Environment

Disclosure based on TCFD recommendations (overview)

Climate change has a major impact on society and the economy. At the Sawai Group, we recognize that climate change imposes important risks for us, and have designated addressing climate change as one of our material management issues. In September 2021, we announced our support for the TCFD recommendations and disclose climate-related financial information.

Main initiatives

Requirements	Initiative content
Governance	The Group Sustainability Committee, chaired by the Group Chief Sustainability Officer, meets quarterly to discuss and review policies and measures related to overall sustainability, including climate change and other nature-related issues. The deliberations of this committee are regularly reported to the Board of Directors, and the Board of Directors oversees the details related to said reports.
Strategy	We recognize we bear an important responsibility to ensure a stable supply of generic drugs and healthcare services while addressing the risks of climate change. To address rising greenhouse gas emissions resulting from business expansion, we are taking actions such as per-unit emission reductions in the short term and introduction of renewable energy in the medium to long term. CO_2 emission reduction targets for 2030 and 2050 are specified in the medium-term business plan, and investment decisions are made by introducing energy-saving equipment and utilizing internal carbon pricing (ICP). We also analyze risks and opportunities from the perspective of both a decarbonized society and a society in which physical risks emerge, with reference to scenarios from the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC).
Risk Management	We have designated climate change as an important risk affecting our management, and are identifying and assessing risks throughout our supply chain and taking necessary countermeasures. Evaluation results are discussed by the Group Sustainability Committee and the Board of Directors and reflected in our medium-term business plan and other business plans.
Metrics and Targets	We have set greenhouse gas emission reduction targets and disclose the results for each scope annually on our corporate website. For Scope 1 and 2 emissions, our target is a 46% reduction by fiscal 2030 (base year: fiscal 2013) and net zero emissions by 2050.

Utilization of internal carbon pricing (ICP)

The Group introduced internal carbon pricing (ICP) in fiscal 2025 to accelerate its efforts to achieve a decarbonized society. ICP is a mechanism that incorporates the impact of CO_2 reduction benefits into investment decisions by setting a price on CO_2 emissions.

At the Sawai Group, we have used the IEA carbon price as a reference, setting our pricing to ¥14,500 per ton of CO_2. These prices will be reviewed on a yearly basis and set at appropriate levels according to social conditions and regulatory trends.

ICP will be used for capital investment projects with high CO_2 reduction potential. Specifically, air conditioning equipment, chillers (cooling systems), solar power generation systems, boilers, lighting fixtures, and other items will be eligible. In investment decisions for these, in addition to conventional economic evaluations, the financial value of CO_2 reduction impact is taken into account to make decisions more environmentally friendly.

Through these efforts, we will strive to achieve the Group's goal of a 46% reduction in CO_2 emissions by fiscal 2030 (vs. fiscal 2013+α) and achieving net zero emissions by 2050.

WEB

Disclosure based on TCFD recommendations (details): https://global.sawaigroup.holdings/sustainability/environment/tcfd/
Disclosure based on TNFD recommendations (details): https://global.sawaigroup.holdings/sustainability/environment/biodiversity/
ESG data: https://global.sawaigroup.holdings/sustainability/esg/

Disclosure based on TNFD recommendations (overview)

The loss of natural resources and biodiversity has a significant impact on society, and the Sawai Group has also identified resource conservation, reduction of water consumption, and conservation of biodiversity as material issues. In order to address nature-related issues, we have been identifying and organizing nature-related issues across the entire Group based on the TNFD framework approach since fiscal 2024.

Main initiatives

Requirements	Initiative content
Governance	Please see "Disclosure based on TCFD recommendations" on page 41.
Strategy	While supported by the benefits of biodiversity, we recognize that we place a certain burden on the natural environment through our business activities, and we are working to achieve a nature-positive state. In addition, we have identified biodiversity conservation and restoration as a material issue, and based on the LEAP approach recommended by the TNFD, we identify and assess the degree of dependencies and impacts on nature, as well as risks and opportunities in our business activities. The relationship with nature in the generic drug business, upstream raw material procurement in the supply chain, and the downstream disposal process is assessed using the external tool ENCORE, with these assessment results adjusted based on the unique circumstances of the Group. We also conducted a survey of areas in the value chain that require attention from the perspective of the TNFD's emphasis on locating sensitive and material locations. Nature-related risks and opportunities are identified both in terms of the aspects of the Group's dependencies and impacts on nature, and in terms of the environmental and social impacts of its business activities. Based on the two axes of transition risks and physical risks recommended by the TNFD, risks and opportunities were evaluated in terms of duration and severity through analysis of sensitive locations, hazard maps, and surveys of the natural environment and legal regulations in each region. Importance to society and the natural environment is also taken into account in qualitative assessments. Based on these studies and analyses, we recognize the importance of nature-related issues in the Group's generic drug business, particularly at factory sites. Although the factory sites themselves do not fall under the definition of sensitive locations, they are important from the perspective of risks and opportunities for raw material procurement, effective use of resources, and management of pollutants, and are therefore positioned as priority locations for the Group.
Risk Management	With efforts led by the Environment Team, we work with closely related departments and affiliated companies to identify and assess nature-related risks and opportunities throughout the supply chain. We identify dependencies and influences at each stage of the value chain, evaluate risks and opportunities in terms of severity and frequency of occurrence, and identify priority issues. Identified issues are discussed by the Group Sustainability Committee and the Board of Directors and reflected in our medium-term business plan and other business plans.
Metrics and Targets	ESG-related data, including the usage status for each natural resource, is available on the corporate website. In addition, in "Beyond 2027," our medium-term business plan, we have set environmental targets related to the use and discharge of natural resources, including a 3% reduction in water consumption intensity compared to fiscal 2023 and a 65% waste plastic recycling rate by fiscal 2030.

Feature

Winner of the Accessible Design Packaging Award and the Asia Star Award

The package for Sawai Pharmaceutical's generic drug ZONISAMIDE OD Tablets TRE[SAWAI] won the Accessible Design Packaging Award* in a contest sponsored by the Japan Packaging Institute and the Asia Star Award in the Asia Star Contest sponsored by the Asian Packaging Federation.

This package uses the thinnest moisture-proof PTP sheet, which is approximately 23% thinner than conventional products, to enable tablets to be removed with less force. This thinner package also reduces the amount of plastic used per sheet by approximately 22%, and greenhouse gas emissions from the manufacturing process are also expected to be reduced by approximately 24% compared to conventional products. This achievement, developed in collaboration with Sumitomo Bakelite Co., Ltd., which possesses advanced film manufacturing and quality control technologies, demonstrates new possibilities for sustainable packaging design.

Going forward, we will continue to pursue a balance of usability and environmental friendliness in pharmaceutical packaging based on our corporate philosophy of "always putting patients first."

* For more information, please see our press release (Japanese only).
https://www.sawai.co.jp/release/detail/000739.html
(Japanese language only)