

Environmental Initiatives

Recognizing that dealing with climate change issues is a critical aspect of sustainability management, the Group in June 2022 endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Going forward, we will consider measures to address climate change and reduce greenhouse gas emissions, making appropriate disclosure based on the TCFD recommendations.

 TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES	FY2022	Scope1	Scope2
		5,454 t-CO ₂ e	31,612 t-CO ₂ e

Dispensing Pharmacy Business

In the Dispensing Pharmacy Business, we are working to lower our environmental impact by creating environment-conscious pharmacies, promoting the use of personal shopping bags, and reducing unused medications. While considering convenience for the patients visiting our pharmacies, we will comply with all environmental laws and regulations and take proactive measures to protect the environment, striving to use resources effectively across all of our business activities.

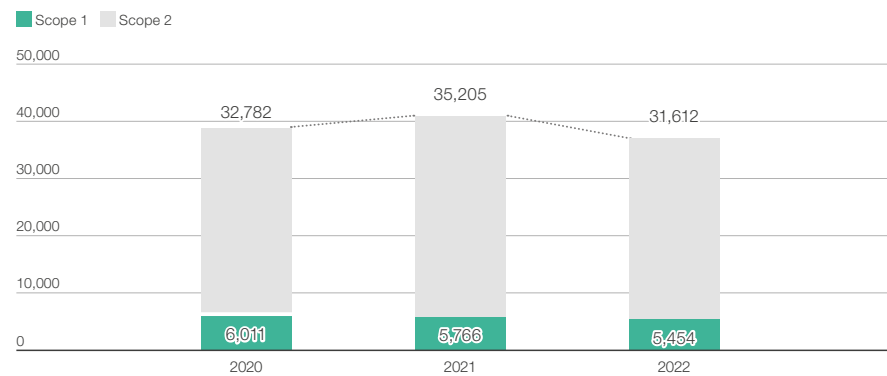
Pharmaceutical Manufacturing and Sales Business

The Pharmaceutical Manufacturing and Sales Business renovates the production facilities it acquires, installing the latest equipment to ensure lower CO₂ emissions, fresh-water usage, and electrical power usage. Newly constructed plants are designed from the planning stages to be environmentally friendly. We will continue to make investments and take initiatives to reduce our impact on the environment.

See the Sustainability website for various initiatives and data in our Dispensing Pharmacy and Pharmaceutical Manufacturing and Sales businesses.

<https://www.nicho.co.jp/en/sustainability/esg/environment/>

CO₂ Emissions (Scope 1, 2)



We set the following Group targets for the reduction of greenhouse gases.

- 2030: Dispensing Pharmacy Business = 30% reduction in CO₂ emissions per pharmacy (versus FY2020)
Pharmaceutical Manufacturing and Sales Business = 30% reduction in CO₂ emissions per 100 million tablets produced (versus FY2020)
- 2050: Carbon neutrality (effectively zero CO₂ emissions)

TOPIC / Use of LED Lighting at Pharmacies

Nihon Chouzai has set a goal of reducing CO₂ emissions per pharmacy by 30% by FY2030 versus FY2020. We explored a range of initiatives that might help us achieve this goal. One such initiative we put in place is the conversion of pharmacies to LED lighting. All of the lighting in pharmacies we have opened since June 2016 now use LED lighting. About 460 pharmacies opened prior to that point do not yet support LED lighting. To cut down Scope 2 CO₂ emissions, we will convert around 100 pharmacies to LED lighting each year and take steps to reduce costs.

