

Biodiversity

Core Principles

The Otsuka group recognizes that biodiversity is an indispensable natural capital for all business activities. As a member of a society that benefits from nature, we will take into consideration the impact of our business activities on biodiversity and work to conserve and restore biodiversity towards realizing a sustainable society that passes rich nature to future generations.

Otsuka Group Biodiversity Policy

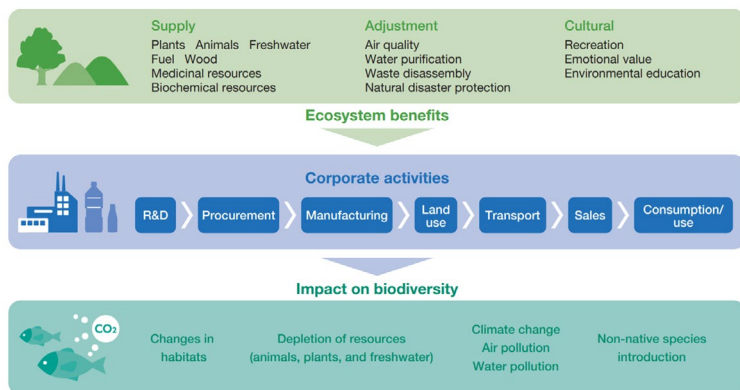
Guidelines

1. We will clarify the relationship between biodiversity and business activities throughout the supply chain and promote the conservation and sustainable use of biological resources.
2. We will promote the development of biodiversity considerate products and technologies and strive to reduce the impact on nature.
3. We will respect international agreements on biodiversity and comply with treaties and laws and ensure the proper access and use of genetic resources, as well as the fair and equitable distribution of the benefits accruing therefrom.
4. We will communicate with various stakeholders such as administrative agencies, local residents, and NGOs, and collaborate with local communities, to conserve and restore biodiversity.
5. We will strive to promote conservation activities by raising awareness about the relationship between our business activities and biodiversity.

(Revised in April 2024)



Relationship between Biodiversity and Business Activities



Indicators and Goals

The Otsuka group has established the 2050 Environmental Vision, “Net Zero,” which aims to reduce the total environmental impact across all our business activities to zero. As a mid-term biodiversity target, the group has set a target of 100% use of RSPO certified palm*1 oil and sustainable paper*2 by 2028. We are promoting sustainable and responsible procurement (sustainable procurement) initiatives by promoting business operations considerate of ecosystems.

*1 Certified sustainable oil approved by RSPO (Roundtable on Sustainable Palm Oil)

*2 Certified paper or recycled paper that complies with the forest certification system under appropriate management



2028 targets

- Uses 100% of RSPO certified palm oil
- 100% use of sustainable paper

Initiatives

Business Operations Considerate of Local Ecosystems

The Otsuka group is committed to conserving animals and plants in accordance with laws and regulations, as well as protecting the natural environment in local communities. We have introduced annual environmental surveys to our domestic and global operating companies with production sites, and we monitor compliance with laws and regulations regarding protected animals and plants that are defined by laws (e.g., IUCN protected area management categories, the Ramsar Convention, domestic laws and regulations), and conservation activities. In addition, the Otsuka group has revised our biodiversity policy and guidelines this year to assess our dependency and the environmental impact of our business activities. We plan to disclose information on governance, strategy, risk management, and targets and indicators in line with the Taskforce on Nature-related Financial Disclosures (TNFD). We will continue striving to recognize ecological risks in the regions surrounding our factory and tackle them.

Sustainable procurement

The Otsuka group recognizes that the conservation of biodiversity and sustainable use of biological resources are essential for the sustainable growth of our group and promotes the procurement of palm oil and paper with consideration for sustainability. We will gradually replace palm oil with RSPO certified palm oil. With regard to paper, we have prepared procurement guidelines and are replacing paper-based documents, such as reports, with sustainable paper documents. We will also replace packaging materials for our products with sustainable ones in the future.

