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Environmental Management

Sustainability Management

The Otsuka Group Sustainability Promotion Committee was established in 2018 and is chaired by the director in charge of sustainability promotion at Otsuka Holdings. The committee promotes sustainability for the entire Otsuka group, acting as an engine for discussions and decision-making regarding the direction of sustainability-related activities, plans, and other measures. Committee meetings are held regularly to discuss direction and evaluate activities, develop systems in each area of sustainability promotion, and update promotion plans, as necessary. Committee members comprise group officers in charge of various areas such as supply chain, environment, human resources, corporate governance, compliance risk management, and public relations. The Committee, together with persons in charge from group companies, carries out close examination, with the Sustainability Promotion, IR and Corporate Planning Departments of Otsuka Holdings functioning as the secretariat.

Sustainability Management Structure



*1 Activities are promoted through various conference bodies, WGs, TFs, and others (including time-limited PJ)
 *2 Consumer Relations: Activities to build trust between companies and consumers

Otsuka Group's Environmental Policy

The Otsuka group strives to advance as an essential company that contributes to the health of people and global environment. We will help to realize a society in which people and the earth can coexist in the future by continuing to work on the issues with creativity.

Guidelines

1. Carbon Neutrality

We are committed to carbon neutrality throughout our business activities, aiming to create a decarbonized society.

2. Circular Economy

We are committed to the elimination of fossil resources-derived materials and the achievement of zero waste, aiming to create a circular economy society.

3. Water Neutrality

Promote sustainable use of water through conservation, recycling and clean return.

4. Environmental Compliance

Continue to improve our environmental management system, increase effectiveness of compliance, and reduce risks.

5. Communication

We will proactively disclose environment-related information in a transparent manner, and promote communication with stakeholders.

(Revised June 2022)

Environmental management system

Acquisition of Integrated ISO 14001 Certification for the Otsuka Group

To strengthen group-wide efforts toward more efficient and effective environmental activities, the Otsuka group began acquiring ISO 14001 integrated certification in August 2020. In 2022, the certification expanded to include seven companies^{*1} in Japan and Otsuka Holdings, the supervising organization. Under the integrated environmental goals and management systems outlined in the certification, we will further strengthen our environmental initiatives and make group-wide efforts to achieve the goals.

The Otsuka group has acquired ISO 14001 certification including integrated certification at 12 companies in Japan and 14 overseas (as of the end of December 2022).

*1 Otsuka Pharmaceutical, Otsuka Pharmaceutical Factory, Taiho Pharmaceutical (including its subsidiary, Okayama Taiho Pharmaceutical), Otsuka Chemical, Otsuka Foods, Otsuka Techno, and EN Otsuka Pharmaceutical



ISO 14001 Certification

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2050 Environmental Vision of "Net Zero"

– Zero environmental impact of all our business activities –

As a total healthcare company, the Otsuka group earnestly strives to reduce its impact on the global environment. In order to contribute to the realization of a sustainable society that leads to a sound future, we aim to achieve our medium-term environmental goals as well as our 2050 Environmental Vision, "Net Zero."



Carbon Neutrality

2028 target
Reduce **50%** in CO₂ emissions compared to 2017

Circular Economy

2028 target
Reduce **50%** in simple incineration and landfill disposal compared to 2019
2030 target
100% content of recycled and plant-based materials in our PET bottles

Water Neutrality

2028 target
Expand the plant water management program to all locations globally
Develop a water use strategy for business locations in water-stressed areas

	Social Issues	Our Goals	Our Activities	FY 2022 Progress	Related SDGs
	Global warming	2028 target • Reduce 50% in CO ₂ emissions compared to 2017	• Reduce CO ₂ emissions throughout the value chain	<ul style="list-style-type: none"> • Introducing CO₂-Free Electricity^{*5} at Four^{*4} Indonesian Group Companies • Introduction of large solar power generation facility in India (Otsuka Chemical India) • Establishment of an integrated energy service structure aiming for unified energy management in Japan 	
	Environmental load increase	2028 target • Reduce 50% in simple incineration and landfill disposal compared to 2019 2030 target • 100% content of recycled and plant-based materials in our PET bottles	<ul style="list-style-type: none"> • Reduce environmental impact by improving resource efficiency • Promotion of business activities aimed at sustainability for both society and the earth 	<ul style="list-style-type: none"> • Promotion of horizontal PET bottle recycling • Selling of PET bottles made using recycled PET resin • Started distribution of POCARI SWEAT via circular shopping platform "Loop" • Sustainability program "Otsuka Blue Planet" 	
	Reduced freshwater availability due to water resource risks	2028 target • Expand the plant water management program to all locations globally • Develop a water use strategy for business locations in water-stressed areas	<ul style="list-style-type: none"> • Risk analysis and understanding of sustainable water use • Management and effective use of water resources 	<ul style="list-style-type: none"> • Implementation of our water source management program at three sites 	

*1 To reduce CO₂ emissions from business activities to substantially zero (calculated by subtracting uptake from emissions) *2 To establish an economic system that recycles resources by reusing waste discharged from business activities as new raw materials *3 To reduce the impact of water intake and discharge from business activities on water resources to zero *4 PT Otsuka Indonesia, PT Amerta Indah Otsuka, PT Widatra Bhakti, PT Lautan Otsuka Chemical *5 Including virtually CO₂-free electricity utilizing environmental value derived from renewable energy that does not emit CO₂