



Environment

# Environmental Management

## Basic Approach

The Mitsubishi Tanabe Pharma Group conducts environmental management, and has formulated the [Code of Conduct](#) and [Environment & Safety Policy](#), which set out a basic approach and initiatives for business activities. We promote activities that consider the environment, safety, and health in line with these guidelines and policies and constantly strive to reduce our environmental impact. We also proactively disclose information on our environmental safety activities to society and promote communication with stakeholders.

### Code of Conduct for the Environment and Safety

In conformity with the overriding principle that safety is paramount, we strive to prevent accidents occurring at workplaces and to implement adequate precautions and preparations against all contingencies, including occupational accidents and disasters. We also take continuing steps to reduce the impact of our corporate activities on the natural environment and we are fully committed to community environmental conservation activities.

### Environment & Safety Policy

Mitsubishi Tanabe Pharma Corporation and its group companies (the "MTPC Group") aim to be global research-driven pharmaceutical companies that are trusted by society, and actively strive to protect global environment and ensure people's safety.

1. We assess our corporate activities for their environmental impact in order to continuously reduce environmental burden.
2. We give priority to safety considerations for all of our workers to prevent occurrence of occupational accidents.
3. We set clear targets for our environmental and safety activities, and we effectively maintain and improve our system to achieve such targets.
4. We pursue activities in compliance with not only laws and regulations relating to environment and safety, but also more rigorous corporate management standards.
5. We systematically conduct training to enhance each and every employee's awareness on the environment and safety.
6. We proactively disclose information relating to environment and safety so that we can deepen communication with society.
7. By proactively participating in and cooperating with environmental management and disaster reduction activities organized by local communities, we prepare against unforeseen contingencies such as accidents and disasters, so as to minimize their impact.

## Environmental Compliance

The Group has declared that "We work actively to protect the global environment and strive to realize the Company's harmonious co-existence with society" as a compliance action policy to be implemented by each employee. Specifically, in every aspect of our business activities, we will strive to reduce greenhouse gas emissions, promote energy conservation, resource conservation and resource recycling, reduce waste, and participate in and cooperate with local communities in environmental conservation activities. We will work to achieve a sustainable society by transitioning to a carbon-neutral society and a circular economy as well as protecting the global environment. We will continue to reduce our environmental impact by creating a companywide environment and occupational safety management system, establishing, and sharing goals and targets for environment and safety management, and formulating, implementing, evaluating, and reviewing plans at all offices. We will thoroughly manage environmental and safety risks and take prompt and appropriate actions to deal with any problems that may arise. In accordance with our environmental and safety policy, we will set voluntary management standards for production and research bases that are stricter than those required by law with regard to water and air pollution, as well as complying with environmental laws and regulations. Additionally, we utilize regular internal audits and other measures to confirm the status of environmental compliance at each of our bases.

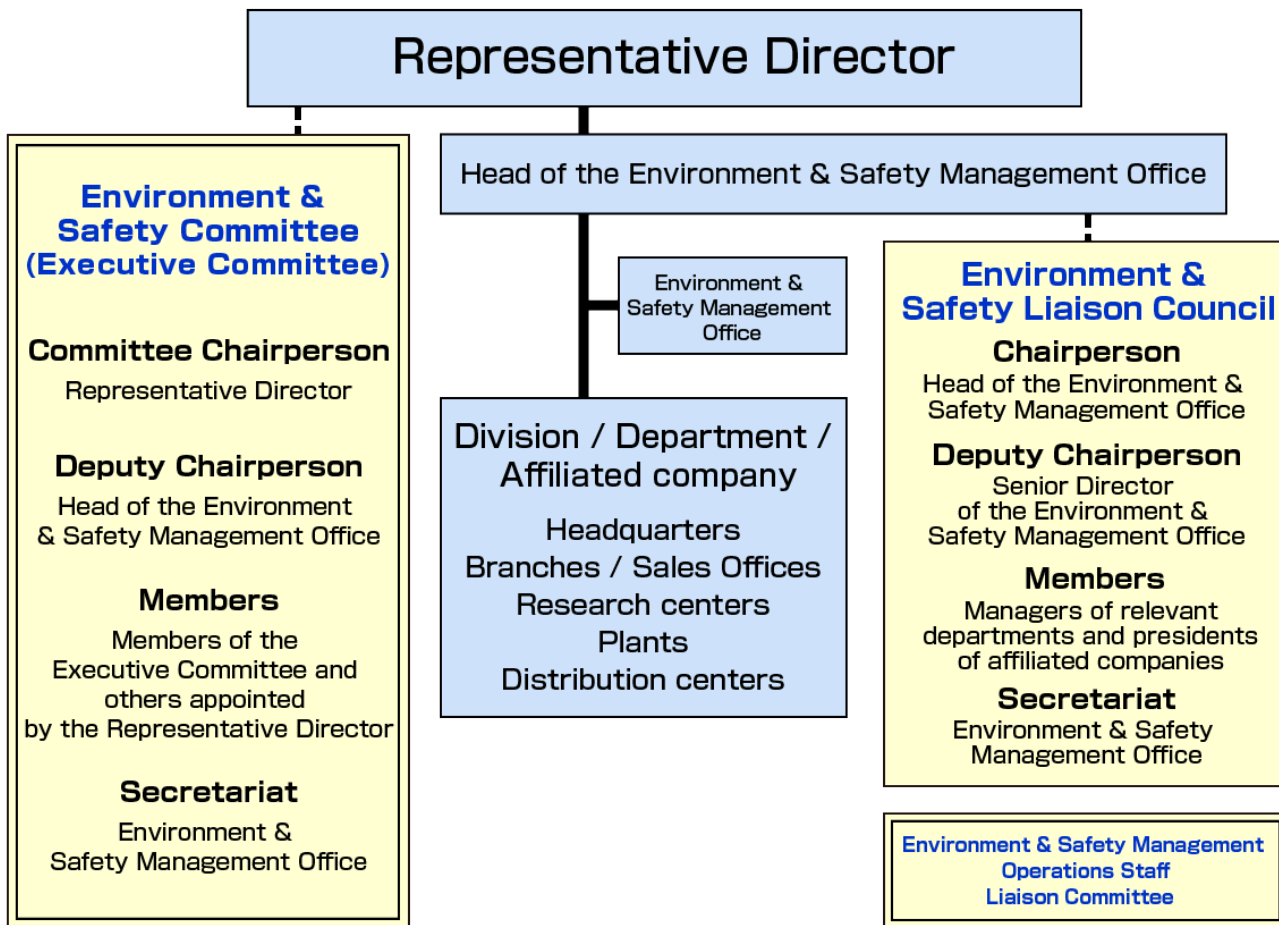
## Environmental Management Promotion System

We are moving forward with a system of environmental management with the Representative Director in charge. Chaired by the Representative Director, the Environment & Safety Committee convenes regularly to discuss and make decisions on important environmental and safety issues, medium-to-long-term as well as annual policies, and activity goals.

In addition, the Environment & Safety Liaison Council, which consists of heads of each division and presidents of Group affiliated companies, and is overseen by the Head of the Environment & Safety Management Office, meets regularly. The Council thoroughly discusses and reviews activities related to the environment and safety as well as execution plans and submits important matters and issues related to policy decisions to the Environment & Safety Committee.

Furthermore, we established the Environment & Safety Management Office in the corporate organization as a department that oversees environment and safety matters for the Group as a whole. Through close ties with management and frontline workers, the office supports stronger frontline capabilities and the development of a culture of safety. In this way, the office works to prevent the occurrence or recurrence of accidents related to the environment and safety.

The policies, targets, and plans of the Group with regard to the environment are formulated in conjunction with the Mitsubishi Chemical Group (the MCG Group). We engage in regular exchanges of information within the MCG Group as we undertake environmental activities.



## ISO 14001 Certifications

Of the Group's production bases in Japan and overseas, four bases have obtained ISO 14001 certification. At production and research bases that have not obtained ISO 14001, we are building our own environment management systems in accordance with ISO 14001 and are managing these appropriately.

Bases with ISO 14001 certification

Company name	Name of base	Year certification first obtained
Mitsubishi Tanabe Pharma Factory	Onoda Plant	1998
	Yoshitomi Plant	2001
Mitsubishi Tanabe Pharma Indonesia	Bandung Plant	2004
Mitsubishi Tanabe Pharma Korea	Hyangnam Plant	2014

# Environmental Audits

The environment management department periodically (Domestically: Annual, Overseas: Biennially) conducts environmental audits at production and research bases in Japan and overseas to confirm matters such as the status of environmental management and compliance, and that its environmental conservation activities are conducted legally and appropriately.

In these audits, we use check sheets, etc., to check the status of compliance with internal rules, and the management status of environment-related facilities (waste storage facilities, wastewater treatment facilities, exhaust gas generation facilities, etc.). We ask that they submit an improvement plan and report to address the matters identified in the audit and confirm their response at the next audit. We ensure the effectiveness of environmental audits at our overseas bases by periodically conducting EHS compliance audits by external specialists who are familiar with the laws and regulations of the countries and regions in which they are located.

In fiscal 2023, environmental audits were conducted at five domestic bases (Yokohama Office, Shonan Office, Onoda Office, Onoda Plant, and Yoshitomi Plant). Overseas, audits were conducted at one base (Mitsubishi Tanabe Pharma Indonesia).

With reference to overseas audits in particular, remote audits have been conducted online since fiscal 2020 due to the spread of COVID-19. This year audits were performed onsite for the first time in four years, with the status of environmental activities confirmed, and initiatives and issues unique to each business location shared.

## Priority items checked in audits

- Managerial and operational status of environment-related facilities, etc.
- Status of initiatives to reduce environmental impact
- Status of compliance with environmental laws and regulations and internal rules
- Status of compliance with revisions to regulations, etc. in accordance with changes in PRTR substances



Audits being conducted

## Environmental Education

Aiming for rigorous environmental compliance, the Group plans and implements environmental education and training in accordance with the level of connection to the environment.

Employees in charge of environmental management, work to maintain and improve specialized skills and knowledge about environmental management by proactively obtaining qualifications and taking outside training courses.

In fiscal 2023, we held basic training for new employees and MR, as well as specialist technical training regarding soil contamination for people responsible for environmental management at our bases.

Major training conducted in fiscal 2023

<b>Training for new employees</b>	<ul style="list-style-type: none"> <li>• <b>Participants</b> New employees of the domestic Group</li> <li>• <b>Date of implementation</b> April 2023</li> <li>• <b>Description</b> Mitsubishi Tanabe Pharma Group environmental targets and initiatives</li> </ul>
<b>Environmental training for MR</b>	<ul style="list-style-type: none"> <li>• <b>Participants</b> Domestic MR employees</li> <li>• <b>Date of implementation</b> August 2023</li> <li>• <b>Description</b> Global trends in environmental issues, and initiatives of the pharmaceutical industry and the Group to address climate change and resource recycling</li> </ul>
<b>Environmental laws and regulations training</b>	<ul style="list-style-type: none"> <li>• <b>Participants</b> People responsible for environmental management of domestic Group bases, and those wishing to do so</li> <li>• <b>Date of implementation</b> June 2023</li> <li>• <b>Description</b> Compliance with environmental laws and regulations</li> </ul>
<b>Training on the Soil Contamination Countermeasures Act</b>	<ul style="list-style-type: none"> <li>• <b>Participants</b> People responsible for environmental management of domestic Group bases, and those wishing to do so</li> <li>• <b>Date of implementation</b> December 2023</li> <li>• <b>Description</b> Content of the Soil Contamination Countermeasures Act and future initiatives in that regard</li> </ul>

## Status of Environmental Accidents/Violations of Environmental Laws and Regulations

For the seventh consecutive year, the Group had no environmental accidents and no major violations of environmental-related laws and regulations.



Environment

# Targets & Initiatives

## Medium-Term Environmental Action Plan 21-25

Mitsubishi Tanabe Pharma Group views environmental measures as an important management issue and has identified "environment-friendly business" as a materiality that contributes to the SDGs, and has formulated the Medium-Term Environmental Action Plan 21-25, which established six environmental themes, including monitoring indicators, as priority items.



### Raising GHG Emission Volume Reduction Targets





The Group has raised its greenhouse gas (GHG) emissions volume reduction targets for the Medium-Term Environmental Action Plan 21-25 based on the significant reductions anticipated in GHG emissions volumes through action plans intended to achieve this under an action plan to reduce these emissions that was decided on in-house for fiscal 2023.

#### GHG emission volume (Global: Scope 1 + 2)

- FY2025 target: 25% -> 58% reduction compared to FY2019
- FY2030 target: 45% -> 69% reduction compared to FY2019

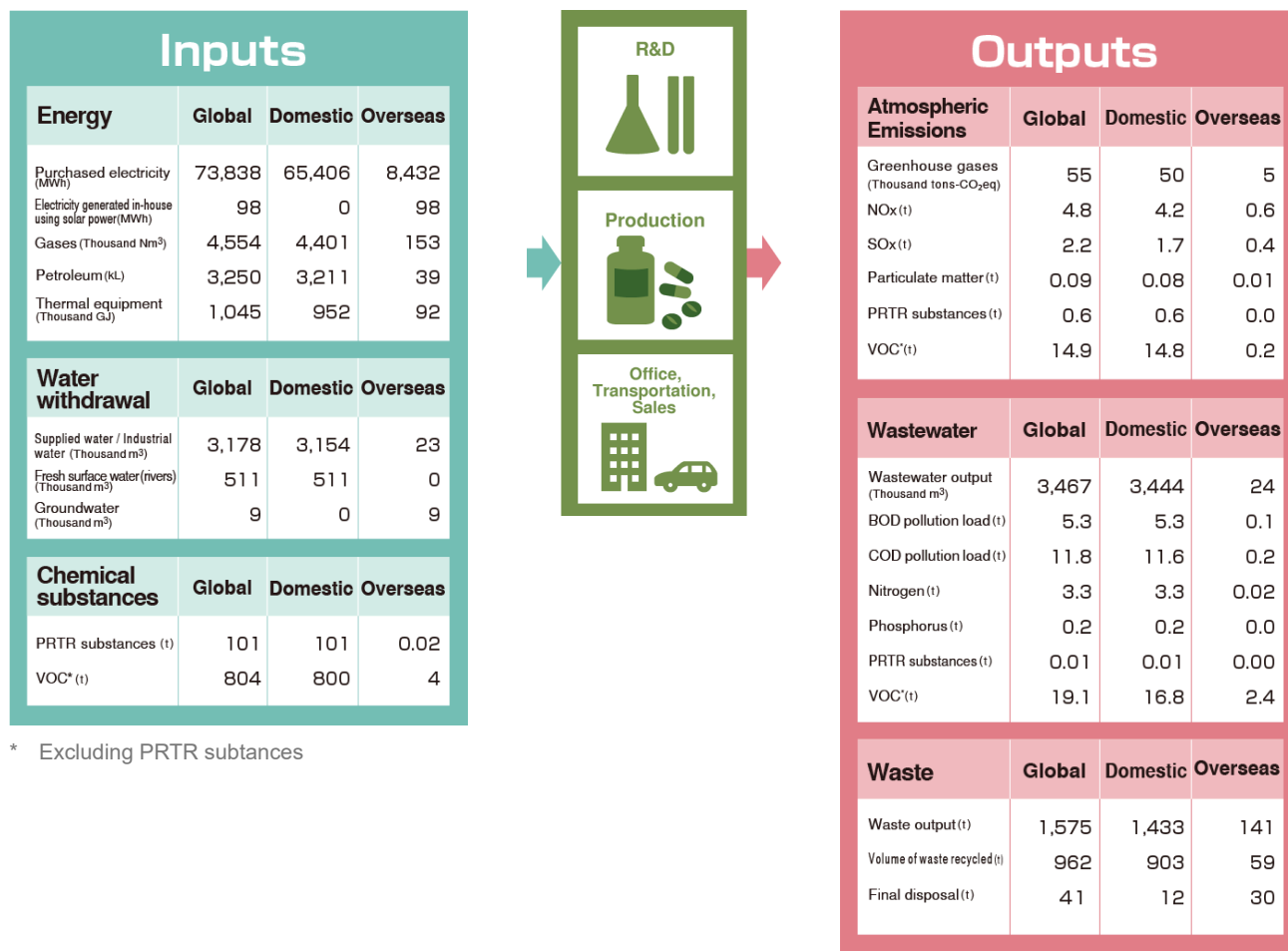
### State of Medium-Term Environmental Action Plan 21-25 Achievement

	Targets	Principal Initiatives and Results in Fiscal 2023	Environmental SDGs
Energy conservation and global warming mitigation	<ul style="list-style-type: none"> <li>➤ Reduce GHG emissions by 58% by fiscal 2025 compared to fiscal 2019 (Global: Scope 1 + 2)</li> </ul>	<ul style="list-style-type: none"> <li>• 29% reduction compared to fiscal 2019</li> </ul>	 <b>Goal 7</b>
	<ul style="list-style-type: none"> <li>➤ Promote reduction of supply chain CO<sub>2</sub> emissions</li> </ul>	<ul style="list-style-type: none"> <li>• Scope 3 was tracked and disclosed in the Sustainability Report</li> </ul>	
	<ul style="list-style-type: none"> <li>➤ Appropriately manage fluorocarbons</li> </ul>	<ul style="list-style-type: none"> <li>• Amount leaked 43 kg (74 t-CO<sub>2</sub>eq)</li> </ul>	 <b>Goal 13</b>

	Targets	Principal Initiatives and Results in Fiscal 2023	Environmental SDGs
Reduction of waste, recycling and reuse of resources	<ul style="list-style-type: none"> <li>Reduce amount of waste generated by 30% by 2025 compared to fiscal 2019 (domestic)</li> <li>Reduce amount of final waste disposed by 50% by 2025 compared to fiscal 2019 (domestic)</li> </ul>	<p>Compared to fiscal 2019</p> <ul style="list-style-type: none"> <li>40% reduction of waste generated in Japan</li> <li>71% reduction in final waste disposal</li> </ul>	 <b>Goal 12</b>
	<ul style="list-style-type: none"> <li>Promote reduction of plastic usage and recycling of waste</li> </ul>	<ul style="list-style-type: none"> <li>Plastic waste emissions in Japan 181 tons *Emission volume is the total for the Group</li> <li>35% recycling rate</li> </ul>	
	<ul style="list-style-type: none"> <li>Reduce water usage volume by 15% by 2025 compared to fiscal 2019 (Global)</li> </ul>	<ul style="list-style-type: none"> <li>38% reduction compared to fiscal 2019</li> </ul>	
Prevention of environmental pollution	<ul style="list-style-type: none"> <li>Continue to maintain COD emissions at current levels compared to fiscal 2019 (Domestic)</li> </ul>	<ul style="list-style-type: none"> <li>13% reduction compared to fiscal 2019</li> </ul>	 <b>Goal 6</b>
	<ul style="list-style-type: none"> <li>Reduce PRTR emission substances (Domestic)</li> </ul>	<ul style="list-style-type: none"> <li>60% reduction compared to fiscal 2019</li> </ul>	 <b>Goal 12</b>
Preservation of biodiversity	<ul style="list-style-type: none"> <li>Promote understanding and reduce environmental impact on biodiversity</li> <li>Promote biodiversity preservation efforts</li> </ul>	<ul style="list-style-type: none"> <li>Awareness of environmental impact through monitoring, etc., and measures to reduce impact</li> <li>Participation in activities to preserve the natural environment, such as tree-planting on Mt. Ikoma in Osaka Prefecture, and preservation of rural landscapes in the Hachioji-Takiyama area of Tokyo</li> </ul>	 <b>Goal 15</b>
Enhancement of environmental management	<ul style="list-style-type: none"> <li>Strengthen environmental risk management, promote compliance, and prevent environmental accidents</li> </ul>	<ul style="list-style-type: none"> <li>Performance of environmental audits</li> <li>Performance of environmental education and training</li> <li>Appropriate response to environmental trouble and revisions to environmental laws and regulations</li> </ul>	
	<ul style="list-style-type: none"> <li>Maintain zero environmental accidents and violations of laws and regulations</li> </ul>	<ul style="list-style-type: none"> <li>While maintaining zero environmental accidents and violations of laws and regulations for seven years</li> </ul>	

# Material Balance

The figures below show the amount of resources (inputs) directly consumed and the environmental impact (outputs) discharged by our business activities in fiscal 2023.



Calculation Standards for Environmental Performance Indicators [PDF: 168KB]



## Participation in Initiatives and Industry Group Activities

The Group participates in the following initiatives and industry group activities to solve social issues related to the environment and continues to be a company that is trusted by society.

### Activities of Japan Climate Initiative (JCI)\*

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In an effort to achieve the decarbonized society required in the Paris Agreement, the Company has participated in the Japan Climate Initiative\* since 2021. Additionally, JCI has been sending regular messages to encourage the Japanese Government to achieve the target of limiting global temperature increase to the 1.5°C set out in the Paris Accords, and in fiscal 2023, we expressed our support for the "Overcoming Two Crises with Renewable Energy and Carbon Pricing" message.

\* The Japan Climate Initiative (JCI) is a network comprised of various entities (non-government actors) besides the national government that includes companies, municipalities, and NGOs, aiming to achieve a carbon-free society. Companies that are actively working on climate change measures are joining in support of the JCI Declaration which states, "Joining the front line of global trend for decarbonization from Japan."

### Activities of Pharmaceutical Industry Associations

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The Company participates as a member of the Environmental Committee of The Federation of Pharmaceutical Manufacturers' Associations of Japan and contributes to formulating guidelines and action plans for the industry. We also participate in the Carbon Neutral Working Group and are working to achieve the carbon dioxide emissions reduction target based on Japan Business Federation's (Keidanren's) requests. Furthermore, we are participating in an environmental issues study group established by the Japan Pharmaceutical Manufacturers Association (JPMA) in fiscal 2022, and are working to address environmental issues as a pharmaceutical industry.



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# Climate Change Initiatives

Climate change is an environmental problem that has a significant effect on the continued existence of life, including human beings, and efforts to prevent it are now a major challenge for the global community. Mitsubishi Tanabe Pharma Group has positioned climate change initiatives as an important management theme and is promoting the reduction of greenhouse gas (below, "GHG") emissions resulting from its business activities.

## Reduction of GHG Emissions

### Scope 1 + 2

To mitigate climate change, the Group is endeavoring to reduce its energy consumption and GHG emissions by preventing the leakage of fluorocarbons, and has set the following targets in the Medium-Term Environmental Action Plan 21-25.

#### GHG emissions (Global: Scope 1 + 2)

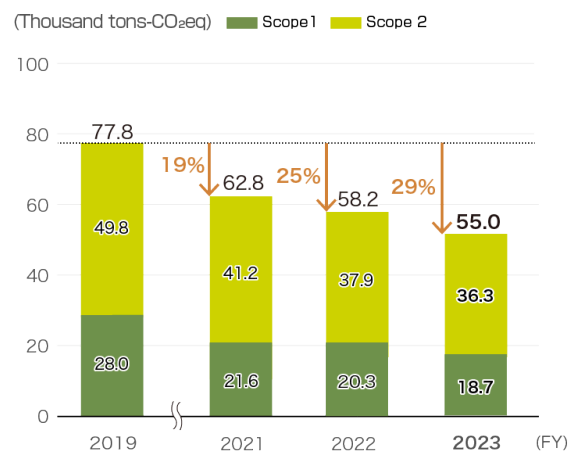
◇58% reduction in GHG emissions by fiscal 2025 compared to 2019

GHG emissions for all global bases in fiscal 2023 were 55.0 thousand t-CO<sub>2</sub>eq, down 29% compared to fiscal 2019.

This breaks down as: Scope 1 emissions directly from combustion by Mitsubishi Tanabe Pharma were 18.7 thousand t-CO<sub>2</sub>eq, a 33% reduction from fiscal 2019, with Scope 2 GHG emissions arising indirectly from the company due to use of electricity, etc., of 36.3 thousand t-CO<sub>2</sub>eq, a 27% reduction on fiscal 2019.

We will continue to promote daily energy conservation efforts at each base in order to achieve our goal of a 58% reduction.

GHG emissions (Scope 1 + 2)



### Scope 3

Scope 3 GHG emissions in the supply chain emitted after sales and procurement of raw materials were largest in category 1, accounting for 95.6% of Scope 3. The Group has been working with other pharmaceutical companies to promote joint distribution of ethical drugs in Japan since fiscal 2022, which reduces the number of vehicles used for operations and thus lowers GHG emissions.

Scope 3 GHG emissions

Category		GHG emissions (Thousand t-CO <sub>2</sub> eq)	Calculation method
1	<b>Purchased goods and services</b>	682.2	Calculated from the purchase prices of raw materials and products in Japan, which are multiplied by the emissions unit values from the Ministry of the Environment database*
2	<b>Capital goods</b>	17.1	Calculated from acquisition amounts of property, plant and equipment, not only for domestic companies but also for overseas companies in the scope of consolidation, which are multiplied by the emissions unit values from Ministry of the Environment database*
3	<b>Fuel- and energy-related activities not included in Scope 1 or 2</b>	9.0	Calculated from amount of energy used at domestic and overseas Group offices, which is multiplied by emissions unit values from Ministry of the Environment database* or the emissions unit values from the LCI database (IDEAv2.3)
4	<b>Transport and delivery (upstream)</b>	2.3	Calculated from domestic transportation ton-kilometers for shipments from plants to distribution centers, shipments from distribution centers to wholesalers, and shipments from sales-promotion item warehouses to branches, sales offices, etc., using the ton-kilometer method in the greenhouse gas emission calculation and reporting manual from Japan's Ministry of the Environment and Ministry of Economy, Trade and Industry Calculated from electricity used for storage management at outsourced distribution centers and sales-promotion item warehouses, multiplied by the actual emissions factor indicated in the emissions factors for electric power enterprises announced by the Ministry of the Environment and the Ministry of Economy, Trade and Industry on December 22, 2022
5	<b>Waste generated in operations</b>	1.3	Calculated from the amounts of waste, by type, from domestic Group offices (production and research bases, headquarters/Tokyo Head Office, distribution centers, and sales offices), which are multiplied by emissions unit value from Ministry of the Environment database*
6	<b>Business travel</b>	0.7	Calculated from number of domestic and overseas employees, which is multiplied by the emissions unit value from Ministry of the Environment database*
7	<b>Employee commuting</b>	1.1	Calculated by multiplying the amount of transportation costs paid by domestic and overseas transportation districts by multiplying the emissions unit values from Ministry of the Environment database*
12	<b>End-of-life treatment of sold products</b>	0.2	Calculated from amount of recycling obligation based on the Containers and Packaging Recycling Law in Japan, which is multiplied by the emissions unit value from Ministry of the Environment database*
<b>Total</b>		713.9	

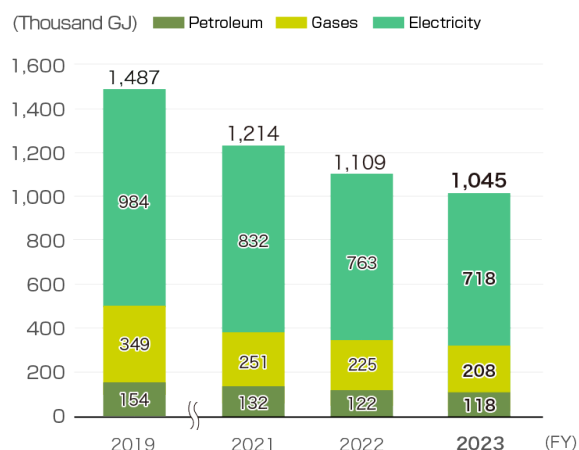
\* Ministry of the Environment database: database on emissions unit values for calculating greenhouse gas emissions, etc., by organizations throughout the supply chain (Ver.3.4)

## Reduction of Energy Used

The domestic Group holds regular energy liaison committee meetings for energy conservation to review changes in energy consumption and energy conservation measures as needed. We are also promoting energy conservation globally by creating an energy management system.

Energy use (thermal equivalent) has continued to drop thanks to a variety of energy-saving activities undertaken at each base, as well as the consolidation of bases.

Energy use (global)



## Initiatives to Reduce GHG Emissions

### Promoting carbon neutrality

In our carbon neutrality action formulated in fiscal 2023, we created a roadmap for the introduction of renewable energy, the switch to the use of next-generation vehicles as company-owned vehicles, and the conversion of fuels used in boilers and other large-scale equipment.

With regard to the introduction of renewable energy, we will promote the switch to renewable energy by moving to electric power from renewable energy sources at factories in Japan by 2025, and by all other offices in Japan by 2030.

### Energy-Saving Initiatives at Bases

The Group is actively promoting energy conservation activities.


At our domestic and overseas bases, we are continuously replacing lights with LED lighting, controlling the blinking of lights with sensors, as well as promoting the update of energy saving equipment, and the shutdown of operations in manufacturing areas during long vacation periods. We are also engaged in daily energy-conserving activities such as energy-saving campaigns at all bases to educate employees and recommend turning off lights and equipment power when not in use.

## Environmentally friendly activities in fiscal 2023

### Winner of the Chairman's Award in the 2023 NEDO Energy Conservation Technology Development Awards

Working with organizations from other industries, we evaluated the practical use of pharmaceutical manufacturing equipment using continuous batch production methods, and developed continuous production systems that offered an 80 percent reduction in energy use compared to other commonly used methods. This project, "Development of the iFactory™ for the manufacture of pharmaceutical products based on the operation of interconnecting reconfigurable modular units," was chosen for having the best theme and received the Chairman's Award in the 2023 NEDO Energy Conservation Technology Development Awards, which are awarded to businesses that are deemed to have achieved excellent results in contributing to energy conservation.

See below for details.


- Awarded as an "NEDO Energy Conservation Technology Development Award" in ENEX2024 [https://www.nedo.go.jp/news/press/AA5\\_101722.html](https://www.nedo.go.jp/news/press/AA5_101722.html)   
(Japanese language only)

### Supporting environmentally friendly products

The Company has adopted biomass plastic blister packages as our first environmentally friendly packaging material. These blister packages are a product from the Mitsubishi Chemical Corporation, another member of the Mitsubishi Chemical Group (MCG Group), and allow us to reduce carbon dioxide emissions by 30-70% compared to blister packages made from oil-derived plastic.

\*Blister package: Also known as "Press Through Pack (PTP)" in Japan.

See below for details.

- Announcement of launch of SGLT2 inhibitor "Canaglu OD Tablets" - Adoption of Environmentally Friendly Biomass-plastic PTP sheets - [https://www.mt-pharma.co.jp/e/news/assets/pdf/e\\_MTPC240522.pdf](https://www.mt-pharma.co.jp/e/news/assets/pdf/e_MTPC240522.pdf) 
- Manufacturing Pharmaceuticals that are Secure, Safe, and Convenient to Use

## Introduction of Hybrid Vehicles

The Group is shifting steadily from gasoline-powered vehicles to hybrid vehicles and promoting eco-driving to reduce GHG emissions from company-owned vehicles (switch to hybrid vehicles planned for completion by fiscal 2027).

		FY2019 (Base year)	FY2021	FY2022	FY2023
Ratio of company-owned vehicles that are hybrid vehicles		67%	64%	67%	70%
CO <sub>2</sub> emissions from company-owned vehicle fuels (domestic)	CO <sub>2</sub> emissions	4,165 t-CO <sub>2</sub>	3,576 t-CO <sub>2</sub>	3,520 t-CO <sub>2</sub>	3,597 t-CO <sub>2</sub>
	Ratio of reduction in CO <sub>2</sub> emissions (compared to fiscal 2019)	—	14%	15%	14%

## Renewable Energy Use

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Use of renewable energy that does not emit GHG is an effective measure to contribute to climate change mitigation.

The Group has installed solar power generating equipment at Mitsubishi Tanabe Pharma Korea (Hyangnam Plant), and carbon-free power has been installed at the Shonan Office and at some Group offices in Europe. Going forward, we will consider switching to electricity from renewable sources for procurement of power at other major Group bases, based on our carbon neutrality action plan.

## Controlling Fluorocarbons Emissions

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The Group is working to prevent leaks of fluorocarbons, which add to the effects of ozone layer depletion and greenhouse gases. Equipment containing fluorocarbons installed in domestic bases is properly managed with a ledger in accordance with the revised Law Concerning the Discharge and Control of Fluorocarbons which came into effect in 2020. In addition, we comply with installation standards and conduct regular equipment inspections and when disposing of the equipment, we recover and destroy the fluorocarbons and maintain a record of this for three years.

Furthermore, when installing equipment containing fluorocarbons, we select a model that takes into account global warming potential and energy-saving performance.

In fiscal 2023, at domestic production and research bases, the leakage volume of fluorocarbons was 43kg (74 t-CO<sub>2</sub> equivalent.) The CO<sub>2</sub>-equivalent leakage volumes for domestic Group companies were below the threshold for reporting to the national government for all years since 2015 when the leakage reporting system was established.



Environment

# Water Resource Initiatives

Water shortages and increased flood risks due to climate change are becoming a social issue, and for Mitsubishi Tanabe Pharma Group, securing good quality water is extremely important for pharmaceutical research and manufacturing.

The Group has set a goal in Medium-Term Environmental Action Plan 21-25 of reducing water use, and manages the amount of water withdrawal and wastewater in its business activities, saves water to reduce its water withdrawal, and makes effective use of its limited water resources.

## Water use reduction target (Global)

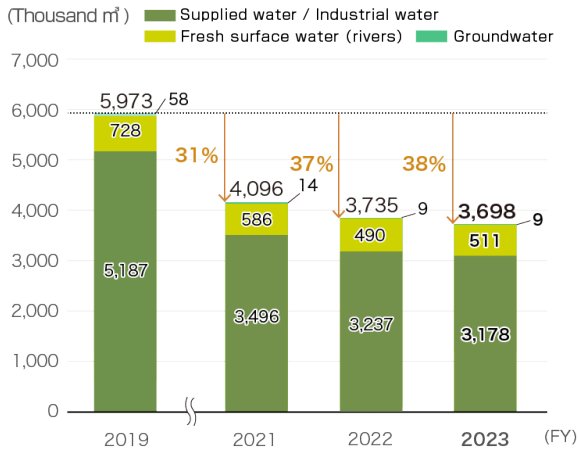
Reduce water use 15% from fiscal 2019 by fiscal 2025

The water withdrawal of all bases globally in fiscal 2023 was 3,698 thousand m<sup>3</sup>, down 38% from actual withdrawals in fiscal 2019, significantly exceeding targets.

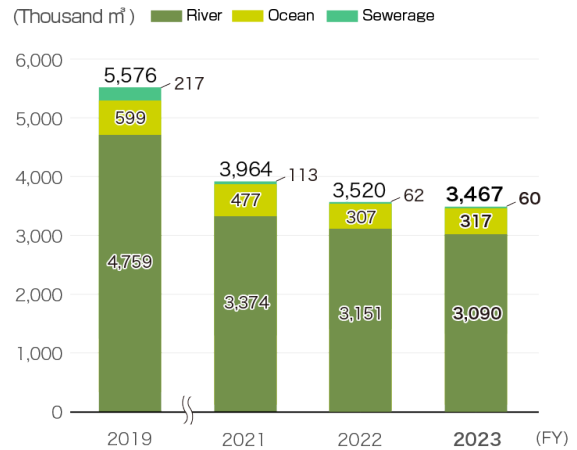
In addition to our everyday water-saving activities, the use of recycled water at our plants and a review of water intake reduced water withdrawal.

The total volume of wastewater discharged at all bases globally was 3,467 thousand m<sup>3</sup>, mainly discharged to rivers.

Water withdrawal (global)



Wastewater discharged (global)





Environment

# Initiatives to Reduce Waste and Recycle Resources

Pollution of the natural environment by waste and the resulting impact on ecosystems have become problematic, and efforts to recycle resources will help curb environmental destruction and reduce waste while making a major contribution to the protection of the global environment.

Under the Medium-Term Environmental Action Plan 21-25, Mitsubishi Tanabe Pharma Group has set the goal of reducing the volume of waste generated and the amount of final waste disposed, to this end, we are advancing the "3Rs (Reduce, Reuse, Recycle) + Renewable" from the standpoint of correct handling and effective resource use with the aim of realizing a circular economy.

## Waste reduction targets (Domestic)

- 30% reduction in waste generated by fiscal 2025 compared to fiscal 2019
- 50% reduction in final waste disposal by fiscal 2025 compared to fiscal 2019

## Proper Management of Waste

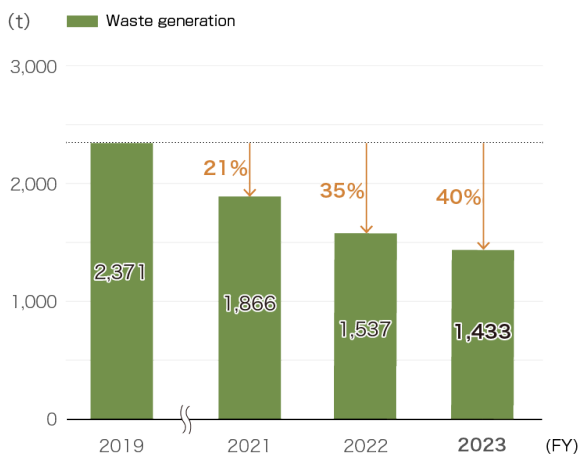
As a waste-discharging enterprise, the Group properly implements and manages the conclusion of agreements with contractors for waste collection, conveyance and processing, the management of electronic manifests, and on-site confirmation of disposal contractors.

We choose waste disposal contractors who proactively recycle resources, conduct on-site confirmation before concluding these contracts, and evaluate whether disposal consignment is possible.

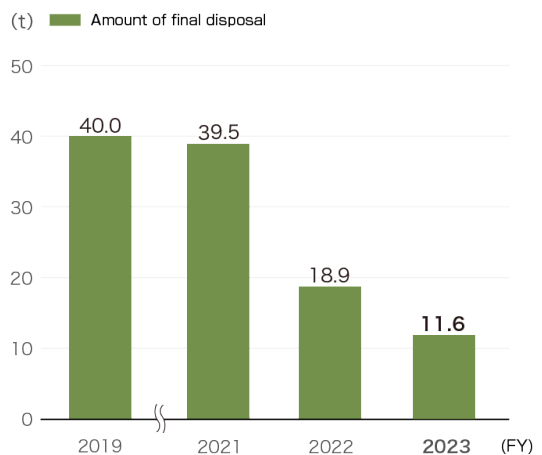
In fiscal 2023, waste generated by the domestic Group was 40% less than in fiscal 2019 and final disposal was 71% less than in fiscal 2019, achieved through thorough sorting of waste as well as improvements to some of our calculation methods. The recycling rate was 63%. We will continue to evaluate measures to promote recycling, including revision of processing methods and vendor selection.

Furthermore, we will continue to implement initiatives to minimize waste, such as switching from disposal to sale of idle equipment and solvents recovered from manufacturing processes, and in fiscal 2023, we processed 344 tons as valuable materials.

Amount of waste generated (domestic)



Amount of final waste disposed (domestic)





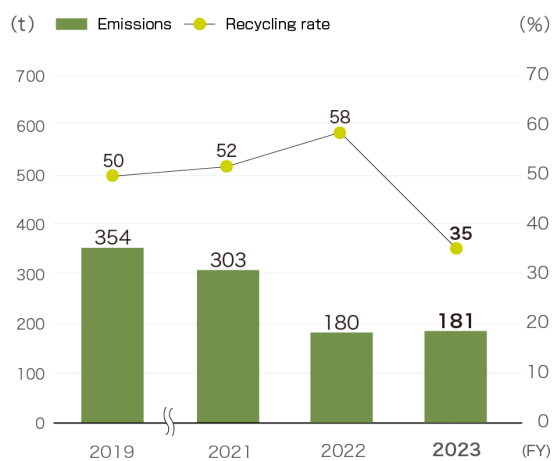
## Reduction of Plastic Consumption and Promotion of Recycling

In recent years, environmental pollution caused by the discharge and long-term accumulation of plastic waste in the ocean has become a major global problem. Additionally, disposal (incineration) of fossil-based plastics has been demonstrated to increase greenhouse gas emissions. In the Group, we are considering improving the plastic materials used for packaging pharmaceuticals, with a view to improving our measures towards environmental problems associated with these plastics.

According to partially revised calculation methods, the ratio of plastic waste generated by the domestic Group recycled in fiscal 2023 deteriorated to 35% (fiscal 2019: 50%). Looking to the future, we will continue to evaluate methods of further increasing the recycling rate, including material recycling of waste sheets of PTP.

The Group has proper management in place, in accordance with the Law Concerning the Promotion of Resource Circulation for Plastics, enacted on April 1, 2022. Emissions from the Company and the Group in fiscal 2023 were as shown in the following diagram. (Mitsubishi Tanabe Pharma Corporation: 47 tons, Mitsubishi Tanabe Pharma Factory Ltd.: 134 tons)

Waste plastic emissions and recycling rate (domestic)





Environment

# Initiatives to Prevent Pollution

The Mitsubishi Tanabe Pharma Group works to prevent air, water, soil, noise, vibration, and odor pollution and each base sets stricter voluntary standards than the legal emissions standards for pollutants and applies them daily. Additionally, we have put goals in place for the prevention of environmental pollution for the Medium-Term Environmental Action Plan 21-25, and we are working to achieve them.

We also work to prevent the external leakage of PRTR substances and VOCs, which are regulated by laws, and to reduce the amount of these substances that are released into the environment.

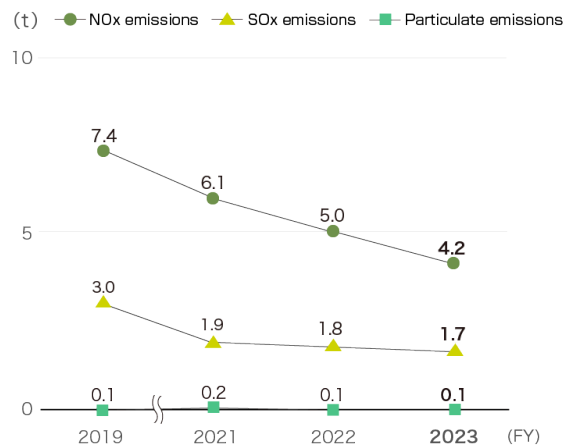
## Prevention of Air Pollution

The Group controls the generation of soot and smoke by reducing the operating time of fuel-driven boilers, water heaters and coolers, and power generators.

At domestic bases, we reduce the concentration of air pollutants in soot and smoke by mainly converting the fuel for these soot and smoke generating devices from oil to gas.

We have also enhanced measures to prevent environmental pollution in soot and smoke generating devices at our overseas bases by addressing the increasingly strict regulations of each country and improving and updating the devices as needed.

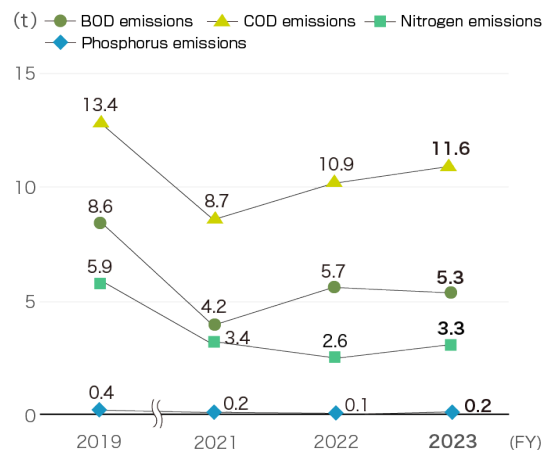
Emissions of air pollutants by domestic bases



## Prevention of Water Pollution

To the extent possible, harmful substances discharged from the Group's production and research bases are treated as industrial waste on disposal to prevent contamination with wastewater. Also, we adjust the pH of wastewater and purify it before discharge to comply with emission standards. Especially at Mitsubishi Tanabe Pharma Factory (the Onoda and Yoshitomi plants) and Mitsubishi Tanabe Pharma Indonesia (Bandung plant), where wastewater is discharged into public water bodies, wastewater undergoes activated sludge treatment, and we comply with emission standards for public water bodies that are stricter than that for sewage discharge. At two domestic plants, we constantly measure the pH, COD, nitrogen, and phosphorus of the wastewater, and when we detect an abnormality, we immediately stop its discharge and store it in a reserve water tank.

Environmental impact on public water bodies (domestic)



## Prevention of Soil and Groundwater Pollution

The Group conducts land use history surveys of domestic bases where it owns land to identify soil contamination risk. If the survey finds that the soil or groundwater is contaminated, we notify the authorities and take appropriate action.

Response to the soil and groundwater pollution implemented in fiscal 2023

Base	Activity	Implemented content
Taiwan Tanabe Seiyaku Hsinchu Plant	Groundwater purification	The plant has completed the purification of groundwater pollution found in 2019, and has been inspected by authorities
Mitsubishi Tanabe Pharma Yoshitomi Plant	Soil contamination survey	Updated geo-historical surveys in conjunction with the construction of new buildings at a company on the worksite (no soil contamination found)

## Prevention of Noise, Vibration, and Odor

At our domestic bases, we monitor noise, vibration, and odor in accordance with related laws and regulations and confirm that they are within the established standards.

## PRTR Substances and VOCs

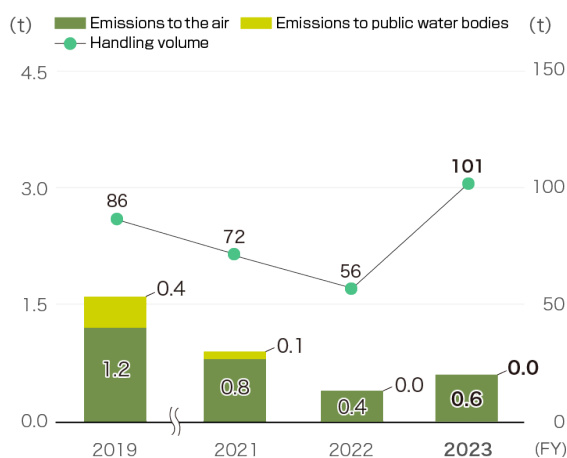
Based on the Law concerning Pollutant Release and Transfer Register/PRTR Law, the Group manages the amount of PRTR substances handled at our facilities and the emissions to the environment, and properly notifies the prefectures where we are located.

All organic waste solvents containing PRTR substances discharged from the research centers are treated as industrial waste to minimize the discharge to public water areas.

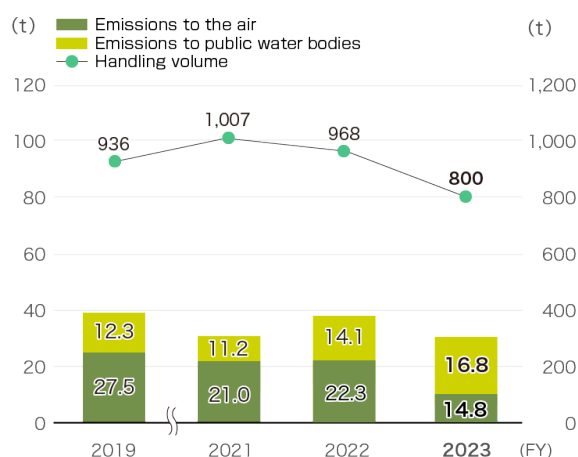
We are also studying the manufacturing processes and reducing the amount of target organic solvents used.

We are reducing VOC emissions by managing emissions and the amount handled, setting up collection facilities, and reducing emissions into the natural environment.

Emission of PRTR substances (domestic)



Emission of VOC (excluding PRTR substances) (domestic)



## PCB Disposal

We completed all disposal of high-concentration PCB (polychlorinated biphenyl) devices at the Group's domestic bases.

Furthermore, we are conducting a confirmation survey of items with a low concentration of PCBs, including notification from the Ministry of Economy, Trade and Industry (March 31, 2022), and plan to move ahead steadily to complete disposal by March 31, 2027, the disposal deadline.

## Asbestos

Surveys for sprayed asbestos have been conducted at domestic Group bases in the past under the Ordinance on Prevention of Asbestos Hazards, and we are taking relevant measures to prevent asbestos scattering. Additionally, when removing or renovating facilities, we check for the presence of asbestos in the sprayed materials, insulation, and building materials to be moved, and report the results of these checks to the government.

## Genetically Modified Organisms, Pathogens, etc.

The Group is engaged in drug discovery research aimed at various modalities, and opportunities to handle various research materials and samples are increasing. In the use of genetically modified organisms, we have established in-house regulations based on relevant government and ministerial ordinances, such as the "Law Concerning the Conservation and Sustainable Use of Biological Diversity through Regulations on the Use of Living Modified Organisms (Cartagena Act)," which we comply with. Moreover, the in-house Ethics Review Committee prevents the spread of living modified organisms by receiving preliminary reviews of measures to prevent the spread of these organisms into the environment.

In addition, regarding the use of pathogens and research materials and samples that may contain them, we have established internal regulations based on laws and regulations including the "Act on the Prevention of Infectious Diseases and Medical Care for Patients with Infectious Diseases (the Infectious Diseases Control Law)" and prevent the leakage of pathogens.



Environment

# Biodiversity Initiatives

The Mitsubishi Tanabe Pharma Group recognizes that the sound maintenance and preservation of biodiversity is essential to the pursuit of sustainable business, and works with the Mitsubishi Chemical Group (the MCG Group) to maintain and preserve biodiversity through a wide range of activities such as reducing environmental impact, promoting appropriate usage of inherited resources, fostering harmonious coexistence with nature and society, and raising awareness within the Company. Furthermore, we have set targets for biodiversity preservation in the Medium-Term Environmental Action 21-25, and are working to achieve them.

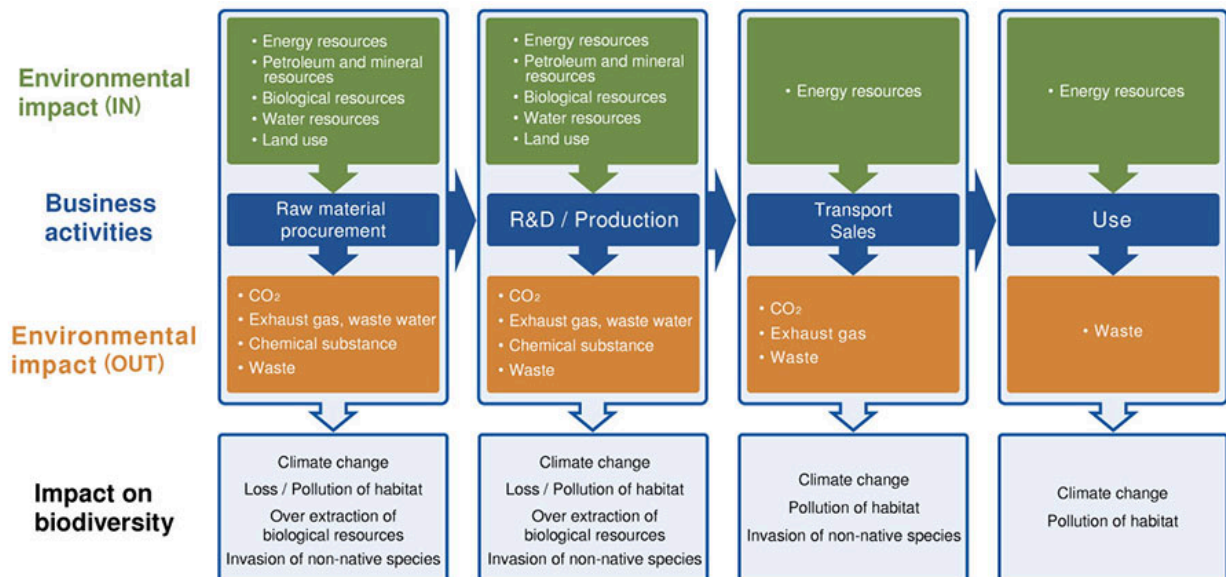
## Relationship between Business Activities and Biodiversity

It is important to understand the relationship between business activities and biodiversity and work to preserve it. To that end, the Group strives to understand its environmental impact in the value chain in terms of both its use of resources (IN) and its discharge of waste and by-products (OUT). We are deepening our understanding of our impact and dependence on the biodiversity of business. In addition, we monitor waste and by-product emissions, evaluating these in conjunction with the MOS index\*.

\* An index that identifies important issues for the MCG Group to address, sets goals for the issues identified, and measures associated progress

<https://www.mcgc.com/english/sustainability/kpi.html>

Map of relationship between our business and biodiversity



\* Created by referencing the Business & Biodiversity Interrelationship Map of the Japan Business Initiative for Biodiversity (JBIB)

# Activities to Preserve Biodiversity and the Natural Environment

To understand the importance of biodiversity and the natural environment and preserve them, the Group has participated in Tokyo Greenship Action\*1 and the Ikoma Mountain Range "Folding Screen of Flowers" Project,\*2 and since fiscal 2022 has been engaged in activities as an MCG Group initiative and encouraging employees to participate.

These activities promote awareness towards protecting the national environment, and serve as an opportunity to facilitate communication within the Group.

## Initiatives in fiscal 2023

### ● Tokyo Greenship Action

In September 2023, 34 employees and members of their families volunteered to help with rice harvesting in the Hachioji Takayama Satoyama Conservation Area, which is located in Hachioji City, Tokyo.

### ● The Ikoma Mountain Range "Folding Screen of Flowers" Project

In October 2023, 48 employees and members of their families participated in tree-planting and cleanup activities while hiking Mount Imori in Daito City, Osaka Prefecture.



Tokyo Greenship Action



Rice harvesting



The Ikoma Mountain Range  
"Folding Screen of Flowers"  
Project



Picking up trash while hiking a  
mountain trail

\*1 Activities to conserve the natural environment conducted by the Tokyo Metropolitan Government in collaboration with companies and the NPO Shizen Kankyo Academy in a woodland conservation area. We have been participating in these activities since 2006.

\*2 Environmental event held by Osaka Prefecture that we have been participating in since 2009.

Additionally, as part of activities to conserve tropical rainforests in Indonesia, Mitsubishi Tanabe Pharma Indonesia participated in the "Arkhim Reforestation 2024" project to plant trees and reforest a forest reserve in West Java Province. In addition to donating 500 Sumatran pine and other saplings, 25 employees engaged in tree planting and reforestation areas in the protected area.

We also support mangrove planting efforts in a coastal conservation area of North Jakarta, as well as donations to support reforestation.

\* Although Indonesia is home to vast areas of forest, they are in ongoing decline. As trees are cut down there is less forest available to absorb large amounts of carbon dioxide, resulting in climate change.



Conservation of tropical rainforest (Indonesia)

## Campaign to Promote Environmental Conservation Activities

To further promote biodiversity conservation activities, we have conducted a campaign to promote environmental conservation activities since fiscal 2017. In this campaign, we distributed the Company's original towel scarf on which "For the Environment" was printed to participants and all employees who worked together to promote environmental conservation activities. Through clean-up activities, we are working to beautify the town and prevent environmental pollution by removing plastics and other waste that had been swept out to the ocean.

- **44th clean operation (Yoshitomi Plant)**

As part of its contribution to the local community, the Yoshitomi Plant continues to conduct "clean operation" every year. In fiscal 2023, 150 people cleaned up the area around the office, collecting combustibles including plastic bottles, other bottles, and glass.



Yoshitomi Clean Operation



Cleanup activities

### Chosen as a partner company for the Local Blue Ocean Vision in 2023

The Ministry of the Environment promotes the Local Blue Ocean Vision project as a way of recognizing and encouraging businesses that can serve as a model for measures taken in cooperation with companies and local governments to collect marine litter and prevent it from occurring, with the goal of further promoting measures to address marine litter in Japan. Mitsubishi Tanabe Pharma's Yoshitomi Plant was chosen as a partner enterprise for the town of Yoshitomi.

The Seaplus Class was held on December 9, 2023 as part of these promotional efforts. For this class we obtained the cooperation of local businesses in the neighborhood to help us in allowing large numbers of children to experience coastal cleanups, social studies trips to waste disposal centers, and upcycling workshops using PET bottle caps from marine litter. This event proved to be a valuable change for children to think about what they can do for their own futures.

Conversely, we adults must engage in effective, sustainable efforts to pass on an abundant natural world to future generations.

By continuing to participate actively in community and social activities in the region, the Yoshitomi Plant will further strengthen ties with the region, with the goal of improving business value and achieving a sustainable society.



Hie Manager, Facilities Management Section  
Mitsubishi Tanabe Pharma Factory Ltd.,  
Yoshitomi Plant

> [Click here to view other activities.](#)



Environment

# Environmental Accounting

The Group promotes effective and efficient environmental management by monitoring and analyzing the costs and effects of environmental conservation activities (reduction of impact and economic effect).

## Environmental conservation costs

Item	Invested (millions of yen)	Expended (millions of yen)
Pollution prevention	397	307
Global environmental protection	62	42
Recycling and reuse of resources	7	101
Upstream and downstream activities	—	1
Administrative activities	—	143
Research and development	—	—
Community activities	—	—
Environmental damage compensation	—	1
<b>Total</b>	<b>466</b>	<b>595</b>

## Environmental conservation effects

Domestic environmental performance indicator (Units)	Environmental load		Percentage change from previous year
	FY2022	FY2023	
Energy used (thousand GJ)	1,011	952	-5.8%
Amount of water withdrawal (thousand m <sup>3</sup> )	3,706	3,665	-1.1%
Scope 1 + 2 greenhouse gas emissions (thousand tons-CO <sub>2</sub> eq)	53	50	-5.9%
SOx emissions (tons)	1.8	1.7	-2.2%
NOx emissions (tons)	5.0	4.2	-16.1%
Amount of waste generation (tons)	1,537	1,433	-6.7%
Amount of waste recycled (tons)	908	903	-0.6%
Amount of final waste disposed (tons)	19	12	-38.3%
Amount of wastewater (thousand m <sup>3</sup> )	3,497	3,444	-1.5%
Amount of PRTR substances handled (tons)	56	101	78.9%
BOD pollution load (tons)	5.7	5.3	-6.8%
COD pollution load (tons)	10.9	11.6	6.4%

## Economic benefits related to environmental protection

Content of environmental conservation initiatives	Economic effect (thousands of yen)
Cost reductions through energy conservation and updating to high-efficiency equipment	25,144
Income from recycling	5,289
Cost reductions through recycling and conservation of resources	4,280
<b>Total</b>	<b>34,713</b>