline in sales due to the inability to produce or ship.	Major	* Strengthen inventory control to ensure stable supply in the event of a disaster. * Purchase from multiple suppliers and consider alternative suppliers for raw materials currently being procured from a single supplier.	Medium
		Temporary suspension of operations at company sites	* Key research centers may be flooded (total cost of flooding damage is approximately 9.4 billion yen). * While some of our manufacturing bases are located near a river, they are unlikely to be flooded. However, traffic disruption may lead to 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 flooding in our emergency drills and establish and verify our flood disaster manual.	Minor
		Deadstock caused by extreme weather (inundation)	* Possible damage to product inventory as well as a shutdown of operations due to flooding of distribution centers and other sites.			
	Rise in temperature	Increased prevalence of diseases associated with climate change	* Increased demand for pharmaceuticals related to malignant melanoma, cardiovascular, respiratory, and tropical diseases, greater demands and expectations from society. * Potential decrease in demand for existing products due to changes in disease structure.	Major	* Secure production lines to meet growing demand and strengthen inventory control. * Consider conducting research and development, along with the possibility of collaborating with external resources, to address unmet medical needs and diseases for which there is a strong social demand for treatment, including structural changes in diseases and pandemics.	Medium/ Opportunity
		Increase in air conditioning costs	* In principle, our operations are performed indoors at our head office, research and development bases, and manufacturing bases, so the cost of air conditioning is expected to increase as the temperature rises. However, the impact will be limited.	Negligible	* Continue to improve energy efficiency, although the financial costs are within an absorbable range and their impact is small.	Minor
		Increase in insurance and BCP costs	* Fire insurance premiums are already on the rise due to the growing severity of wind and flood damage caused by rising temperatures. However, prospects for future premium increases are limited.	Negligible	* In Japan, flood frequency is expected to increase by a factor of 4 when the temperature rises by 4°C. However, even if insurance premiums rise several times as a result, the financial impact will be negligible.	Minor
	Water shortages	Temporary suspension of operations at corporate bases	* Plants in China and Brazil are at greatest water withdrawal risk and are likely to be shut down because of flooding. * Possibility of unexpected short-term drought at other locations.	Medium	* Promote drought countermeasures such as installation of rainwater tanks and use of recycled water. * Consider emergency supply measures, such as using other manufacturing sites and outsourcing manufacturing, in line with trends in pharmaceutical regulations in the event of a prolonged drought.	Medium
	Loss of biodiversity	Reduced productivity of products derived from natural compounds	* If production is halted due to unavailability of raw materials caused by the loss of biodiversity, the expected annual loss will be approximately 2.0 billion yen.	Medium	* Take prompt action before the risk materializes, as we have secured several years' worth of inventories 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°C world. With regard to our Scope 3 target for supplier engagement, we also upgraded the CO₂ emission reduction targets we request our suppliers to levels aligned with the 1.5°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, CO₂ 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 in FY2022 (Volume of Water Used (Withdrawn))

Site	River basin	Volume of water used (Thousand m ³)	Volume of water discharged (Thousand m ³)	Volume of water consumption (Thousand m ³)
Shanghai Plant	Yangtze River	42.6	31.8	10.8
Brazil Plant	Parana	10.8	10.8	0.0
Total		53.4	42.6	10.8

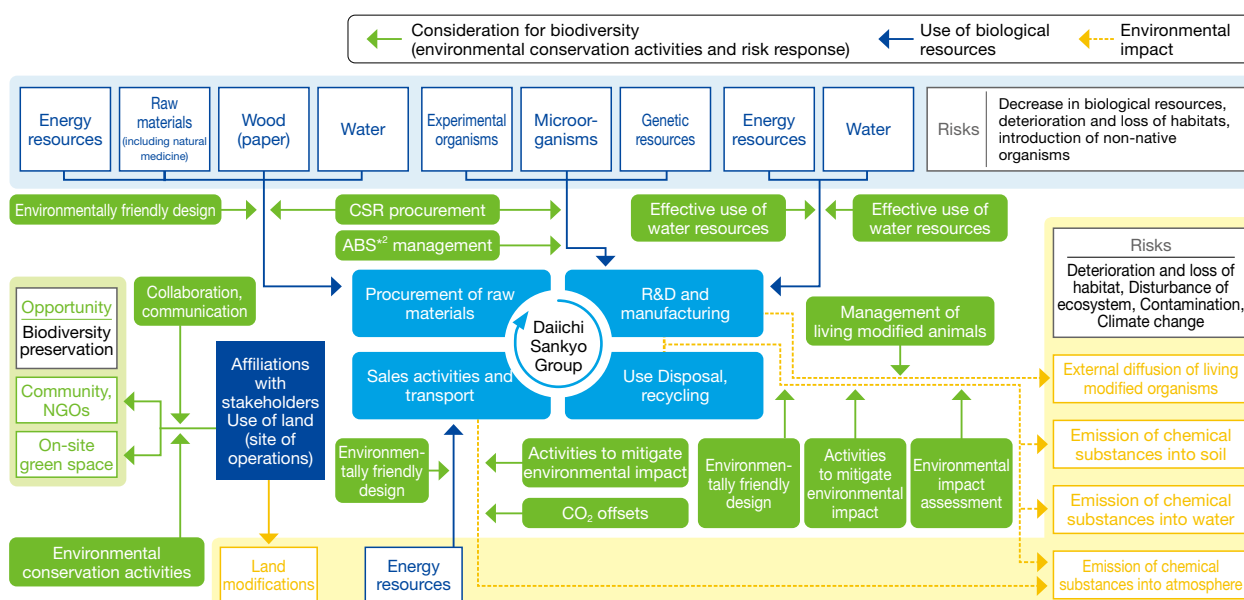
6 Initiatives for Biodiversity Conservation

6-1 Our Basic Stance

Basic Biodiversity Principles and Action Guidelines

Basic Policy	
<ul style="list-style-type: none"> 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 conservation in all business activity	<ul style="list-style-type: none"> Under take ongoing endeavors to avoid or reduce operational impacts on biodiversity, devoting particular attention to lowering the environmental impacts of air and water emissions and wastes.
2. Identify the biodiversity impacts of ecosystem services, using those services sustainably	<ul style="list-style-type: none"> Recognize the operational importance of ecosystem services while understanding and minimizing their impacts on biodiversity, using those services sustainably.
3. Use genetically modified organisms responsibly	<ul style="list-style-type: none"> Maintain biosafety by continuing to responsibly use genetically modified organisms in drug discovery and production in keeping with the Cartagena Protocol on Biosafety and national laws and ordinances.
4. Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization	<ul style="list-style-type: none"> Comply with the Convention on Biological Diversity, the Bonn Guidelines, and other relevant rules to access and utilize genetic resources of the provider countries appropriately and to share benefits arising from their utilization in a fair and equitable manner.
5. Communicate with stakeholders and improve in-house awareness	<ul style="list-style-type: none"> Foster biodiversity preservation by communicating and liaising better with public and private entities. Educate employees to better understand how operations affect biodiversity and encourage internal and external efforts to safeguard biodiversity.

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)

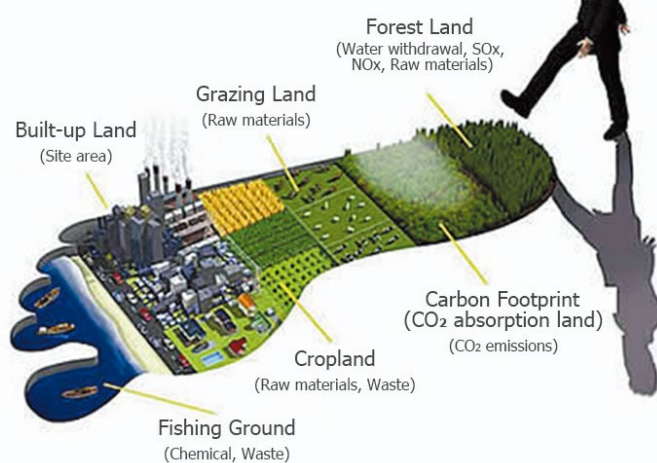
*2 Access to genetic resources and benefit sharing

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).

Environmental impact using the indicator related to bio-diversity Ecological Footprint



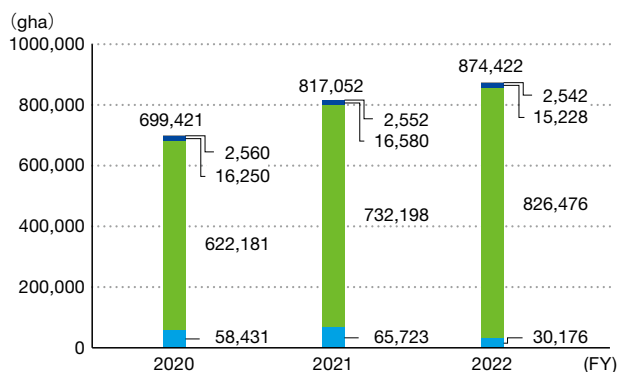
● Implementation of WET testing

In fiscal 2022, 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

■ CO₂ absorption area (DS) ■ CO₂ absorption area (Supplychain) ■ Forest land ■ Other



7 Environmental Communication

7-1 Main Efforts

Efforts	Details
Reporting of ISO 14001 Audit Results	Date: Thursday, January 19, 2023 Time: 10:00 - 11:00 Target attendees: employees involved in the ISO 14001 internal audit Video conference: Agenda: Report on results of the ISO 14001 surveillance audit
Working Session on Combating Global Warming	Date: Thursday, December 2, 2022 Time: 13:30 - 16:30 Target attendees: employees tasked with saving energy and promotion managers Video lecture: Lecture on energy-saving equipment and facility tour – Tour of hydrogen production and storage area – Introduction of other companies' carbon initiatives and exchange of opinions
Lecture for Employees Involved in Environmental Operations	Date: Wednesday, November 9, 2022 Time: 10:00 - 11:30 Target attendees: employees tasked with promoting environmental management units and sites or otherwise involved in environment-related operations Video lecture: "PRTR System under the Act on Confirmation, etc. of Release of Specific Chemical Substances and Promotion of their Management (Chemical Substances Control Law) Lecture: "Measures for Environmental Laws and Regulations at Business Sites <PRTR System> - Future Revisions
Environmental Art Contest	We received 1,288 applications from Group companies in and outside of Japan. Categories Images: 454 works from Group companies in Japan and 106 works from those outside Japan "Senryu" and slogans: 829 works from Group companies in Japan and 33 from those outside Japan The awards ceremony was held online on Wednesday, November 16, 2022.
Environmental e-Learning 2021	Theme: "The Marine Plastic Problem and What We Can Do About It" Environmental Management Number of participants: 9,662 (participation rate: 97.7%)
COOL CHOICE Program	Period: June 13–September 2 Number of enrollees: 1,917
Posters for raising environmental awareness	Posters were displayed at 140 locations.

7-2 Environment-related Awards

Daiichi Sankyo Co., Ltd.	Selected to the 2022 CDP Climate Change A List for third consecutive year
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8 Site Data

FY2022 Results by Site

— Group in Japan

			Daiichi Sankyo		Daiichi Sankyo Propharma	Daiichi Sankyo Chemical Pharma			Daiichi Sankyo Biotech
INPUT		Unit	Shinagawa A03	Kasai A04	Hiratsuka A10	Onahama A08	Tatebayashi A09	Odawara A15	Kitamoto A20
Energies	Electricity (Non renewable energy)	MWh	0	0	0	0	0	0	0
	Electricity (Renewable energy)	MWh	25,062	16,378	38,869	18,622	5,353	13,705	40,475
	City gas	Thausand m ³	1,802	3,299	9,059	2,864	2,399	1,097	4,211
	Other non renewable energy	MWh	22,542	41,269	113,307	35,819	30,003	13,717	52,672
	Other Renewable energy	MWh	3	0	43	18	22	605	2,018
	Total	MWh	47,607	57,647	152,220	54,459	35,378	28,027	95,165
Water	Service water	Thausand m ³	100	98	307	111	47	19	241
	Industrial water	Thausand m ³	0	0	0	5,260	55	0	0
	Groundwater	Thausand m ³	4	0	0	0	0	1,589	0
	Total	Thausand m ³	103	98	307	5,371	102	1,608	241

OUTPUT		Unit							
Air	CO ₂	t-CO ₂	4,020	7,357	20,211	6,390	5,353	2,592	9,883
	NOx	t	3	4	21	2	14	2	1
	SOx	t	0	0	0	0	1	0	0
Water	Discharged water	Thausand m ³	56	39	232	5,368	76	1,829	166
	COD	t	0	0	0	10	0	1	1
Waste	Generated amount	t	410	181	1,404	3,062	381	7,018	951
	Emission	t	410	181	1,173	3,062	381	4,189	951
	Recycling amount	t	170	72	376	279	203	31	530
	Landfill amount	t	13	2	0	36	110	304	1

— Outside Japan

			American Regent			Daiichi Sankyo Europe	Daiichi Sankyo Altkirch	Daiichi Sankyo Pharmaceutical (Shanghai)	Daiichi Sankyo Brasil Farmaceutica
INPUT		Unit	Shirley B02-01	Ohio B02-02	Brea B02-05	Pfaffenhofen B04-01-02	Pfaffenhofen B04-14	B07-06	Alphaville B07-07-02
Energies	Electricity (Non renewable energy)	MWh	9,766	17,445	1,249	0	1,647	7,808	33
	Electricity (Renewable energy)	MWh	0	0	0	9,831	0	112	5,801
	City gas	Thausand m ³	1,136	1,913	250	406	540	548	0
	Other non renewable energy	MWh	14,200	23,913	3,124	5,075	6,749	6,849	0
	Other Renewable energy	MWh	1,868	0	4	5,162	64	0	1,060
	Total	MWh	0	0	0	6,540	0	0	0
Water	Service water	Thausand m ³	25,834	41,358	4,377	20,068	8,459	14,770	6,893
	Industrial water	Thausand m ³	59	146	5	40	97	43	11
	Groundwater	Thausand m ³	0	0	0	0	0	0	0
	Total	Thausand m ³	0	0	0	0	0	0	0

OUTPUT		Unit							
Air	CO ₂	t-CO ₂	8,540	12,002	783	2,139	1,270	5,733	182
	NOx	t	3	0	0	2	1	0	0
	SOx	t	0	0	0	1	0	0	0
Water	Discharged water	Thausand m ³	59	146	5	36	97	32	11
	COD	t	0	0	0	0	2	0	0
Waste	Generated amount	t	0	0	0	0	0	0	0
	Emission	t	0	0	0	0	0	0	0
	Recycling amount	t	63	65	52	451	293	76	125
	Landfill amount	t	125	242	104	151	0	45	26

9

ESG Data (Environment)

Goal Reference	Classification	Details	Scope	Unit	FY2015	FY2019	FY2020	FY2021	FY2022
CO ₂	Basic Information	Sales	Total	Million yen	986,446	981,793	962,516	1,044,892	1,278,478
		Employees	Total	Person	15,249	15,348	16,033	16,458	17,435
	Energy-originated CO ₂ emissions	Sales vehicles	Outside Japan	t-CO ₂	21,204	11,684	7,344	9,090	10,017
			In Japan	t-CO ₂	6,725	5,630	4,345	4,652	4,696
			Entire group	t-CO ₂	27,928	17,314	11,688	13,741	14,713
		Offices	Outside Japan	t-CO ₂	5,963	3,884	3,543	3,099	2,271
			In Japan	t-CO ₂	6,047	5,315	4,928	4,963	2,562
			Entire group	t-CO ₂	12,010	9,199	8,471	8,062	4,832
		Plants and R&D centers	Outside Japan	t-CO ₂	30,991	29,409	32,682	29,467	30,649
			In Japan	t-CO ₂	142,853	123,825	111,428	127,824	55,840
			Entire group	t-CO ₂	173,844	153,234	144,111	157,291	86,489
		Total	Outside Japan	t-CO ₂	58,158	44,977	43,570	41,655	42,937
			In Japan	t-CO ₂	155,625	134,770	120,701	137,439	63,098
			Entire group	t-CO ₂	213,783	179,748	164,270	179,094	106,034
	Non-energy oriented CO ₂ emissions	Incinerator			3,922	8,282	9,835	6,344	3,700
	Total of CO ₂ emissions	Entire group	Entire group	t-CO ₂	217,705	188,029	174,105	185,439	109,735
	CO ₂ emissions by Greenhouse Gas Protocol	Scope 1	Outside Japan	t-CO ₂	30,341	22,696	18,148	20,659	21,617
			In Japan	t-CO ₂	77,802	71,238	69,103	68,747	64,388
			Entire group	t-CO ₂	108,144	93,934	77,417	89,405	86,006
		Scope 2	Outside Japan	t-CO ₂	27,816	22,282	25,421	20,997	21,320
			In Japan	t-CO ₂	81,745	71,814	61,432	75,036	2,409
			Entire group	t-CO ₂	109,561	94,096	86,853	96,033	23,729
		Category 1: Purchased goods and services	Entire group	t-CO ₂	—	612,885	1,483,630	1,687,965	1,892,504
		Category 2: Capital goods	Entire group	t-CO ₂	—	46,950	75,261	148,989	161,326
		Category 3: Activities related to fuel and energy (not included in Scopes 1 or 2)	Entire group	t-CO ₂	—	11,088	18,950	20,133	24,051
		Category 4: Upstream transportation and distribution	Entire group	t-CO ₂	—	8,549	25,778	29,281	47,270
		Category 5: Waste generated in operations	Entire group	t-CO ₂	—	9,532	11,055	8,147	10,517
		Category 6: Business travel	Entire group	t-CO ₂	—	30,271	9,343	13,329	34,473
		Category 7: Employee commuting	Entire group	t-CO ₂	—	3,711	10,691	9,546	10,624
		Category 9: Downstream transportation and distribution	Entire group	t-CO ₂	—	16,227	17,706	13,817	14,163
		Category 12: End-of-life treatment of sold products	Entire group	t-CO ₂	—	1,810	2,367	2,501	2,747
		Category 13: Downstream leased assets	Entire group	t-CO ₂	—	2,913	2,913	2,913	2,820
		Category 15: Invests	Entire group	t-CO ₂	—	—	10,595	6,134	5,485
		Scope3 total	Entire group	t-CO ₂	—	743,936	1,668,290	1,942,756	2,205,979
		Scope1+2+3 total	Entire group	t-CO ₂	—	931,965	1,842,394	2,128,195	2,315,714

Goal Reference	Classification	Details	Scope	Unit	FY2015	FY2019	FY2020	FY2021	FY2022
Energy	Energy consumption	Electricity (Non renewable energy)	Entire group	MWh	240,644	210,607	204,245	210,341	50,609
		Electricity (Renewable energy)	Entire group	MWh	10,087	15,322	16,505	21,596	179,962
		City gas	Entire group	Thousand m ³	35,552	33,557	29,262	30,622	29,615
			Entire group	MWh	426,627	378,414	365,966	382,973	370,385
		LPG	Entire group	t	60	59	53	61	23
			Entire group	MWh	844	829	743	859	321
		Light oil	Entire group	KL	77	141	228	150	549
			Entire group	MWh	805	1,474	2,390	1,569	5,750
		LNG	Entire group	KL	1,361	0	0	0	40
			Entire group	MWh	20,652	0	0	0	610
		Kerosene	Entire group	KL	208	276	228	236	196
			Entire group	MWh	2,120	2,812	2,323	2,405	1,997
		Gasoline	Entire group	KL	10,814	5,669	3,644	4,049	4,433
			Entire group	MWh	103,935	53,118	33,896	37,062	40,632
		Gas oil for diesel engines	Entire group	KL	1,427	1,534	1,250	1,570	1,521
			Entire group	MWh	14,945	16,064	13,092	16,435	15,929
		Other non renewable energy	Entire group	MWh	0	0	12	37	6
		Fuels (Renewable energy)	Entire group	MWh	278	4,082	2,235	4,210	6,010
		Other (Renewable energy)	Entire group	MWh	1,491	6,093	6,296	6,811	6,540
		Total	Entire group	MWh	822,430	688,815	647,702	684,298	678,751
		Renewable electricity utilization rate	Entire group		4.0%	6.8%	7.5%	9.3%	78.1%
	Fluorocarbons		Entire group	t-CO ₂	977	1,207	1,056	260	1,014
Water	Water consumed	Withdrawal: Total municipal water supplies	Entire group	Thousand m ³	1,065	1,273	1,290	1,353	1,323
		Withdrawal: Fresh surface water (lakes, rivers, etc.)	Entire group	Thousand m ³	7,735	5,394	5,370	5,305	5,315
		Withdrawal: Fresh groundwater	Entire group	Thousand m ³	1,754	2,037	1,619	1,731	1,623
		Total	Entire group	Thousand m ³	10,553	8,704	8,279	8,389	8,261
	Water discharged	Public water	Entire group	Thousand m ³	5,219	5,824	5,288	5,658	5,492
		Sewage	Entire group	Thousand m ³	4,866	626	643	744	701
		Total; discharged	Entire group	Thousand m ³	10,086	8,587	8,033	8,386	8,171
		Discharge: Water returned to the source of extraction at similar or higher quality as raw water extracted	Entire group	Thousand m ³	9,489	7,431	6,989	7,036	6,938
	Net Fresh Water consumption		Entire group	Thousand m ³	1,065	1,273	1,290	1,353	1,323
	Water Use Associated with Highest Water Risk	Water consumption	Entire group	Thousand m ³	50	160	154	35	11
Waste	Waste	COD	Entire group	t	14	13.1	13.5	15.7	14.5
		disposed	Entire group	t	17,763	7,590	5,728	6,190	9,404
		recycled	Entire group	t	7,177	4,776	6,208	3,808	2,785
		incinerated	Entire group	t	16,910	7,006	4,994	5,497	8,938
	hazardous waste	landfilled	Entire group	t	853	584	734	693	466
		disposed	Entire group	t	—	4,768	5,607	4,350	7,194
		incinerated with energy recovery	Entire group	t	—	4,146	5,229	3,952	6,880
		incinerated	Entire group	t	—	622	378	398	314
		landfilled	Entire group	t	—	0	0	0	0
Air pollution	Air pollutant emissions	SOx emissions	Entire group	t	1	1.3	1.5	1.0	2.3
		NOx emissions	Entire group	t	51	51.1	48.8	49.6	53.2

Goal Reference	Classification	Details	Scope	Unit	FY2015	FY2019	FY2020	FY2021	FY2022
PRTR substances		Amounts handled	In Japan	t	3,686	2,301	2,063	1,569	2,074
		Amounts discharged and transferred (Air)	In Japan	t	83	4	3	2	1
		Amounts discharged and transferred (Water)	In Japan	t	0	0	0	0	0
		Amounts discharged and transferred (Sewers)	In Japan	t	120	0	0	0	0
		Amounts discharged and transferred (Water + sewers)	In Japan	t	120	0	0	0	0
		Amounts discharged and transferred (Waste)	In Japan	t	667	2,040	1,861	1,562	2,072
VOC	100 VOCs specified by Japan's Ministry of the Environment	Amount emitted into the atmosphere	In Japan	t	26	1.1	1.5	1.5	0.6
Containers and packaging	Containers and packaging collected and recycled (obligatory recycling amount)	Glass bottle (colorless)	In Japan	t	158	153	203	172	515
		Glass bottle (brown)	In Japan	t	386	267	252	200	472
		PET plastic bottles	In Japan	t	0.0	0.1	0.1	1.0	1.0
		Plastic containers and packaging	In Japan	t	1,436	1,309	1,265	1,205	1,903
		Paper containers and packaging	In Japan	t	59	43	39	31	14
		Total	In Japan	t	2,039	1,772	1,758	1,609	2,906
Intensity	CO ₂ carbon intensity	CO ₂ emissions/Group sales	Entire group	t-CO ₂ /million yen	0.221	0.192	0.181	0.177	0.086
	CO ₂ environmental efficiency	Group sales / CO ₂ emissions	Entire group	million yen/t-CO ₂	4.53	5.22	5.53	5.63	11.65
	CO ₂ environmental efficiency index	Relative to the value of 100 for the base year	Entire group	—	100	115	122	124	257
	Waste generation intensity	Waste generated/Group sales	Entire group	t/million yen	0.018	0.008	0.006	0.006	0.007
	Waste generation efficiency	Group sales/Waste generated	Entire group	million yen/t	55.5	129.4	168.0	168.8	136.0
	Waste generation efficiency index	Relative to the value of 100 for the base year	Entire group	—	100	233	303	304	245
	Water use intensity	Water consumption/group sales	Entire group	Thousand m ³ /million yen	0.01070	0.009	0.00860	0.00803	0.00646
	Water use efficiency	Group sales/Water consumption	Entire group	million yen/Thousand m ³	93.5	112.8	116.3	124.6	154.8
	Water use efficiency index	Relative to the value of 100 for the base year	Entire group	—	100	121	124	133	166
	CO ₂ carbon intensity (Employees)	CO ₂ emissions/Employees	Entire group	t-CO ₂ /person	14.3	12.3	10.9	11.3	6.3
Management System	Status of acquisition of ISO 14001 certification	Number of sites certified	In Japan	sites	5	5	5	5	5
			Outside Japan	sites	1	4	4	4	4
			Entire group	sites	6	9	9	9	9
Compliance	Number of fines of \$10,000 or more for violations of environmental laws and regulations, etc.		Entire group	number of fines	0	0	0	0	0

*We reflect the impact of the business transfer of Daiichi Sankyo Pharmaceutical (Beijing) Co., Ltd. and the acquisition of HBT Labs, Inc. as subsidiaries in FY2022 back to the base year of each environmental performance target.



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