



# Daiichi Sankyo Group Environmental Data Book 2025

## Position of This Book

The information of this book complements Daiichi Sankyo Group Value Report 2025 and the environmental data on our website. Please see them in addition.

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### 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. Reduce environmental impact in the Group's business processes and supply chain, from research and development to production, distribution, use, consumption, and disposal
2. Improve the working environment so that employees can work safely and maintain and promote their health
3. Establish, operate, evaluate, and improve the EHS management system
4. Comply with environmental and health and safety related laws and regulations
5. Reduce EHS risks and eliminate sources of hazards
6. Efficient use of resources and energy, reduction of greenhouse gas emissions, appropriate use of water and wastewater management, waste reduction and recycling, respect for biodiversity, proper management of chemical substances and prevention of deforestation
7. Prevent health hazards and occupational accidents
8. Engage in EHS education and awareness-raising activities
9. Participate in EHS communication and consultation with internal and external stakeholders

# 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)

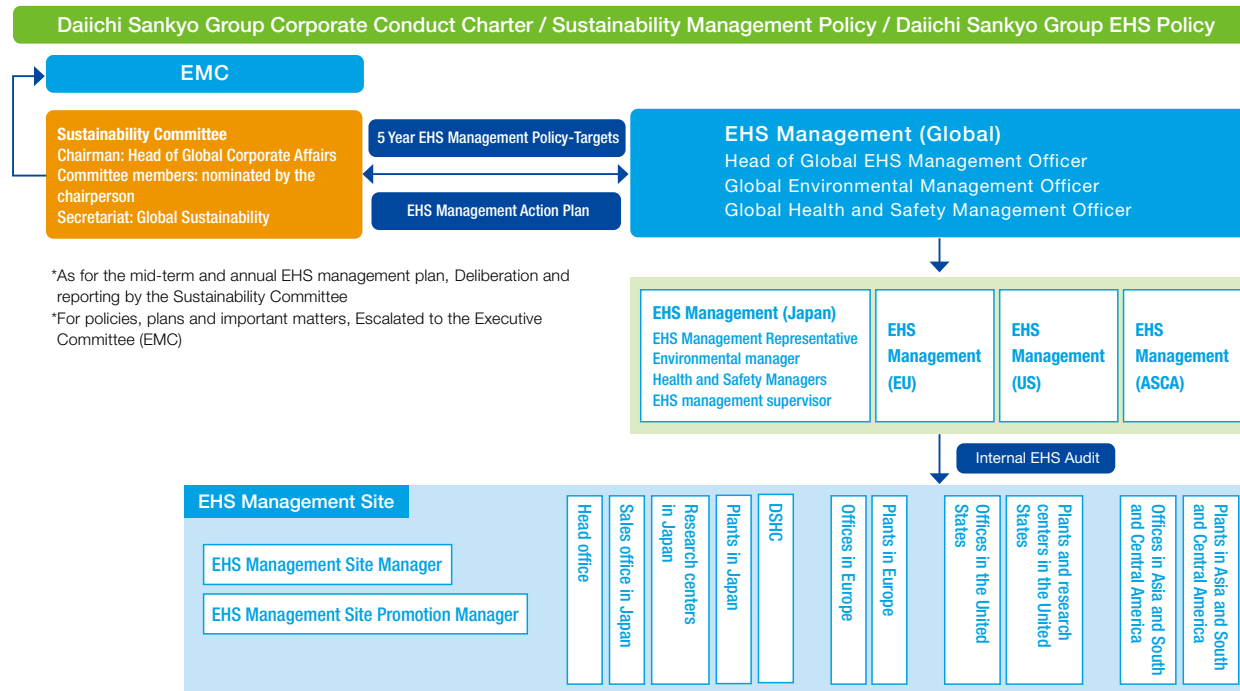
EHS Management Policy	Environmental Management Target
Lower the environmental impact of our operations and supply chain by conserving energy and resources, and reducing greenhouse gas emissions and waste.	<ul style="list-style-type: none"> <li>• CO<sub>2</sub> emissions (Scope 1 + Scope 2): 42% reduction 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 role in addressing environmental issues such as climate change, resource recycling, water risk and biodiversity.	<ul style="list-style-type: none"> <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 laws and continual improvement of management systems.	<ul style="list-style-type: none"> <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 style="list-style-type: none"> <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 information to disclose and enhancing communication with stakeholders.	<ul style="list-style-type: none"> <li>• Third-party assurance coverage: 100%</li> <li>• Periodic Verification and Disclosure Based on TCFD Recommendations</li> <li>• Promoting Partnership for Sustainable Development</li> </ul>

# 1 Environmental Management System

## 1-3 Environmental Management System

The Head of Global Corporate Strategy serves as the Head of Global EHS Management Officer, overseeing EHS management for the entire group. The Head of Global Sustainability acts as the Global Environment Management Officer, and the Head of Global HR serves as the Global Health and Safety Management Officer, promoting EHS management. Additionally, an EHS management system that takes into account regions and business units has been established, with EHS management sites designated as necessary to manage objectives. The Sustainability Committee, chaired by the Head of Global Corporate Strategy, deliberates on policies, annual plans, and implementation reports related to EHS management, and submits the outcomes to the Executive Management Committee (EMC). Important matters are reported to the Board of Directors.

### EHS Management Promotion System



\*As for the mid-term and annual EHS management plan, Deliberation and reporting by the Sustainability Committee  
 \*For policies, plans and important matters, Escalated to the Executive Committee (EMC)

## 1-4 EHS Audit

### Operating Sites Subject to EHS Audit in Fiscal 2024

Company	Operating Site and Branches
Daichi Sankyo	Tatebayashi*
Daichi Sankyo Biotech	Kitamoto
American Regent	Shirly Columbus Brea

\*former name: Daichi Sankyo Chemical Pharma Tatebayashi

# 1 Environmental Management System

## 1-5 ISO 14001 Certification

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

List of ISO 14001/45001 Integrated Certified Sites (As of the End of March 2025)

Company Name		Site	Initial Registration ISO14001	Initial Registration ISO45001
Daiichi Sankyo Group (multisite certification)	Daiichi Sankyo Co., Ltd.	Sustainability Department	January, 1998	December, 2024
		Pharmaceutical Technology Division (Hiratsuka)		
		Biologics Division (Tatebayashi)		
		Hiratsuka Plant		
		Technology Department		
		Onahama Plant		
		Tatebayashi Plant		
		Biologics Technology Department (Tatebayashi)		
		Odawara Plant		
	Technology Department (Onahama, Hiratsuka, Odawara)			
Daiichi Sankyo Biotech Co., Ltd.	Kitamoto Site			
Daiichi Sankyo Happiness Co., Ltd.	Hiratsuka			
Daiichi Sankyo Altkirch Sarl	Altkirch Plant	March, 2019	March, 2025	
Sankyo Pharmaceutical (Shanghai) Co., Ltd.	Shanghai Plant	March, 2019	March, 2024	
Daiichi Sankyo Brasil Farmacêutica	Alphaville Plant	March, 2012	March, 2024	

List of ISO 14001 Certified Sites (As of the End of March 2025)

Company	Site	Initial Registration
Daiichi Sankyo Europe	Pfaffenhofen Plant	December, 2019
ISO 14001 Certification Acquisition Rate of Production Sites (on the basis of FY2024 CO <sub>2</sub> emissions)	Japan	100%
	Entire group	89.1%

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

## 1-6 Environmental Supply Chain Management

Main Efforts	Details
Setting of Business Partner Code of Conduct (BPCC)	<p>The Group has set out the Business Partner Code of Conduct (BPCC) in April 2019 in relation to the Daiichi Sankyo Group Procurement Policy, in line with the revision of the Daiichi Sankyo Group Corporate Conduct Charter. This BPCC sets out expectations for the promotion of sustainable procurement to business partners that provide products and services to us. In the BPCC, the environment-related items are as follows(see 4. Promoting Environmental Management).</p> <p>Business Partner Code of Conduct 4. Promoting Environmental Management (1) Reduce greenhouse gas emissions (2) Appropriately manage waste and emissions (3) Prevent and mitigate spills and releases (4) Promote energy and resource conservation (5) Support biodiversity</p>
Conducting a "Sustainable Procurement Survey"	<p>We conduct a "Sustainable Procurement Survey" with major business partners on a three-year cycle in order to confirm their understanding of and alignment with the Group's approach to sustainability and to strengthen interactive communications. In this survey, respondents are asked to answer 57 questions related to the following six areas based on the Business Partner Code of Conduct: "business activities with integrity based on ethical standards," "respect for human rights and labor," "health and safety," "promoting environmental management," "securing optimal quality, cost, and stable supply," and "management systems". The survey is also aligned with the principles of the Pharmaceutical Supply Chain Initiative (PSCI), a non-profit organization composed of global pharmaceutical companies.</p>
Cooperation with Suppliers	<p>We monitor the CO<sub>2</sub> emissions and water usage of our key suppliers. For suppliers without CO<sub>2</sub> reduction targets, we request their cooperation in setting targets, viewing this as an opportunity for improvement. Furthermore, we hold explanatory meetings for suppliers within Japan, detailing our initiatives and the importance of setting Science Based Targets (SBTs). These efforts are implemented based on the engagement objectives of the Science Based Targets initiative (SBTi)*.</p> <p>*An international initiative urging companies to set CO<sub>2</sub> reduction targets aligned with scientific evidence to achieve the Paris Agreement goal (limiting the global average temperature rise to 1.5°C above 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 EHS audit	<p>Partner companies storing and delivering our products and promotional goods cooperate for the audit on environment-related laws and regulations including waste management.</p>

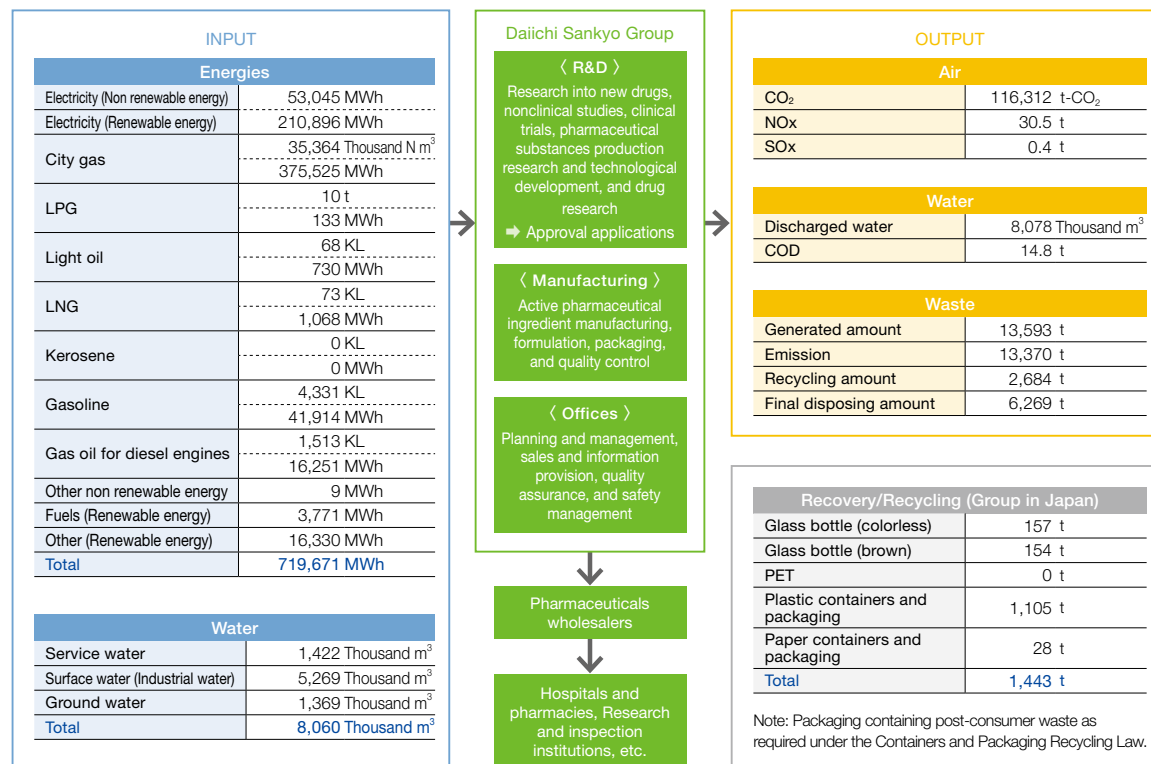
## 1-7 Emergency Preparedness and Response

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.

## 1-8 Business Activity and Environmental Performance

Business Activity and Input/Output (Entire Group)



# 1 Environmental Management System

## 1-9 Environmental Accounting

Environment Conservation Cost (Group in Japan) (Unit: million yen)

Environmental Item	FY2023		FY2024	
	Investment	Cost	Investment	Cost
Pollution Prevention Cost	92	142	426	875
Global Environmental Conservation Cost	1,051	1,090	2,011	2,086
Resource Circulation Cost	63	591	0	492
Upstream / Downstream Costs		70		74
Administration Cost		684		701
R&D Cost		50		50
Social Activity Cost		0		0
Environmental Remediation Cost		704		951
<b>Total</b>	<b>1,206</b>	<b>3,332</b>	<b>2,438</b>	<b>5,229</b>

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

Economic Benefit (Group in Japan)

(Unit: million yen)

	FY2023	FY2024
Value of sales of valuables	0.3	1.0

Environmental Conservation Benefit (Group in Japan)

	Unit	FY2022	FY2023	Increase/Decrease Compared to the Previous Year	Increase/Decrease Rate Compared to the Previous Year
Total volume of energy consumed	GJ	2,916,899	2,821,796	△ 95,103	△ 3%
Water consumed	Thousand m <sup>3</sup>	7,800	7,653	△ 147	△ 2%
PRTR substances used	t	1,340	824	△ 516	△ 39%
CO <sub>2</sub> emission	t-CO <sub>2</sub>	62,658	66,631	3,973	6%
Total volume of waste	t	12,024	11,247	△ 776	△ 6%
Waste emissions (=Outsourced treating volume)	t	8,830	11,025	2,195	25%
Volume of recycled waste	t	1,467	1,415	△ 52	△ 4%
Final disposing amount of waste	t	389	5,195	4,806	1,236%
Recycling rate	%	16.6	12.8	—	△ 4%
Recovered or recycled volume of containers and packages	t	1,432	1,443	11	1%
SOx emissions	t	0.6	0.4	△ 0.2	△ 33%
NOx emissions	t	41.2	30.5	△ 10.7	△ 26%

\*Each environmental performance data reflects the impact of past acquisitions and divestitures of affiliates retroactively.

# 2

## Conserving Energy and Combatting Global Warming

### 2-1 Our Basic Stance

The Daiichi Sankyo Group is striving to use resources and energy efficiently under the EHS Management Policy(FY2021-FY2021), which states, “Lower the environmental impact of the entire supply chain by conserving energy and resources, and reducing greenhouse gas emissions and waste”. To facilitate responsible corporate activities that address climate change, we have set the goals of reducing CO<sub>2</sub> emissions in FY2025 by 42% and in FY2030 by 63% compared to FY2015 based on the approach of the Science Based Targets initiative (SBTi)<sup>\*1</sup>, which aims to help accomplish the goal of the Paris Agreement (keeping the average increase in global temperature below 1.5°C compared to pre-industrial revolution levels). At Onahama Plant, we completed construction of a new office building in March 2023 and acquired the Daiichi Sankyo Group’s first “Nearly ZEB”<sup>\*2</sup> certification under the Building-Housing Energy-efficiency Labeling System (BELS)<sup>\*3</sup>. Daiichi Sankyo Pharmaceutical (Shanghai) Co., Ltd. followed the Onahama Plant and Daiichi Sankyo Europe’s Pfaffenhofen Plant in putting its solar power system into operation. In April 2022, we switched to renewable electricity (FIT non-fossil fuel energy certificates with tracking) for the electricity we use in 13 sites in Japan, including our head office, production sites, research laboratories, and training facilities. Moreover, operating sites in Europe and Brazil have reduced CO<sub>2</sub> emissions by expanding the use of renewable energy. We are continuing our efforts to further utilize renewable energy at our operating sites globally.

Our CO<sub>2</sub> emissions for FY2023 were 116,312 tons (42.7% lower than in FY2015). Not limited to our efforts to “mitigate” CO<sub>2</sub> emissions and other environmentally hazardous actions, we facilitate initiatives to “adapt” to impacts that have become tangible or influence that is inevitable in the medium- to long-term.

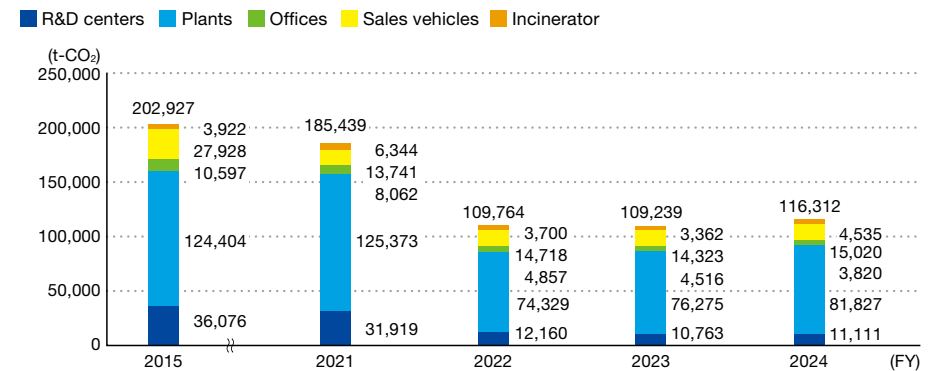
\*1 An international initiative that requires companies to set CO<sub>2</sub> reduction targets based on scientific evidence to prevent the global average temperature from increasing (Well Below 2°C and to keep it under 1.5°C) which is the goal of the Paris Agreement.

\*2 A building that is nearly a Net Zero Energy Building (ZEB: a building in which the net energy consumption (energy consumption minus energy generation) is zero), cutting net energy consumption by 75% or more.

\*3 Building-Housing Energy-efficiency Labeling System

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

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



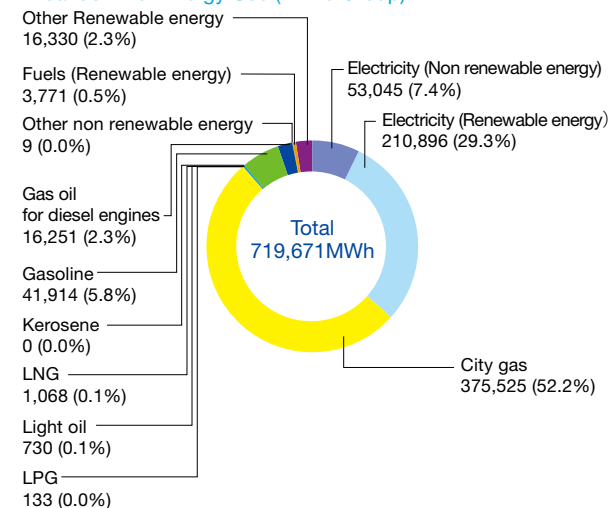
\*Each environmental performance data reflects the impact of past acquisitions and divestitures of affiliates retroactively.

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

Sources	FY2023	FY2024	Increase/Decrease Rate Compared to the Previous Year	Emissions Calculation Methodology
Purchased goods and services	3,887,790	3,549,346	△8.7%	The procurement amount of all products and services was multiplied by the emission factor according to the guidelines. Contents included in Scope 1, 2, and other categories of Scope 3 and intra-group transactions were excluded.
Capital goods	220,563	213,987	△3.0%	The amount of fixed assets acquired was multiplied by the emission factor according to the guidelines.
Fuel-and-energy-related activities (not included in Scope 1 or 2)	28,217	28,793	2.0%	The amount of electricity and fuel used was multiplied by the emission factor according to the guideline.
Upstream transportation and distribution	49,275	124,607	152.9%	The cost of transportation, delivery, and storage outsourced by the Company was multiplied by the emission factor according to the guideline.
Waste generated in operations	11,049	6,890	△36.2%	The weight of each type of waste generated from plants and laboratories was multiplied by the emission factor according to the guideline.
Business travel	44,043	52,301	18.7%	The travel costs by mode of transportation and lodging costs for business trips were multiplied by the emission factor based on the guideline. The use of business vehicles covered in Scope 1 was excluded.
Employee commuting	4,926	6,495	31.9%	Employee commuting costs by mode of transportation were multiplied by an emission factor according to the guideline.
Upstream leased assets	—	—	—	Category 8 is excluded from the calculation because emissions from the operation of leased assets are included in Scope 1 and 2.
Downstream transportation and distribution	145,857	167,456	14.8%	The Company's consolidated net sales were multiplied by the emission factor according to the guideline.
Processing of sold products	—	—	—	Category 10 is excluded from the calculation since the relevant emissions are expected to account for a very small proportion of the total emissions, although we sell bulk pharmaceuticals to downstream companies.
Use of sold products	—	—	—	Category 11 is excluded from the calculation due to the nature of pharmaceuticals, as there is no energy use based on product use.
End of life treatment of sold products	4,072	7,077	73.8%	The weight of containers and packaging of sold products by type of material was multiplied by the emission factor according to the guideline.
Downstream leased assets	2,248	2,248	0.0%	Floor area of buildings by use of leased assets owned by the company to other Companies was multiplied by the emission factor according to the guideline.
Franchises	—	—	—	Category 14 is excluded from the calculation because the company does not operate franchise stores.
Investments	10,945	466	△95.7%	CO <sub>2</sub> emissions (Scope 1 + 2) of each company that the Company owns shares were multiplied by the Company's shareholding ratio.
<b>Total</b>	<b>4,408,736</b>	<b>4,159,666</b>	<b>△5.6%</b>	

### 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	126,036	Electricity generated at sites in Japan, Germany, and China and electricity purchased in Japan.
Hydroelectric power generation	73,790	Purchased by our Group companies in Japan and Germany.
Biomass heat	8,416	Purchased by our group companies in Germany.
Other renewable energies	14,624	Purchased by group companies in Japan, Germany, France, Spain, China, 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 CO<sub>2</sub> 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.

#### 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<sub>2</sub> 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.

List of conversion factors in Japan

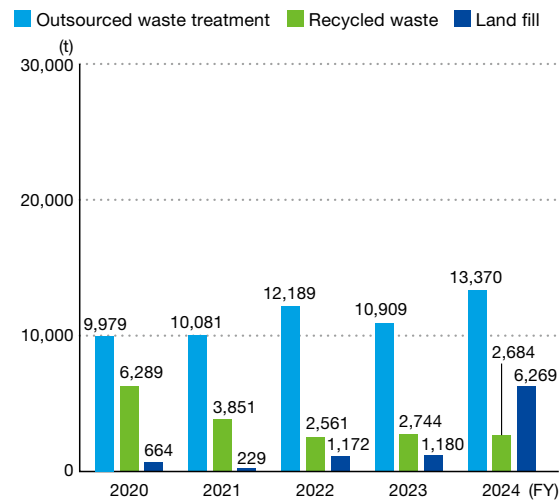
Energy Source	Conversion Factor			
	Unit Calorific Value		CO <sub>2</sub> Emission	
Electricity	—	—	Emission Factors by Electricity Supplier (Released on August 1, 2025)	t-CO <sub>2</sub> /MWh
A-type heavy oil	10,805.56	kWh/KL	2.75	t-CO <sub>2</sub> /KL
Diesel oil	10,555.56	kWh/KL	2.62	t-CO <sub>2</sub> /KL
Kerosene	10,138.89	kWh/KL	2.50	t-CO <sub>2</sub> /KL
LPG	13,916.67	kWh/t	2.99	t-CO <sub>2</sub> /t
City gas (13A)	11,111.11	kWh/Thousand m <sup>3</sup>	2.05	t-CO <sub>2</sub> /Thousand m <sup>3</sup>
LNG	15,194.44	kWh/t	2.79	t-CO <sub>2</sub> /t
Gasoline	9,277.78	kWh/KL	2.29	t-CO <sub>2</sub> /KL

# 3

## Effective Use of Resources and Reduction of Environmental Impacts

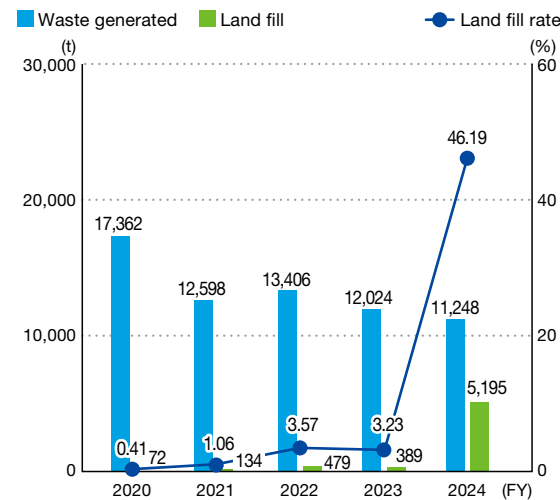
### 3-1 Waste Reduction Targets and Achievements

Outsourced waste treatment, Recycled Waste, and Land fill Volume\* Plants and research facilities (global)



\*The figure in FY2024 includes the waste temporarily generated by the soil remediation at Odawara Plant

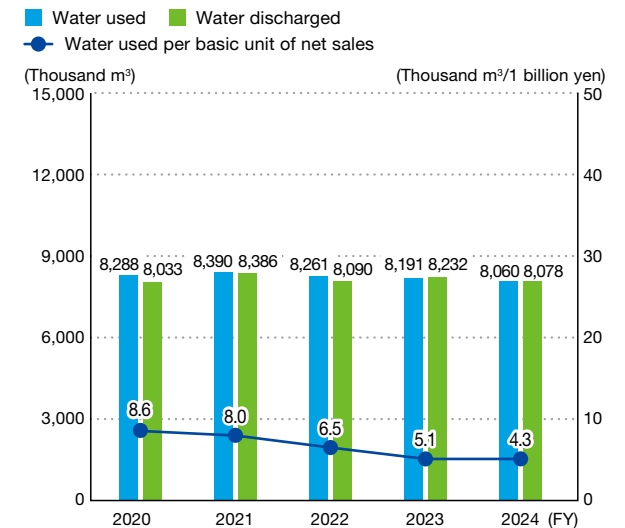
Total Waste Generation and Disposal\* (Plants and research facilities in Japan)



\*The figure in FY2024 includes the waste temporarily generated by the soil remediation at Odawara Plant

### 3-3 Appropriate Use of Water Resources

Volume of Water Used and Discharged Plants and research facilities (global)



### 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

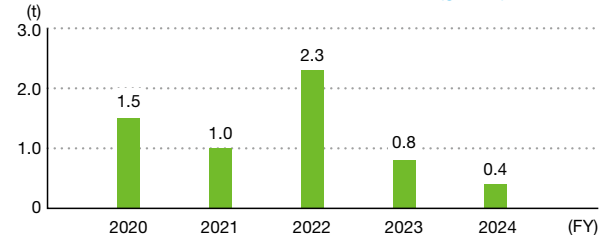
\*Each environmental performance data reflects the impact of past acquisitions and divestitures of affiliates retroactively.

# 4

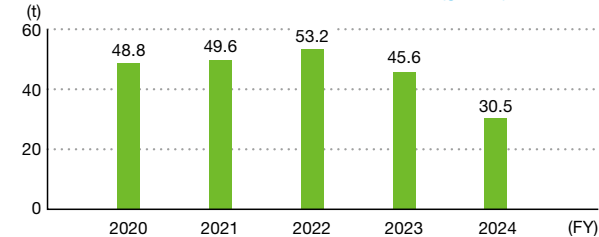
## Reduction of Environmental Risks

### 4-1 Preventing Air and Water Pollution

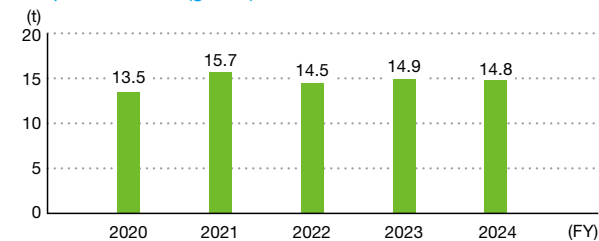
SOx Emissions Plants and research facilities (global)



NOx Emissions Plants and research facilities (global)



COD Plants and research facilities that discharge wastewater into public waters (global)



### 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)	In 1993, it was confirmed that mercury, a raw material used in pesticides, was present on the former factory site at concentrations exceeding environmental standards. In response to administrative guidance, we installed robust underground storage facilities and have been managing the contaminated soil appropriately. To date, there have been no reports of leakage incidents or health damages. However, in consideration of ensuring greater safety and peace of mind for the local community in the future, and in response to requests from local stakeholders, we announced in a press release in April 2020 our plan to remove the underground storage facilities. Following consultations and coordination with all relevant parties, the removal work has been underway. Of the two storage facilities, removal of the northern facility was completed by the end of fiscal year 2024, and we have now commenced removal of the southern facility. Furthermore, after conducting environmental improvement works in 2006, ongoing groundwater monitoring and subsequent soil surveys around areas adjacent to non-compliant zones revealed soil contamination on certain lands, including the embankment adjoining the site. In consultation with the authorities, we have initiated soil remediation works. By carrying out all necessary soil remediation works within the site, we aim to resolve the issue of contaminated soil at the former factory site comprehensively.

### 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 (Plants and research facilities 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 (Other)
Chloroform	6.3	0.3	0.0	0.0	6.0
Cobalt and its compounds	470.7	0.4	0.0	0.0	212.2
Dichloromethane	13.7	0.0	0.0	0.0	13.7
Triethylamine	58.8	0.2	0.0	0.0	58.6
Toluene	10.0	0.7	0.0	0.0	8.4
N-Hexane	11.9	0.8	0.0	0.0	11.1
Tetrahydrofuran	250.0	0.1	0.0	0.0	110.0
Methyl ethyl ketone	2.2	0.0	0.0	0.0	0.0
<b>Total</b>	<b>823.6</b>	<b>2.6</b>	<b>0.0</b>	<b>0.0</b>	<b>419.9</b>
Dioxins	—	0.002	0.000	0.000	0.000
Tetrahydrofuran	—	0.001	0.000	0.017	0.000

\*Each environmental performance data reflects the impact of past acquisitions and divestitures of affiliates retroactively.

# 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

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 FY2024, we reduced CO<sub>2</sub> emissions by 42.7% from the FY2015 level. 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 CO<sub>2</sub> emissions by 63% from FY2015 levels.

\*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.

### • 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 has established the Sustainability Committee to effectively identify and respond to changes in the external environment, including evolving social issues and societal conditions, and to promote sustainability management by integrating business activities with efforts to address these challenges. The Sustainability Committee is chaired by the Head of Global Corporate Strategy and comprises leaders from individual business units and corporate functions. The Committee meets, in principle, twice a year to discuss strategies and policies related to human rights; environmental, health, and safety (EHS); sustainability information disclosure; and social contributions. With respect to EHS, the Committee deliberates on, oversees, and reports on EHS management policies, set targets, and related activities. EHS-related results are reported to the Executive Management Committee (EMC), and matters of particular importance are subsequently reported to the Board of Directors.

<Read more here>

#### Corporate Governance

[https://www.daiichisankyo.co.jp/about\\_us/governance/](https://www.daiichisankyo.co.jp/about_us/governance/)

#### Environmental Management Promotion System

[https://www.daiichisankyo.co.jp/sustainability/the\\_environment/policy-system/#anc03](https://www.daiichisankyo.co.jp/sustainability/the_environment/policy-system/#anc03)

## 5 Climate Change and Water Risks

### Risk management

We strive to identify risks that may force changes to business activities, such as climate change and water-related risks, and implement countermeasures as part of our Group's risk management system. The Sustainability Committee plays an important role in evaluating and managing the financial impact of how climate change impacts present risks and opportunities to our business, and in enhancing resilience. In cases of significant risk concerns, the committee reports to the EMC, which in turn reports to the Board of Directors, ensuring integration into the company's overall risk management framework. Additionally, we deliberate and decide on medium-term and short-term targets and implementation plans with the aim of achieving long-term carbon neutrality transition.

Risk	
1.5°C Scenario	Risks of opportunity loss due to carbon taxes, emissions trading schemes, increased energy costs, and stricter environmental regulations
4°C Scenario	Supply chain disruptions, operational shutdowns, raw material shortages, increased air conditioning costs, and employee health risks caused by weather disasters and water shortages
Opportunity	
1.5°C Scenario	Cost reductions and improved ESG ratings through energy-saving and decarbonization initiatives
4°C Scenario	Development and supply of pharmaceuticals for diseases increasing due to climate change

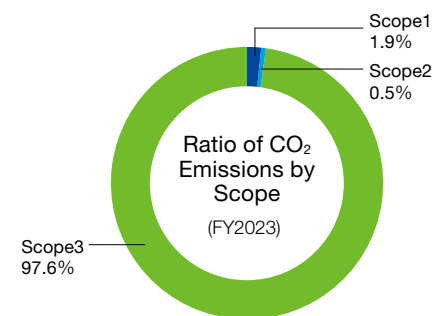
### Strategy

As environmental burden on the earth increases, corporate activities cannot be sustained without achieving a sustainable society. Particularly for pharmaceuticals, which are life-related products, supply chain disruptions and reduced pharmaceutical supply capacity due to intensifying weather disasters represent significant business risks as well as social risks. Therefore, we believe it is important to promote decarbonization and reduce the environmental impact of our business operations, while also advancing decarbonization across the entire supply chain through collaboration with business partners, thereby achieving carbon neutrality and mitigating physical impacts.

A characteristic of our CO<sub>2</sub> emissions is that Scope 1 and Scope 2 emissions directly

generated from business activities are small, while Scope 3 emissions from the supply chain account for the majority. Based on this recognition, we conducted scenario analysis to understand the impact of climate change on our business and clarify resilience.

Ratio of CO<sub>2</sub> emission by scope used in TCFD analysis



### • Scenario analysis

In FY2024, we established a cross-departmental task team and conducted study sessions for relevant departments covering an overview of scenario analysis and net-zero scenarios published by the IEA (International Energy Agency) and IPCC (Intergovernmental Panel on Climate Change), examining business risks and opportunities from 2030 onwards. Using scenarios from the IEA and IPCC, we identified risks and opportunities across the entire value chain for both “transition” and “physical” aspects, and these were reviewed and approved by the Sustainability Committee in the FY2025.

We selected the 1.5°C scenario, where decarbonization is achieved, and the 4°C scenario, where decarbonization is not achieved, as we determined that it is important to assume and prepare in advance for extreme cases with regard to both the physical and transition risks. Specifically, we identified risks and opportunities from the perspectives of “procurement,” “direct operations,” and “product and service demand,” and classified them into six categories. For each category, we conducted a company-wide assessment of risks and opportunities from the perspectives of “frequency of occurrence,” “business impact and financial impact,” and “investor interest” for the periods up to 2030 and 2050, and organized the potential impact on business and resilience.

## • 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	Environmental Changes	Risks and opportunities	Potential impact on the Group	Impact*	Actions for ensuring the Group's resilience	Business Risk*
1.5°C Scenario (world with advanced transition)	Tightening Policies and Regulations related to decarbonization	Prices Passing on to procurement costs	-Increased costs due to increased burdens on suppliers and logistics companies being passed on to procurement prices as a result of the introduction of carbon pricing and price increases.	Minor	-Avoidance of carbon pricing burdens and suppression of procurement cost increases through reduction of Scope 3 emissions in collaboration with business partners	Minor
		Increased costs due to the introduction of carbon pricing	-Increased costs due to the introduction of carbon pricing in Japan and the full-scale operation of the emissions trading market.	Minor	-Reduction of GHG emissions through the promotion of decarbonization measures	Minor
		Increase in energy costs	-When decarbonization measures are implemented by energy companies, energy procurement costs will increase due to introduction and operating costs.	Minor	-Continuous promotion of energy conservation and reduction of price fluctuation risks through long-term contracts for electricity procurement.	Minor
		Increased volatility of energy prices	-Increases and decreases in costs due to increased volatility in energy prices	Minor	-Continuous promotion of energy conservation, reduction of price fluctuation risks through long-term contracts for energy procurement	Minor
		Orders and regulations for existing products and services	-Strengthened environmental regulations in countries where products are manufactured/sold, resulting in temporary suspension or closure of raw material suppliers, which in turn leads to suspension of operations at our factories and increased costs.	Major	-Collect information on trends in relevant regulations, formulate response policies at an early stage, and avoid risks -Ensuring appropriate inventory levels and consider diversifying suppliers of important raw materials to reduce supply risks and ensure stable procurement	Minor
		Reduction of energy costs	-Reducing energy costs by introducing fuel-efficient vehicles and other energy-saving measures	Minor	-Promotion of eco-driving and reduction of energy costs by switching to fuel-efficient vehicles	Opportunity
	Increasing impact of decarbonisation efforts on corporate evaluation	Enhanced corporate value	-Efforts to decarbonize will lead to higher ratings from ESG investors and contribute to increased corporate value, such as higher stock prices.	Qualitative	-Initiatives toward a decarbonized society, proactive response to various initiatives, disclosure of information that meets the expectations of shareholders and investors, and improvement of corporate evaluation as a result.	Opportunity
4°C Scenario (world with increasing physical impact)	Increased frequency and scale of weather-related disasters (heavy rain, flooding, typhoons)	Temporary suspension of operations at company sites	-Increased costs for restoration due to direct suspension of operations caused by heavy rain and flooding	Minor	-Conduct flood risk assessments of business locations from a BCP perspective and promote resilient -Strengthen flood response and disaster mitigation measures in emergency drills, and improve resilience by developing and testing flood disaster manuals	Minor
		Supply chain disruption	(Flooding) -Heavy rains and typhoons damage the value chain, resulting in temporary suspension of operations and inability to ship, leading to a decrease in sales. (Drought) -Droughts, heat waves, and water shortages disrupt the supply chain, resulting in temporary suspension of operations and inability to ship, leading to a decrease in sales	Qualitative	-Ensuring appropriate inventory levels in preparation for disasters -Purchasing from multiple suppliers to ensure stable supply during disasters -Switching raw material suppliers in emergencies -Considering securing inventory for certain raw materials that cannot be purchased from multiple suppliers	Medium
		Raw material shortages caused by regulatory decisions and climate policies	-Increased costs due to market-wide shortages of raw materials caused by climate policies	Qualitative	-Utilizing disaster prevention information services (Bois) to confirm damage conditions when earthquakes or wind and flood disasters occur -Ensuring the safety of employees and securing necessary information	
	Rise in Temperature		-Supply shortages due to high product demand, resulting in loss of sales opportunities and trust from society	Qualitative	-Promote the establishment of a stable supply system, including shortening CMC development lead times and strengthening the supply chain, in preparation for the need to develop and manufacture new drugs in response to climate change	Minor
		Increase in diseases associated with climate change	-Increased sales opportunities and improved social trust through the development of preventive and therapeutic drugs for diseases that are expected to increase due to climate change	Qualitative	-Maintaining and improving drug discovery capabilities to address known and unknown unmet medical needs -Maintaining and improving value chain capabilities from new drug R&D to commercialization -Identifying areas where internal capabilities are lacking and building external networks to fill those gaps	Opportunity
			-Increased demand for and sales opportunities for pharmaceuticals related to malignant melanoma, cardiovascular and respiratory diseases, various tropical diseases, etc., and improved social trust -Decreased demand for existing products due to changes in disease structure	Qualitative	-Production lines that respond to expanding demand and ensure appropriate inventory levels -R&D that addresses unmet medical needs and diseases with high social demand, including changes in disease structures and pandemics, in collaboration with external resources	Opportunity/ Minor
		increased costs of air conditioning	-Increased operating costs due to increased air conditioning use and energy consumption caused by rising temperatures in offices, R&D facilities, and manufacturing sites where work is performed indoors.	Negligible	-Introduction of efficient air conditioning systems -Improvement of energy efficiency	Minor
		cost increases due to increased employee expenses	-Decreased work efficiency and economic losses due to employees leaving work due to illness or poor health caused by heat stress	Qualitative	-Early detection of employees in poor health through health checkups and prevention of sick leave -Support for maintaining health through measures such as walking and photo events, and the Daiichi Sankyo Group's original exercise program, "One DS Exercise"	Minor
	Water Shortage	Temporary suspension of operations at our own facilities	-Decreased sales due to temporary suspension of operations caused by water shortages at factories with the highest water withdrawal risk in the United States, China, and Brazil	Major	-Installation of rainwater tanks and introduction of water conservation packages -Promotion of drought countermeasures through the use of recycled water -Consideration of emergency supply measures such as utilization of other sites and manufacturing outsourcing	Medium

\*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 yen).

Business risks are comprehensively assessed based on the degree of impact and frequency of occurrence

## 5 Climate Change and Water Risks

We recognize that the direct transition risks associated with our business activities are limited. However, with regard to the supply chain, cost increases due to carbon taxes and transition measures are considered potential risks in the future. Additionally, regarding physical risks, there are concerns about stable supply due to the intensification of weather-related disasters. Based on this analysis, we will address transition risks by continuing to promote energy-saving measures, leveraging renewable energy, introducing decarbonization technologies, and collaborating with business partners to mitigate costs through measures such as carbon tax avoidance. With regard to physical risks, we will strengthen our business continuity plans (BCPs) to include flood countermeasures, implement preventive measures to enhance the stability of our supply chain, consider emergency supply responses, secure alternative measures, and implement measures such as installing rainwater tanks and utilizing recycled water as drought countermeasures. These measures will help us avoid damage to our group and aim for sustainable improvement in corporate value. For important risk countermeasures identified and evaluated through scenario analysis, we will manage progress across the entire group through the Sustainability Committee and EMC.

### Indicators and Targets

We have set KPIs and environmental targets in the 5-Year Business Plan as indicators and targets for evaluating and managing potential business impacts and climate-related risks and opportunities for each value chain. Based on the progress of the 5-Year Business Plan, we reviewed KPIs related to climate change in FY2021. As a result, we raised Scope 1 and Scope 2 targets to the level of 1.5°C target. For Scope 3, we updated the supplier engagement target by requesting suppliers to set their CO<sub>2</sub> emission reduction target to “1.5°C level,” and in June 2023, we obtained certification for the “1.5°C target” from the SBT Initiative.

<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/](https://www.daiichisankyo.com/sustainability/the_environment/climate_strategy/)

Overview of Executive Compensation System  
[https://www.daiichisankyo.com/about\\_us/governance/compensation/](https://www.daiichisankyo.com/about_us/governance/compensation/)

CO <sub>2</sub> emissions (Scope 1+Scope 2)	2025 target : 42% reduction from FY2015 2030 target : 63% reduction from FY2015
CO <sub>2</sub> emission intensity based on sales (Scope 3, Cat1)	2025 target : 15% reduction in CO <sub>2</sub> emission intensity based on sales compared to FY2020

Business partner engagement (Scope 3, Cat1)	2025 target : Have more than 70% of business partners set targets based on the 1.5°C
Renewable electricity utilization rate	2025 target : 60% or more 2030 target : 100%

### CO<sub>2</sub> emissions

(Unit: t-CO<sub>2</sub>)

	FY2022	FY2023	FY2024
Scope 1	86,006	85,245	91,836
Scope 2	23,729	23,994	24,477

Calculation Method

Scope 1: Japan's carbon dioxide and energy conversion factors are based on the Law Concerning the Promotion of the Measures to Cope with Global Warming. For countries other than Japan, the values are based on the standards of the authorities in the source regions or GHG protocols.

Scope 2: Calculated using emission factors based on electricity purchase contracts (market standard).

\*Each environmental performance data reflects the impact of past acquisitions and divestitures of affiliates retroactively.

## 5-2 Water Risk

We have conducted water risk assessments based on analysis results using evaluation tools (WRI Aqueduct, WWF-DEG Water Risk Filter).

As a result, we have identified the Shanghai Plant, Alphaville Plant, and Shirley Plant as the facilities within our group facing the highest water risks, with stricter regulations such as water withdrawal restrictions identified as the primary risk factors.

### Water use by plants located in high water risk areas (FY2024)

(Unit: Thousand m<sup>3</sup>)

Site	River basin and area	Water withdrawals	Water discharges	Water consumption
Shanghai Plant (China)	Yangtze River	39	28	11
Alphaville Plant (Brazil)	Parana	15	6	9
Shirly Plant (US)	Southern Long Island	78	78	0
<b>Total</b>		<b>132</b>	<b>111</b>	<b>21</b>

# 6

## Initiatives for Biodiversity Conservation

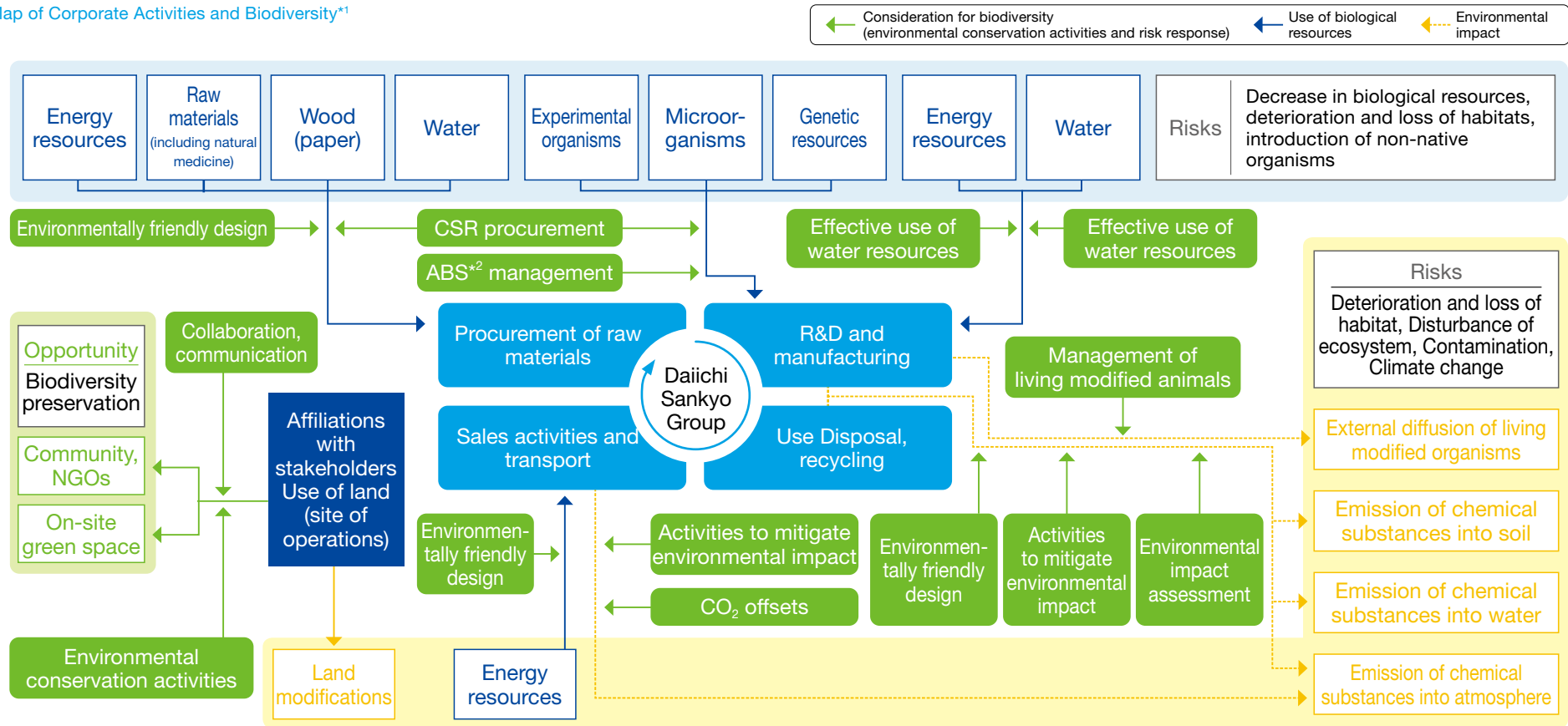
### 6-1 Our Basic Stance

#### Basic Biodiversity Principles and Action Guidelines

Basic Policy	
<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> </ul>	
Action Guidance	
1. Actively promote to address biodiversity conservation in all business activity	<ul style="list-style-type: none"> <li>• 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.</li> </ul>
2. Identify the biodiversity impacts of ecosystem services, using those services sustainably	<ul style="list-style-type: none"> <li>• Recognize the operational importance of ecosystem services while understanding and minimizing their impacts on biodiversity, using those services sustainably.</li> </ul>
3. Use genetically modified organisms responsibly	<ul style="list-style-type: none"> <li>• 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.</li> </ul>
4. Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization	<ul style="list-style-type: none"> <li>• 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.</li> </ul>
5. Communicate with stakeholders and improve in-house awareness	<ul style="list-style-type: none"> <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>

# 6 Initiatives for Biodiversity Conservation

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

## ● Implementation of WET testing

In FY2024, we conducted environmental impact assessments using WET test\*s at all Japanese Group factories and research facilities (7 facilities). As a result, we confirmed that the impact on aquatic life in rivers and other water bodies is not at a level of concern.

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

## 6 Initiatives for Biodiversity Conservation

### ● TNFD Disclosure

The Daiichi Sankyo Group believes that the conservation of biodiversity and the sustainable use of ecosystem services are essential in performing business. We therefore promote biodiversity initiatives to achieve the Nature Positive\*<sup>1</sup>.

We agree with the TNFD\*<sup>2</sup> recommendations and registered as a TNFD Adopters\*<sup>3</sup> in May 2024. In FY2024, we have completed an assessment based on the LEAP approach\*<sup>4</sup> in line with the TNFD recommendations. In FY2025, we also conducted a nature-related scenario analysis to assess critical nature-related risks in greater detail.

\*1 Nature Positive is a global societal goal defined as ‘Halt and reverse nature loss by 2030 on a 2020 baseline, and achieve full recovery by 2050 for the benefit of people and planet.’

\*2 TNFD Taskforce on Nature-related Financial Disclosures is a market-led, science-based and government-supported global initiative. The recommendations and guidance provide organizations with a risk management and disclosure framework to act on evolving nature-related dependencies, impacts, risks, and opportunities. They are designed to provide decision-useful information to capital providers and other stakeholders.

\*3 TNFD Adopters are organizations that have committed to start making disclosures aligned with the TNFD Recommendations in their corporate reporting for their fiscal years 2023, 2024 or 2025.

\*4 The LEAP (Locate, Evaluate, Assess and Prepare) approach is an integrated approach developed by TNFD to identify and assess nature-related issues. It comprises four phases: Locate interfaces with nature; Evaluate dependencies and impacts on nature; Assess nature-related risks and opportunities; and prepare to respond to those risks and opportunities and to disclose material nature-related issues.

### Governance

The Daiichi Sankyo Group has established the Sustainability Committee to effectively identify and respond to changes in the external environment, including evolving social issues and societal conditions, and to promote sustainability management by integrating business activities with efforts to address these challenges. The Sustainability Committee is chaired by the Head of Global Corporate Strategy and comprises leaders from individual business units and corporate functions. The Committee meets, in principle, twice a year to discuss strategies and policies related to human rights; environmental, health, and safety (EHS); sustainability information disclosure; and social contributions. With respect to EHS, the Committee deliberates on, oversees, and reports on EHS management policies, set targets, and related activities. EHS-related results are reported to the Executive Management Committee (EMC), and matters of particular importance are subsequently reported to the Board of Directors.

<For more information>

**Corporate Governance Code**

[https://www.daiichisankyo.com/about\\_us/governance/](https://www.daiichisankyo.com/about_us/governance/)

**Environmental Management Promotion System**

[https://www.daiichisankyo.com/sustainability/the\\_environment/policy-system/](https://www.daiichisankyo.com/sustainability/the_environment/policy-system/)

The Daiichi Sankyo Group has established EHS Policy and has implemented EHS initiatives based on the recognition that protecting the environment and ensuring the health and safety of our employees across all corporate activities are key management priorities. In addition, our Biodiversity Basic Policy and Action Guidelines stipulate commitments to the following: “Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization” and “Communicate with stakeholders and improve in-house awareness”. Furthermore, the Daiichi Sankyo Group Human Rights Policy declares As a signatory to the United Nations Global Compact, the Group supports its 10 principles in the four areas of human rights, labor, environment, and anti-corruption.

<For more information>

**Daiichi Sankyo Group EHS Policy**

[https://www.daiichisankyo.com/sustainability/the\\_environment/policy-system/](https://www.daiichisankyo.com/sustainability/the_environment/policy-system/)

**Biodiversity Basic Policy and Action Guidelines**

[https://www.daiichisankyo.com/sustainability/the\\_environment/eco-efficiency/](https://www.daiichisankyo.com/sustainability/the_environment/eco-efficiency/)

**Daiichi Sankyo Group Human Rights Policy**

[https://www.daiichisankyo.com/about\\_us/responsibility/ethics-compliance/human\\_rights/](https://www.daiichisankyo.com/about_us/responsibility/ethics-compliance/human_rights/)

## Risk & Impact Management

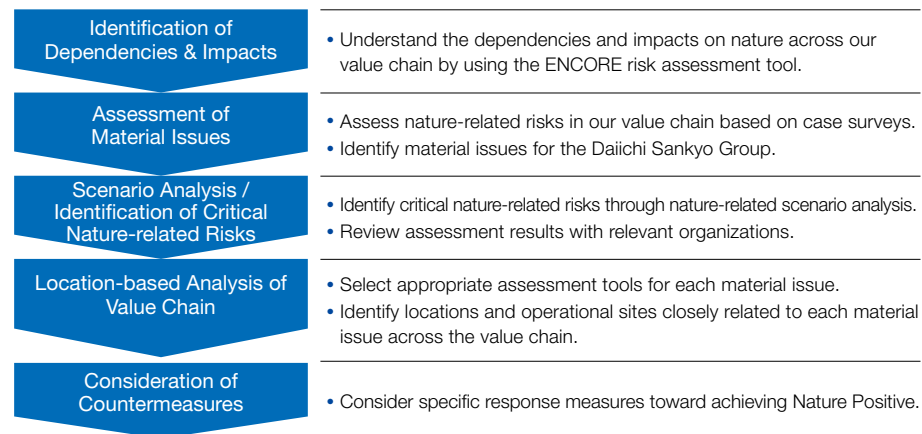
### • Process for Identifying, Assessing and Prioritizing Nature-related Dependencies, Impacts, Risks and Opportunities

We identified and assessed our dependencies on and impacts on nature, as well as nature-related risks and opportunities, through the following process. To understand nature-related issues across our value chain, we assessed dependencies and impacts in the pharmaceutical sector and in upstream and downstream sectors of our value chain using the ENCORE risk assessment tool.

In FY2024, we developed a materiality map of nature-related challenges from the perspectives of the depth of connection with the pharmaceutical sector and our business activities, and identified material issues related to its dependencies on and impacts on nature across relevant sectors. In FY 2025, we assessed the materiality of nature-related risks with potential future impacts on its business by conducting scenario analyses based on actual business risks associated with the identified material issues.

We also conducted a location-based assessment for each material issue using risk assessment tools to evaluate the likelihood of these risks occurring across our business locations. Based on the assessment results, we identified priority locations for reviewing our business initiatives. Additional targets and measures are currently being discussed through dialogue with internal stakeholders. The assessment results are disclosed in the Strategy section.

### Identification & Assessment Process for Nature-Related Dependencies, Impacts, Risks, and Opportunities



### • Processes for Managing Nature-related Dependencies, Impacts, Risks, and Opportunities / Overall Risk Management Processes

The Sustainability Committee plays an important role in assessing the nature-related risks and opportunities, including climate change, evaluating their potential impacts on the Group's business, and managing them to enhance our resilience. The Committee considers countermeasures against risks that may necessitate changes to our business activities, such as climate change- and water-related risks. It also reports significant risk-related matters to EMC and then the Board of Directors, where they are incorporated into our Group's comprehensive risk management framework. In addition, the Committee deliberates on and approves medium- and short-term targets and implementation plans aimed at achieving long-term carbon neutrality and the Nature Positive goals.

## Strategy

Nature-related business risks have already materialized worldwide. In light of their severity, we recognize these risks as critical risk management issues that must be addressed in the pharmaceutical sector, one of our core business areas. With a focus on identifying nature-related risks that attract stakeholder attention and are closely associated with our business, we conducted an analysis in line with the LEAP approach in FY2024, followed by a nature-related scenario analysis in FY2025.

### 1. Nature-Related Scenario Analysis

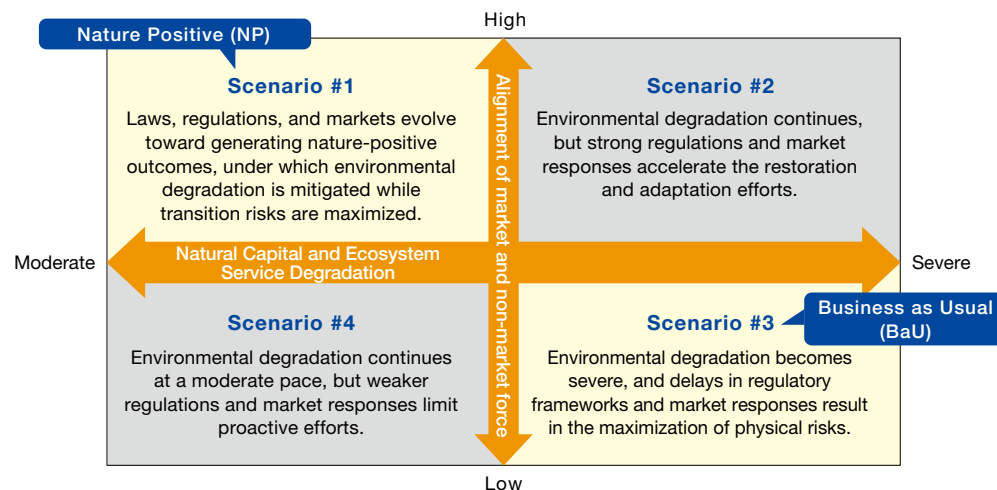
Prior to the risk assessment, we conducted a nature-related scenario analysis focusing on environmental conditions and market trends. The TNFD recommendations on Scenario Analysis recommends the use of a 2x2 matrix consisting of two axes: ecosystem service degradation (x-axis) and the alignment of market and non-market forces (y-axis).

This analysis comprehensively assessed the risk level and likelihood of potential future threats and evaluated the probability of risk occurrence and our financial strength for 25 identified business risks, based on the two defined scenarios: Scenario 1 (Nature Positive, or NP) and Scenario 3 (Business as Usual, or BaU).

In Scenario 1 (NP), heightened environmental awareness reflected in laws and regulations, as well as among stakeholders, leads to increased transition risks such as response costs and litigation, reputational damage stemming from incidents that cause environmental harm or pollution. In Scenario 3 (BaU), limited growth in environmental awareness and regulating services, continued environmental degradation lead to the rapid deterioration of ecosystem services. This, in turn, increases the risk of natural disasters such as droughts and floods, as well as physical risks, including disruptions to raw material procurement infrastructure that threaten the continuity of manufacturing operations.

We organized the pathways through which changes in external environment such as social and natural factors, give rise to risks with potential business impacts, which subsequently materialize and ultimately result in negative financial impacts, into logic models for each risk factor. In this manner, we have identified risks to be evaluated. The materiality of each risk to the Group was assessed under the worst-case scenario, in which financial impacts of each risk are maximized.

Four-Scenario Matrix



<Source>

Guidance on scenario analysis (TNFD)  
<https://tnfd.global/publication/guidance-on-scenario-analysis/>

### 2. Identification of Material Nature-Related Risks

Our material nature-related risks are divided into four areas: water resources, pollution, natural resources, and ecosystems. We identified a total of 25 business risks across these categories and assessed their materiality. The table below presents the risks that were determined to have a certain level of materiality based on the above assessment. These risks are further classified into upstream risks within our value chain, which relate to raw material production and processing, and direct operational risks associated with pharmaceutical product manufacturing and R&D.

The risk materiality assessment was conducted based on the two scenario: the Nature Positive scenario (Table on the next page NP), which represents the worst-case scenario for transition risks, and the Business as Usual scenario (Table on the next page BaU), which represents the worst-case scenario for physical risks. The assessment evaluated our financial strength and the probability of risk occurrence in line with the TNFD guidelines. During the risk assessment process, the results were reviewed and discussed in collaboration with responsible members from the relevant organizations.

## 6 Initiatives for Biodiversity Conservation

### Upstream Risks in the Value Chain

Material issues	TNFD Risk Classification	Risks*	Worst-case scenario
Water resources	Physical risk-acute	Increase in raw material prices due to poor crop yields caused by drought	BaU
	Physical risk-chronic	Decline in social reputation due to criticism of excessive groundwater extraction for crops cultivation in regions with tight water supply and demand	BaU
Pollution	Transition risk-Reputational	Decline in social reputation due to criticism of water and soil pollution during the refining process of minerals used for packaging materials	NP
Natural resources	Transition risk-Policy	Increase in development, procurement, and production costs to comply with stricter regulations on raw materials with deforestation risks, as well as penalties for non-compliance	NP
	Transition risk-Market	Investment and financing restrictions by institutional investors on companies involved in deforestation	NP
	Transition risk-Reputational	Decline in social reputation and share price due to protests by international NGOs and local communities over insufficient consideration for nature at raw material sourcing sites	NP
	Transition risk-Policy, Liability	Costs with local community support when using genetic resources and profit-sharing payments required under the introduction of the "Kari Fund"	NP
Ecosystem Transition risk-Reputational	Transition risk-Policy	Tightening of supply-demand balances for raw materials and increase in procurement prices due to strengthened farmland development regulations	NP
	Transition risk-Reputational	Growing concerns about nature destruction and pollution in the supply chain and responses to requests for the use of sustainably certified raw materials	NP

\* The risks presented in the table are excerpts of those assessed as material from the perspective of impact severity on the Group. Risk materiality was assessed under two scenarios, based on the financial strength and the probability of risk occurrence, in line with the TNFD guidelines, and was evaluated using the worst-case scenarios with more severity on the Group.

### Direct Operational Risks

Material issues	TNFD Risk Classification	Risks*	Worst-case scenario
Water resources	Physical risk-chronic/ Transition risk-Market, Reputational	Water withdrawal restrictions, increasing water fees, and criticism of adverse impacts on water sources in regions with tight water supply and demand	BaU
Pollution	Transition risk-Liability	Rising environmental restoration costs, compensation payments, and stricter administrative penalties related to harmful chemical leaks caused by operational errors, factory flooding, or fires	NP
	Transition risk-Policy	Compliance with stricter regulations on the release of active pharmaceutical ingredients (API) and other substances into the environment	NP
Natural resources	Transition risk-Policy	Strengthened the Cartagena Act on genetically modified organisms and imposition of fines for violations	NP
Ecosystem	Transition risk-Liability	Fines for improper disposal of waste containing genetically engineered organisms at research laboratories and factories	NP

\* The risks presented in the table are excerpts of those assessed as material from the perspective of impact severity on the Group. Risk materiality was assessed under two scenarios, based on the financial strength and the probability of risk occurrence, in line with the TNFD guidelines, and was evaluated using the worst-case scenarios with more severity on the Group. Risks associated with our outsourced manufacturers are classified as direct operational risks.

## 6 Initiatives for Biodiversity Conservation

### 3.Consideration of Risk Mitigation Measures

Examples of the Group's initiatives to address material risks are presented below. Additional goals for each material issue, also covering the supply chain, as well as the implementation of concrete measures, will be determined based on gap analysis between external expectations and our current initiatives, as well as dialogue with relevant stakeholders.

#### Examples of the Group's Initiatives to Address Material Issues

Material Risks	Actions Required in Response to Risks	Examples of the Group's Initiatives
Water Resources	<ul style="list-style-type: none"> <li>Appropriate use and risk management of water resources</li> </ul>	<ul style="list-style-type: none"> <li>Measures such as appropriate and efficient use of water, promotion of reuse through purification equipment, reduction of water usage, etc.</li> </ul>
Pollution	<ul style="list-style-type: none"> <li>Pollutant discharge management and prevention, environmental impact assessment</li> </ul>	<ul style="list-style-type: none"> <li>Environmental impact assessment of pharmaceuticals</li> <li>Set voluntary control standard values stricter than legal regulations and implement appropriate management through monitoring</li> <li>Conduct environmental impact assessment of wastewater through WET testing</li> <li>Establish and implement response methods in the event of pollution</li> <li>Implement measures to prevent improper waste disposal, etc.</li> </ul>
Natural Resources	<ul style="list-style-type: none"> <li>Sustainable procurement</li> <li>Appropriate responses to the Cartagena Act</li> </ul>	<ul style="list-style-type: none"> <li>Sustainability surveys of key business partners (including questions on pollutions and human rights)</li> <li>Evaluation of human rights and environmental risks at the initiation of business relationships</li> <li>Appropriate use and management of genetically engineered organisms in compliance with the Cartagena Act</li> </ul>
Ecosystems	<ul style="list-style-type: none"> <li>Mitigation of negative impacts on ecosystems in raw material-producing areas and in the vicinity of manufacturing plants and laboratories</li> <li>Promotion of green space management and conservation activities with due consideration for biodiversity</li> </ul>	<ul style="list-style-type: none"> <li>Sustainability surveys of key business partners</li> <li>Evaluation of human rights and environmental risks at the initiation of business relationships</li> <li>Appropriate use and management of chemical substances and genetically engineered organisms</li> <li>Reforestation activities in Germany</li> <li>Reforestation and rare plant conservation activities</li> <li>Greening activities at bases to create a sense of unity with nature, etc.</li> </ul>

### 4.Analysis Details (Analysis in line with the LEAP approaches)

In FY2024, an analysis conducted in line with the LEAP approaches identified material nature-related issues across our value chain in terms of dependencies and impacts on nature, and assessed the locations and operational sites within our value chain where such issues could manifest. Five major raw materials within our upstream supply chain were selected as targets for the risk case survey and location-based analysis based on the criteria that they are used in the Group's main products (approximately 61% of FY2023 sales coverage) and are listed on the SBTN High Impact Commodity List. Accordingly, we understand there remains room for improvement in terms of the scope of coverage and analytical accuracy.

We focus on mitigating nature-related risks through our business operations at the identified locations and operational sites by implementing concrete measures to address identified material issues, while also enhancing our resilience by expanding business opportunities.

#### (1) Identification of Nature-related Dependencies and Impacts

Nature-related dependencies and impacts across our value chain were assessed using the ENCORE nature risk assessment tool, and the results were visualized in a heat map.

## 6 Initiatives for Biodiversity Conservation

### Risk Assessment Results by Sector Across Our Value Chain (Dependencies on Nature)\*

	Sub-industry	Land use	Natural resource use	Water use	Decomposition and purification	Natural disaster mitigation	Climate regulation	Pest control and Pollination
Up stream	Diversified Chemicals	VL	L	L	VL	L	VL	L
	Specialty Chemicals	L		H	L	M	L	
	Commodity Chemicals	L		H	L	M	L	
	Forest Products	VH	VH	VH	H	VH	VH	VH
	Paper Packaging				L			
	Aluminum		H	H		H	H	
Direct operation	Pharmaceuticals Manufacturing		M	H	L	M		
	Life Sciences Manufacturing		M	H	L	M		
Down stream	Drug Retail	VL			VL	L		
	Health Care Facilities			M		L		
	Health Care Distributors					M	H	

\* The table presents the assessment results of nature-related dependencies by sector across our value chain using the ENCORE nature risk assessment tool.

### Risk Assessment Results by Sector Across Our Value Chain (Impacts on Nature)

	Sub-industry	Land use	Natural resource depletion	Water depletion	Water pollution	Soil pollution	Air pollution	Waste	GHG emissions	Spread of invasive species	Impact on local eco-systems
Up stream	Diversified Chemicals	H		VH	H	H	H	H	H		H
	Specialty Chemicals	H		H	H	H	H	H	H		H
	Commodity Chemicals	H		H	H	H	H	H	H		H
	Forest Products	VH			H	H		H	H	H	VH
	Paper Packaging			VH	H	H	M				H
	Aluminum	VH	VH	VH	H	H	H	H	VH	VH	VH
Direct operation	Pharmaceuticals Manufacturing			H	H	H	M	H			H
	Life Sciences Manufacturing			H	H	H	M	H			H
Down stream	Drug Retail			H	H	H	M	M			H
	Health Care Facilities				M	M		M	H		M
	Health Care Distributors	M			L	L	H		H		H

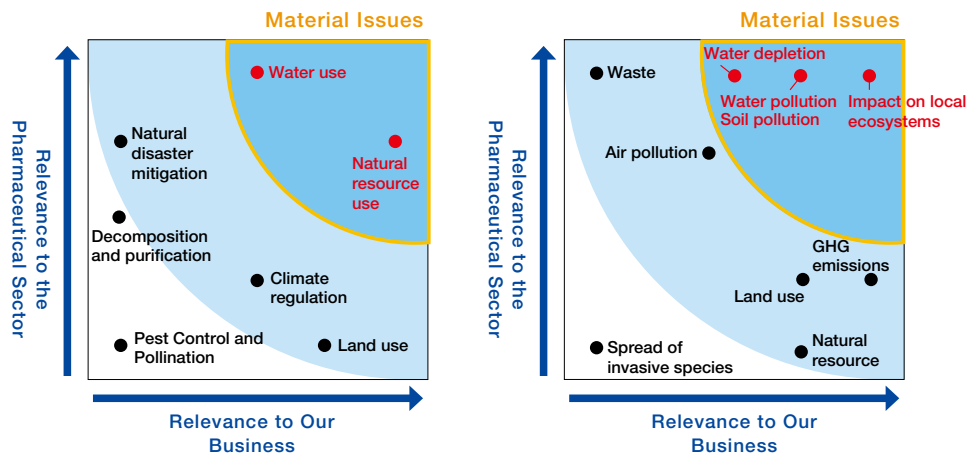
\* The table presents the assessment results of nature-related impacts by sector across our value chain using the ENCORE nature risk assessment tool.

## 6 Initiatives for Biodiversity Conservation

### (2) Evaluation of Material Issues

We assessed the short-, medium-, and long-term depth of our business relationships for the identified nature-related risk cases across relevant sectors, where significant dependencies on, and impacts on, nature may arise, based on the severity of each case. Following this assessment, we created a nature-related materiality map consisting of two axes: relevance to the pharmaceutical sector (y-axis) derived from the ENCORE assessment results, and relevance to our business (x-axis) derived from the risk case research results. As a result, we identified six material issues for the Group: “water use”, “natural resource use”, “water depletion”, “water pollution”, “soil pollution”, and “impacts on local ecosystems”. From the perspective of the characteristics of each risk and the consistency of counter measures, these six material issues are divided into four areas: water resources, pollution, natural resources, and ecosystems. For the risk assessment results, please refer to “2. Identification of Material Nature-related Risks”.

Nature-related Materiality Maps: Dependencies (Left) and Impacts (Right)



### (3) Location-based Analysis across the Value Chain

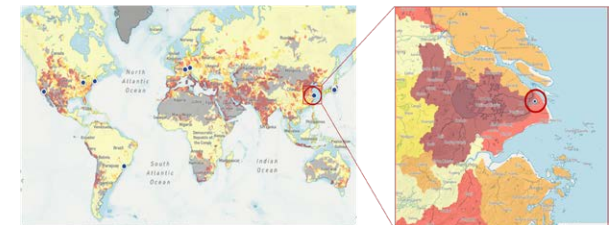
We conducted a location-based analysis\* covering both our direct operations and the upstream value chain on nature-related issues in three areas — water resources, pollution, and ecosystems—using risk assessment tools, to evaluate the likelihood of physical risk materialization across our business regions, focusing on risks that are both measurable using assessment tools and of a certain level of materiality. As a result, eight of the Group’s direct operational sites were identified as our critical bases.

For the upstream portion of the value chain, risk analyses were conducted on five key raw materials at their main production sites and locations with potential nature-related issues were identified for all of these raw materials.

\* The assessment indicators included water stress, water pollution index, presence or absence of mangroves and coral reefs, conflict cases, protected areas and areas undergoing deforestation, and presence or absence of peatlands. The assessment tools used were Global Forest Watch, IBAT, Environmental Justice Atlas, Crop Production Maps, Global Wetlands, Global Dam Watch, WWF Water Risk Filter, Aqueduct, and Ocean+ Habitat.

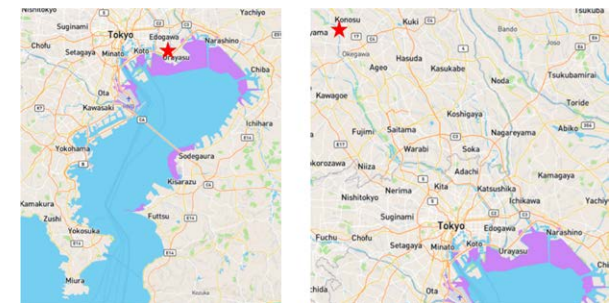
#### Analysis Process for Water Resource (Direct Operational Areas)

Water stress in areas where the Group’s operates was assessed using Aqueduct to identify critical operational sites.



#### Analysis Process for Pollution and Ecosystems (Direct Operational Areas)

The presence or absence of biodiversity-critical areas, such as Ramsar Convention wetlands, national parks, in the vicinity of the Group’s operational sites was assessed using IBAT. In addition, the presence or absence of reservoirs in the downstream areas of the sites was assessed using Global Dam Watch, and critical areas were identified after evaluating water pollution risks.



## 6 Initiatives for Biodiversity Conservation

### Location-based Analysis Results (Direct Operational Areas)

● : High-risk area

Company Name	Operational Site	Water Resource	Pollution	Ecosystems
DAIICHI SANKYO CO., LTD.	Shinagawa	—	—	—
DAIICHI SANKYO CO., LTD.	Kasai	—	●	—
DAIICHI SANKYO CO., LTD.	Hiratsuka	—	—	—
DAIICHI SANKYO CO., LTD.	Onahama	—	—	—
DAIICHI SANKYO CO., LTD.	Tatebayashi	—	—	—
DAIICHI SANKYO CO., LTD.	Odawara	—	—	—
DAIICHI SANKYO BIOTECH CO., LTD.	Kitamoto	—	—	●
AMERICAN REGENT, INC.	Shirley	●	—	●
AMERICAN REGENT, INC.	Columbus	—	—	—
AMERICAN REGENT, INC.	Brea	●	—	●
DAIICHI SANKYO ALTKIRCH SARL	Altkirch	—	—	●
DAIICHI SANKYO EUROPE GMBH	Pfaffenhofen	—	—	—
DAIICHI SANKYO PHARMACEUTICAL (SHANGHAI) CO., LTD.	Shanghai	●	—	—
DAIICHI SANKYO BRASIL FARMCEUTICA LTDA.	Alphaville	—	—	●

### Metrics & targets

#### • Quantitative Metrics

Quantitative environment-related data is disclosed in ESG Data. We plan to consider the disclosure of core metrics following further data collection and more detailed analyses.

<For more information>

ESG Data

<https://www.daiichisankyo.com/sustainability/performance-reports/esg-data/>

#### • Quantitative Targets

The Group aims to achieve its environmental targets in order to contribute to the achievement of Nature Positive goals. Our quantitative environmental targets are disclosed in Promoting Environmental Management. In the future, we plan to consider the need to set additional targets in line with TNFD recommendations.

<For more information>

Promoting Environmental Management

[https://www.daiichisankyo.com/sustainability/the\\_environment/policy-system/#anc02](https://www.daiichisankyo.com/sustainability/the_environment/policy-system/#anc02)

#### • Future Plans

The Group plans to set targets for material issues, consider a medium-term action plan, and further enhance analytical methods.

# 7 Environmental Communication

## 7-1 Main Efforts

Efforts	Details
Reporting of ISO 14001 Audit Results	Date: Monday, January 22, 2024 Target attendees: employees involved in the ISO 14001 internal audit Video conference: Agenda: Report on results of the ISO 14001 surveillance audit
Lecture for Employees Involved in Environmental Operations	Date: Tuesday, March 4, 2025 Target: Persons in charge of EHS and chemical-related operations Contents: Chemicals Management in Business Establishments"
Working Session on Combating Global Warming	Date: Friday, February 7, 2025 Target audience: persons in charge of environment-related promotion and persons in charge of global warming prevention and energy conservation measures (persons in charge of engineering, facility management, energy management, etc.) Contents: About Perovskite Solar Cells"
Environmental Awareness Constat (Global)	We received 568 applications from Group companies in and outside of Japan. Categories Images: 126 works from Group companies in Japan and 35 works from those outside Japan "Senryu" and slogans: 337 works from Group companies in Japan and 70 from those outside Japan. The awards ceremony in Japan was held on January 23, 2025.
Environmental e-Learning (Global)	Theme: Corporate Initiatives to Achieve Carbon Neutrality Participation rate : 97.6% (Japan) 94.7% (outside Japan)
One DS Climate Action Program (Global)	Program for Internal Implementation of Decarbonization Management Period: July 1, 2024 to August 30, 2024 Number of participants: 1,584

## 7-2 Environment-related Awards

CDP	Received an A- Score in the Climate Change and Water Security categories
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# 8 Site Data

## FY2024 Results by Site

### – Group in Japan

INPUT			Daiichi Sankyo		Daiichi Sankyo Propharma	Daiichi Sankyo Chemical Pharma				Daiichi Sankyo Biotech
	Unit	Shinagawa	Kasai	Hiratsuka	Onahama	Tatebayashi	Odawara	Hiratsuka	Kitamoto	
Energies	Electricity (Non renewable energy)	MWh	0	0	0	0	0	0	68	0
	Electricity (Renewable energy)	MWh	27,288	16,455	42,135	28,354	11,505	12,662	0	41,326
	City gas	Thousand Nm <sup>3</sup>	1,925	3,147	12,798	4,592	1,778	956	0	4,503
		MWh	20,437	33,414	135,895	48,759	18,883	10,156	0	47,818
	Other non renewable energy	MWh	0	0	0	0	0	0	0	2
	Other Renewable energy	MWh	0	0	0	0	0	0	0	0
<b>Total</b>	<b>MWh</b>	<b>49,649</b>	<b>53,015</b>	<b>190,828</b>	<b>81,704</b>	<b>32,166</b>	<b>23,774</b>	<b>68</b>	<b>93,648</b>	
Water	Service water	Thousand m <sup>3</sup>	118	94	318	213	40	18	0	215
	Industrial water	Thousand m <sup>3</sup>	0	0	0	5,207	62	0	0	0
	Groundwater	Thousand m <sup>3</sup>	8	0	2	0	0	1,329	30	0
	<b>Total</b>	<b>Thousand m<sup>3</sup></b>	<b>127</b>	<b>94</b>	<b>320</b>	<b>5,420</b>	<b>102</b>	<b>1,347</b>	<b>30</b>	<b>215</b>

OUTPUT		Unit								
Air	CO <sub>2</sub>	t-CO <sub>2</sub>	3,980	6,451	26,256	9,421	3,650	6,517	8	9,237
	NOx	t	3	4	10	3	0	2	0	0
	SOx	t	0	0	0	0	0	0	0	0
Water	Discharged water	Thousand m <sup>3</sup>	77	35	242	5,417	72	1,687	30	142
	COD	t	0	0	0	11	0	2	0	1
Waste	Generated amount	t	454	180	1,529	2,522	398	5,929	0	236
	Emission	t	454	180	1,306	2,522	398	5,929	0	236
	Recycling amount	t	226	75	370	256	245	61	0	183
	Landfill amount	t	13	12	20	18	78	5,054	0	0

– Outside Japan

			American Regent			Daiichi Sankyo Europe	Daiichi Sankyo Altkirch	Daiichi Sankyo Pharmaceutical (Shanghai)	Daiichi Sankyo Brasil Farmaceutica
INPUT		Unit	Shirley	Columbus	Brea	Pfaffenhofen	Altkirch	Shanghai	Alphaville
Energies	Electricity (Non renewable energy)	MWh	11,767	20,770	1,304	0	454	7,128	13
	Electricity (Renewable energy)	MWh	0	0	0	17,641	1,193	571	5,418
	City gas	Thousand Nm <sup>3</sup>	1,387	2,408	199	512	571	477	0
		MWh	14,732	25,569	2,118	5,433	6,067	5,069	0
	Other non renewable energy	MWh	0	0	0	0	0	0	0
	Other Renewable energy	MWh	0	0	0	16,330	0	0	0
<b>Total</b>	<b>MWh</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Water	Service water	Thousand m <sup>3</sup>	78	160	8	66	40	39	14
	Industrial water	Thousand m <sup>3</sup>	0	0	0	0	0	0	1
	Groundwater	Thousand m <sup>3</sup>	0	0	0	0	0	0	0
	<b>Total</b>	<b>Thousand m<sup>3</sup></b>	<b>78</b>	<b>160</b>	<b>8</b>	<b>66</b>	<b>40</b>	<b>39</b>	<b>15</b>

OUTPUT		Unit							
Air	CO <sub>2</sub>	t-CO <sub>2</sub>	9,525	13,924	680	1,193	1,316	5,106	208
	NOx	t	3	0	0	4	1	0	0
	SOx	t	0	0	0	0	0	0	0
Water	Discharged water	Thousand m <sup>3</sup>	78	160	6	59	40	28	6
	COD	t	0	0	0	0	1	0	0
Waste	Generated amount	t	259	336	234	832	483	131	71
	Emission	t	259	336	234	832	483	131	71
	Recycling amount	t	93	71	59	468	481	76	21
	Landfill amount	t	165	265	174	364	2	54	50

# 9

## ESG Data (Environment)

Goal Reference	Classification	Details	Scope	Unit	FY2015	FY2020	FY2022	FY2023	FY2024
Basic Information	Sales	Sales	Entire group	Million yen	986,446	962,516	1,278,478	1,601,688	1,886,256
	Employees	Employees	Entire group	Person	15,249	16,033	17,435	18,726	19,765
CO <sub>2</sub>	Energy-originated CO <sub>2</sub> emissions	Sales vehicles	Outside Japan	t-CO <sub>2</sub>	21,204	7,344	10,017	9,753	11,221
			In Japan	t-CO <sub>2</sub>	6,725	4,345	4,700	4,570	3,799
			Global	t-CO <sub>2</sub>	27,928	11,689	14,718	14,323	15,020
		Offices	Outside Japan	t-CO <sub>2</sub>	4,549	3,543	2,270	2,178	1,972
			In Japan	t-CO <sub>2</sub>	6,047	4,928	2,587	2,338	1,847
			Global	t-CO <sub>2</sub>	10,597	8,471	4,857	4,516	3,820
		Plants and R&D centers	Outside Japan	t-CO <sub>2</sub>	23,524	32,682	30,649	31,288	31,952
			In Japan	t-CO <sub>2</sub>	136,955	111,428	55,840	55,750	60,986
			Global	t-CO <sub>2</sub>	160,480	144,111	86,489	87,038	92,938
		Total	Outside Japan	t-CO <sub>2</sub>	49,277	43,570	42,937	43,219	45,146
	In Japan		t-CO <sub>2</sub>	149,728	120,701	63,127	62,658	66,631	
	Global		t-CO <sub>2</sub>	199,005	164,270	106,064	105,877	111,777	
	Non-energy oriented CO <sub>2</sub> emissions	Incinerator	Global	t-CO <sub>2</sub>	3,922	9,835	3,700	3,362	4,535
	Total of CO <sub>2</sub> emissions	Scope 1 + 2	Global	t-CO <sub>2</sub>	202,927	174,105	109,764	109,239	116,312
		Scope 1+2+3	Global	t-CO <sub>2</sub>	—	2,216,988	2,315,743	4,517,975	4,275,978
	CO <sub>2</sub> emissions by Greenhouse Gas Protocol Scope1, Scope2	Scope 1	Outside Japan	t-CO <sub>2</sub>	29,756	18,148	21,617	21,398	22,319
			In Japan	t-CO <sub>2</sub>	75,236	69,103	64,388	63,848	69,517
			Global	t-CO <sub>2</sub>	104,992	87,252	86,006	85,245	91,836
		Scope 2	Outside Japan	t-CO <sub>2</sub>	19,522	25,421	21,320	21,821	22,827
			In Japan	t-CO <sub>2</sub>	78,414	61,432	2,439	2,173	1,650
			Global	t-CO <sub>2</sub>	97,936	86,853	23,758	23,994	24,477
	CO <sub>2</sub> emissions by Greenhouse Gas Protocol Scope3	Category 1: Purchased goods and services	Global	t-CO <sub>2</sub>	—	1,855,613	1,892,504	3,887,790	3,549,346
		Category 2: Capital goods	Global	t-CO <sub>2</sub>	—	77,872	161,326	220,563	213,987
Category 3: Activities related to fuel and energy (not included in Scopes 1 or 2)		Global	t-CO <sub>2</sub>	—	18,950	24,051	28,217	28,793	
Category 4: Upstream transportation and distribution		Global	t-CO <sub>2</sub>	—	25,778	47,270	49,275	124,607	
Category 5: Waste generated in operations		Global	t-CO <sub>2</sub>	—	11,055	10,517	10,800	6,890	
Category 6: Business travel		Global	t-CO <sub>2</sub>	—	9,343	34,473	44,043	52,301	
Category 7: Employee commuting		Global	t-CO <sub>2</sub>	—	10,691	10,624	4,926	6,495	
Category 9: Downstream transportation and distribution		Global	t-CO <sub>2</sub>	—	17,706	14,163	145,857	167,456	
Category 12: End-of-life treatment of sold products		Global	t-CO <sub>2</sub>	—	2,367	2,747	4,072	7,077	
Category 13: Downstream leased assets		Global	t-CO <sub>2</sub>	—	2,913	2,820	2,248	2,248	
Category 15: Invests		Global	t-CO <sub>2</sub>	—	10,595	5,485	10,945	466	
Scope3 total	Global	t-CO <sub>2</sub>	—	2,042,883	2,205,979	4,408,736	4,159,666		

# 9 ESG Data (Environment)

Goal Reference	Classification	Details	Scope	Unit	FY2015	FY2020	FY2022	FY2023	FY2024	
Energy	Energy consumption	Electricity (Non renewable energy)	Global	MWh	203,370	196,642	50,792	51,260	53,045	
		Electricity (Renewable energy)	Global	MWh	10,087	16,505	179,962	204,554	210,896	
		City gas	Global	Thousand N m <sup>3</sup>	29,263	29,260	29,615	32,320	35,364	
			Global	MWh	367,617	365,683	370,124	406,901	375,525	
		LPG	Global	t	60	52	22	8	10	
			Global	MWh	832	736	315	120	133	
		Light oil	Global	KL	77	228	549	59	68	
			Global	MWh	812	2,390	5,750	624	730	
		LNG	Global	KL	0	0	40	69	73	
			Global	MWh	0	0	610	1,044	1,068	
		Kerosene	Global	KL	208	228	196	144	0	
			Global	MWh	2,110	2,323	1,997	1,460	0	
		Gasoline	Global	KL	10,813	3,644	4,433	4,298	4,331	
			Global	MWh	100,346	35,024	42,608	39,885	41,914	
		Gas oil for diesel engines	Global	KL	1,427	1,250	1,521	1,491	1,513	
			Global	MWh	15,071	13,092	15,929	15,746	16,251	
		Other non renewable energy	Global	MWh	3	12	6	2	9	
Fuels (Renewable energy)	Global	MWh	286	2,235	6,010	8,305	3,771			
Other Renewable energy	Global	MWh	1,491	6,296	6,540	6,887	16,330			
Total	Global	MWh	702,025	640,938	680,644	736,788	719,671			
Renewable electricity utilization rate	Global	%	4.7	7.7	78.0	80.0	79.9			
Fluorocarbons	Amount of leakage	In Japan	t-CO <sub>2</sub>	977	1,056	1,014	1,081	331		
Water	Water use by plants and research facilities (global)	Withdrawal: Total municipal water supplies	Plants and research facilities (global)	Thousand m <sup>3</sup>	822	1,299	1,323	1,355	1,422	
		Withdrawal: Fresh surface water (lakes, rivers, etc.)	Plants and research facilities (global)	Thousand m <sup>3</sup>	7,735	5,370	5,315	5,327	5,269	
		Withdrawal: Fresh groundwater	Plants and research facilities (global)	Thousand m <sup>3</sup>	1,754	1,619	1,623	1,509	1,369	
		Withdrawal: Total	Plants and research facilities (global)	Thousand m <sup>3</sup>	10,311	8,288	8,261	8,191	8,060	
		Discharge: Public water	Plants and research facilities (global)	Thousand m <sup>3</sup>	5,045	7,390	7,378	7,490	7,289	
		Discharge: Sewage	Plants and research facilities (global)	Thousand m <sup>3</sup>	4,866	643	711	742	789	
		Discharge: Total	Plants and research facilities (global)	Thousand m <sup>3</sup>	9,911	8,033	8,089	8,232	8,078	
		Water consumption	Plants and research facilities (global)	Thousand m <sup>3</sup>	399	255	172	-41	-18	
		Water use by plants located in high water risk areas	Withdrawal	Plants and research facilities (global)	Thousand m <sup>3</sup>	—	124	113	128	132
			Discharge	Plants and research facilities (global)	Thousand m <sup>3</sup>	—	117	102	115	111
Water consumption	Plants and research facilities (global)		Thousand m <sup>3</sup>	—	7	11	13	21		
Water pollution	COD	Plants and research facilities that discharge wastewater into public waters (global)	t	13.5	13.5	14.5	14.9	14.8		

# 9 ESG Data (Environment)

Goal Reference	Classification	Details	Scope	Unit	FY2015	FY2020	FY2022	FY2023	FY2024
Waste	Waste desposed (outsourced disposal)	Total Waste desposed (including hazardous waste)	Plants and research facilities (global)	t	—	9,979	12,189	10,909	13,370
	Waste	disposed	Plants and research facilities (global)	t	—	6,696	4,995	5,435	10,223
		recycled/reused	Plants and research facilities (global)	t	—	6,289	2,561	2,744	2,684
		disposed (except total Waste recycled/reused)	Plants and research facilities (global)	t	—	407	2,434	2,691	7,538
		incinerated without energy recovery	Plants and research facilities (global)	t	—	335	1,955	2,302	2,343
		landfilled	Plants and research facilities (global)	t	—	664	1,172	1,179	6,269
	hazardous waste	disposed	Plants and research facilities (global)	t	—	5,611	7,194	5,474	3,148
		incinerated with energy recovery	Plants and research facilities (global)	t	—	5,229	6,880	5,102	2,698
		incinerated	Plants and research facilities (global)	t	—	382	314	372	450
		landfilled	Plants and research facilities (global)	t	—	0	0	0	0
Waste plastic	Waste plastic recycling rate	Plants and research facilities (global)	%	—	76.1	69	72.4	77.8	
Air pollution	Air pollutant emissions	SOx emissions	Plants and research facilities (global)	t	0.8	1.5	2.3	0.8	0.4
		NOx emissions	Plants and research facilities (global)	t	51.0	48.8	53.2	45.6	30.5
	PRTR substances	Amounts handled	Plants and research facilities in Japan	t	3,686	2,063	2,074	1,340	824
		Amounts discharged and transferred (Air)	Plants and research facilities in Japan	t	83	3	1	3	3
		Amounts discharged and transferred (Water)	Plants and research facilities in Japan	t	0	0	0	0	0
		Amounts discharged and transferred (Sewers)	Plants and research facilities in Japan	t	120	0	0	0	0
		Amounts discharged and transferred (Water + sewers)	Plants and research facilities in Japan	t	120	0	0	0	0
	VOC	Amounts discharged and transferred (Waste)	Plants and research facilities in Japan	t	667	1,861	2,072	1,038	420
100 VOCs specified by Japan's Ministry of the Environment	Amount emitted into the atmosphere	Plants and research facilities in Japan	t	26.4	1.5	0.6	0.8	0.7	
Containers and packaging	Containers and packaging collected and recycled (obligatory recycling amount)	Glass bottle (colorless)	In Japan	t	158	203	515	142	157
		Glass bottle (brown)	In Japan	t	386	252	472	128	154
		PET plastic bottles	In Japan	t	0.0	0.1	1.0	0.1	0.0
		Plastic containers and packaging	In Japan	t	1,436	1,265	1,903	1,136	1,105
		Paper containers and packaging	In Japan	t	59	39	14	25	28
		Total	In Japan	t	2,039	1,758	2,906	1,432	1,443

## 9 ESG Data (Environment)

Goal Reference	Classification	Details	Scope	Unit	FY2015	FY2020	FY2022	FY2023	FY2024
Intensity	CO <sub>2</sub> carbon intensity	CO <sub>2</sub> emissions/Group sales	Global	t-CO <sub>2</sub> /million yen	0.206	0.181	0.086	0.068	0.062
	CO <sub>2</sub> environmental efficiency	Group sales / CO <sub>2</sub> emissions	Global	million yen/t-CO <sub>2</sub>	4.86	5.53	11.65	14.66	16.22
	CO <sub>2</sub> environmental efficiency index	Relative to the value of 100 for the base year	Global	—	100	114	240	302	334
	Waste generation intensity	Waste generated/Group sales	Plants and research facilities (global)	t/million yen	—	0.010	0.010	0.007	0.007
	Waste generation efficiency	Group sales/Waste generated	Plants and research facilities (global)	million yen/t	—	96.5	104.9	146.8	141.1
	Waste generation efficiency index	Relative to the value of 100 for the base year	Plants and research facilities (global)	—	—	100	109	152	146
	Water use intensity	Water consumption/group sales	Plants and research facilities (global)	Thousand m <sup>3</sup> /million yen	—	0.00861	0.00646	0.00511	0.00427
	Water use efficiency	Group sales/Water consumption	Plants and research facilities (global)	million yen/Thousand m <sup>3</sup>	—	116.1	154.8	195.5	234.0
	Water use efficiency index	Relative to the value of 100 for the base year	Plants and research facilities (global)	—	—	100	133	168	202
	CO <sub>2</sub> carbon intensity(Employees)	CO <sub>2</sub> emissions/Employees	Global	t-CO <sub>2</sub> /person	13.3	10.9	6.3	5.8	5.9
Management System	Status of acquisition of ISO14001 certification	Number of sites certified	In Japan	sites	5	5	5	5	5
			Outside Japan	sites	1	4	4	4	4
			Global	sites	6	9	9	9	9
Compliance	Environmental laws and regulations (waste, water, air, etc.)	Number of fines of \$10,000 or more for violations	Global	number of fines	0	0	0	0	0

\*Each environmental performance data reflects the impact of past acquisitions and divestitures of affiliates retroactively, except sales and employee numbers.



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