



ESG Data: <https://global.sawaigroup.holdings/sustainability/esg/>  
 Disclosure Based on TCFD Recommendations (detailed information):  
<https://global.sawaigroup.holdings/sustainability/environment/tcfd/>

# Environment

## Disclosure based on TCFD recommendations (summary)

Climate change has a major impact on society and the economy, and it may have a dramatic financial impact on the Group. Having designated addressing climate change as a material issue, we not only support international policies, including the Paris Accords, and laws and government policies related to nationally determined contributions (NDC)

and climate change but also are working to reduce our greenhouse gas emissions. In addition, we announced our support for TCFD recommendations in September 2021 and disclose climate change-related information based on the four pillars of governance, strategy, risk management, and metrics and targets, which are recommended by the TCFD.

### Risks and opportunities related to climate change (Covered period: FY2021 to FY2030)

Type	Risk overview	Impacts on the Group's businesses, strategy, and financial planning	Magnitude of impacts		The Group's methods for addressing climate-related risks
			1.5°C scenario	4.0°C scenario	
Risks	Policy and legal risks	<ul style="list-style-type: none"> <li>Burden created by carbon pricing on the Group</li> <li>Need to pass on the carbon pricing-created financial burdens of suppliers with high GHG emissions to the Group's purchase prices of raw materials</li> <li>The Group's burden of capital investment in energy saving necessary to reduce GHG emissions</li> </ul>	Moderate	Minor	<ul style="list-style-type: none"> <li>Considering the introduction of renewable energy</li> <li>Devising and implementing measures to enhance production efficiency, including reducing waste products</li> </ul>
	Population, economic, and geopolitical risks	<ul style="list-style-type: none"> <li>Price hike for bio-derived raw materials due to population growth and temperature increases</li> </ul>	Minor	Moderate	<ul style="list-style-type: none"> <li>Diversifying suppliers</li> <li>Studying alternative technologies</li> </ul>
	Flood risks (acute risks)	<ul style="list-style-type: none"> <li>Increased frequency of typhoons, torrential rains, floods, heavy snow, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Increased risk of damage to the Group's business sites</li> <li>Increased risk of damage to the business sites of the Group's suppliers</li> </ul>	Minor	Major
Opportunities		As a result of our analysis and evaluation of climate-related opportunities that can have impacts on the Group's operations, we have so far not identified any opportunities that can have significant impacts on the Group's businesses, strategy, and financial planning.			

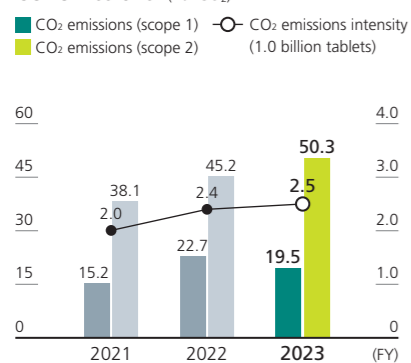
Scope of coverage: Sawai Group

Impact classification:

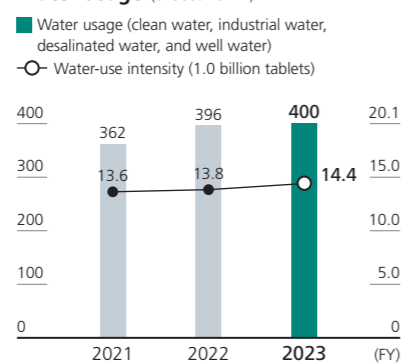
Major: Major impacts on the Group's businesses, strategy, and financial planning that the Group estimates to be worth approximately ¥6.0 billion or more  
 Moderate: Moderate impacts on the Group's businesses, strategy, and financial planning that the Group estimates to be worth approximately ¥3.0 billion or more  
 Minor: Minor impacts on the Group's businesses, strategy, and financial planning that the Group estimates to be worth approximately less than ¥3.0 billion

## Environment data

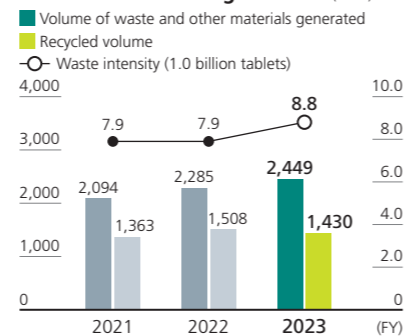
### CO<sub>2</sub> emissions (kt-CO<sub>2</sub>)



### Water usage (thousand m<sup>3</sup>)



### Volume of waste and other materials generated (tons)



## Topics

### Third-party verification of environmental data

With growing focus on ESG data when evaluating corporate activities, we are moving forward with reinforcing disclosure of ESG information. In fiscal 2023, we introduced third-party verification of environmental data. A sample verification was made at three sites, and we conducted a detailed check of inconsistencies and deficiencies with our monitoring plan using the environmental data management system Eco Track.

We plan to gradually conduct on-site verifications at all sites. We expect that this will lead to increased transparency of and trust in the Company and make environmental data management more effective.



Checking water equipment

### Launching material recycling of PTP packaging waste

The Kashima Factory launched recycling of waste material from PTP sheets, which consist of aluminum film attached to plastics shaped with pockets for tablets and capsules. In the past, this waste material was incinerated because it was impossible to separate the two materials into a recyclable form.

However, each material can now be recycled because a new technology was developed that completely separates the aluminum from plastic parts, which has made it possible to not only reduce waste but also cut CO<sub>2</sub> emissions approximately 94% compared to before.



PTP sheets

### Kinki Electric Power Utilization Rationalization Committee recognizes Sanda Nishi for switching to green electricity

After introducing solar power generation and optimized control of packaged air conditioners in January 2022, the Sanda Nishi factory has reduced its electricity consumption by approximately 330,000 kWh annually since April of 2022.

These efforts were recognized by the Kinki Electric Power Utilization Rationalization Committee, which is composed of government offices, power companies, academics, and similar parties in the Kinki region, as contributing to the promotion of electricity use rationalization.



2023 Kinki Region Energy Conservation Month Award Ceremony

### Conducting research to increase trust in and sustainability of companies

In fiscal 2023, we conducted an environmental compliance survey at five sites to check whether they were appropriately handling environment-related laws and regulations.

The results of the survey showed that there were several points to be improved, including submission of plans related to diluted sulfuric acid tanks based on the Industrial Safety and Health Act. Excluding some items that require capital expenditures, we completed addressing most of the issues during fiscal 2023. Starting in fiscal 2024, we plan on conducting a survey at one location each year on a rotating basis.



Checking waste management