

Communication with Stakeholders

The Daiichi Sankyo Group responds to a wide range of requirements from society, including those for responding to unmet medical needs. To respond to requests from society that are constantly changing along with rapid changes in economic, geopolitical and global environmental changes, we believe that, for sustainable corporate activities, it is crucial to timely understand the changes through dialogues with various stakeholders.

Basic Policy

The Group specifies “We maintain productive, positive and professional relationships with our stakeholders” in Article 2 of the Daiichi Sankyo Group Corporate Conduct Charter, and “We actively, effectively, and fairly disclose corporate information to the public and engage in an open and constructive dialogue with a wide range of stakeholders” in Article 3.

Furthermore, the Group specifies “We actively, effectively and fairly disclose Company information to the public and engage in an open and constructive dialogue with a wide range of stakeholders” in Chapter 2 “Society” of the Daiichi Sankyo Group Employee Code of Conduct.

Relationship with Stakeholders

In order for the Group to sustainably grow and create corporate value in the mid-to-long-term in society, we recognize that it is important to communicate with various stakeholders, including patients and their families, healthcare professionals, shareholders and investors, business partners, employees, local communities and the natural environment.

In the current 5-year business plan, we aim to “Create Shared Value with Stakeholders” as the fourth strategic pillar. We will promote initiatives for creating shared value with patients, shareholders and investors, society and employees.

► Daiichi Sankyo Group’s Stakeholders

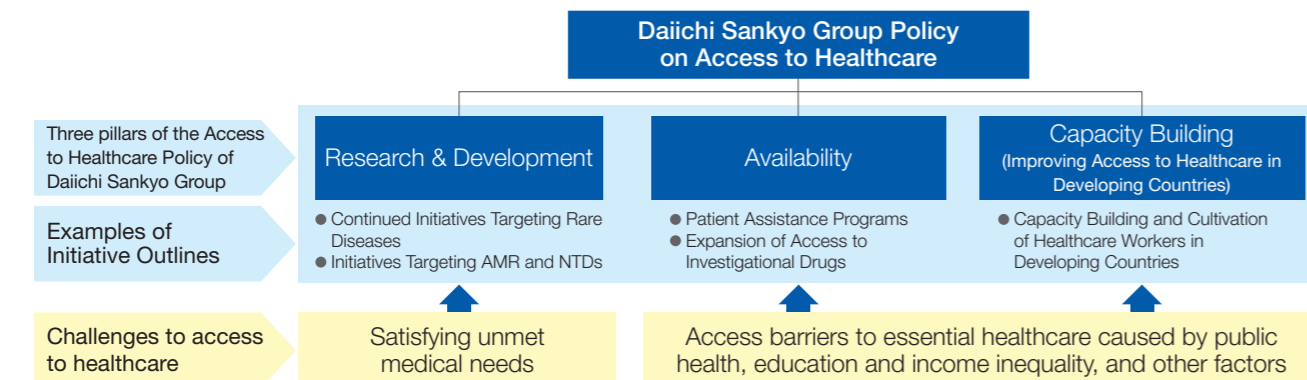


Stakeholders	Specific Initiatives
Patients and Their Families and Healthcare Professionals	<ul style="list-style-type: none"> Information provision activities aiming to be a reliable medical partner Through medical representatives (MRs) activities in Japan, we have provided, collected and communicated information on our pharmaceuticals to and for various healthcare professionals, including physicians and pharmacists. In providing information, we provide accurate, timely and well-balanced information on the safety and effectiveness of our pharmaceuticals including useful information for the enrichment of quality of life of patients and their families. Response to inquiries from patients and healthcare professionals We receive approx. 6,000 inquiries per month and approx. 70,000 inquiries per year about our products from patients and healthcare professionals in Japan. We respond to such inquiries with the utmost respect while delivering accurate information in a timely manner by using a call center support system utilizing AI. Communication with patients and healthcare professionals through COMPASS COMPASS (“Compassion for Patients” Strategy) in the Japan R&D Division has planned and provided our employees in Japan with opportunities for direct communication with patients and healthcare professionals through events such as bedside visits at hospitals and lectures to contribute to realizing “life with smile” around the world. Creation of high quality information We aim to be a partner of our stakeholders that delivers the best medical solution by generating evidence of high medicinal value of our pharmaceuticals and disseminating them widely to society. Medication support aiming for patients’ safe and secure medication We have provided medication support such as a “medication reminder alarm system” for treatment for osteoporosis which treatment continuation rate is said to be relatively low, and a “whistle” to check the strength of inhalation when taking a medicine by inhaling. Stable supply of investigational drugs through collaboration with medical institutions during the pandemic We have also engaged in new initiatives such as the establishment of a “Direct to Patients” system under which patients can receive or be administered investigational drugs at home or a nearby hospital without visiting clinical trial facilities through collaboration with medical institutions during the COVID-19 pandemic. Formulation, labeling and packaging schemes for easier-to-swallow medication and prevention of medication errors We have improved the distinguishability of tablets by printing the drug name on both sides of the tablets and increased efforts to prevent medication errors by developing outer packaging for PTP sheets for the purpose of preventing patient’s family members, especially small children from accidentally ingesting relatively high risk medicines such as anticancer drugs.
Shareholders and Investors	<ul style="list-style-type: none"> Active IR activities In addition to quarterly held financial results presentations or conference calls by the management, and an R&D Day (R&D briefing), we proactively hold seminars for institutional investors after major academic conferences . ESG dialogues with investors We hold dialogues with institutional investors on ESG topics and meetings with investors using our Value Reports (integrated reports).
Business Partners	<ul style="list-style-type: none"> Promotion of sustainable procurement We request our key business partners to conduct a CSR Self-Assessment Survey every three years in order to deepen their understanding of our Group’s view on sustainable procurement and strengthen communication with them.
Employees	<ul style="list-style-type: none"> Issuance of internal newsletters We issue our internal newsletter “Patio” four times a year addressing various topics, such as management information and information to foster a sense of unity groupwide. A series of town hall meetings hosted by top management Our CEO engages in direct and interactive communication with all employees in Japan and overseas, explaining the Company’s visions and a medium-term business plan. Individual development plan We conduct an “individual development plan” in Japan to cultivate consciousness of career development by employees themselves and confirm future careers over the mid-to-long-term through dialogues between supervisors and their subordinates
Local Communities	<ul style="list-style-type: none"> Operation of Daiichi Sankyo Kusuri Museum We opened the Daiichi Sankyo Kusuri Museum in 2012 for the purpose of providing the opportunities to learn the importance of medicine and drug discovery activities while having fun and for the purpose of contributing to the revitalization of the Nihonbashi area, the number of visitors has exceeded more about 140 thousand cumulatively. Efforts for promoting correct understanding of diseases and disease awareness activities We are striving to contribute to the enrichment of quality of life of the local community with improved correct understanding of each of our employees about diseases and through disease awareness activities.
Natural Environment	<ul style="list-style-type: none"> Various training on environment We have endeavored to improve employees’ awareness of the environment through actions such as providing climate changes impact on the environment e-learning programs and holding a contest for artwork open to all the group employees to increase environment awareness and providing the COOL CHOICE program for all the employees in Japan. In addition, we have also conducted professional training for the person in charge of environment in our plants and laboratories. Low carbon society action plan We have participated in the Environment Committee of the Federation and Low Carbon Society Action Plan Working Group of Pharmaceutical Manufacturers’ Associations of Japan, promoted its industry-wide initiatives for carbon neutrality, such as planning of industry target, planning and conducting the environment seminar and exchanging information with other industries.

Improvement of Access to Healthcare

Based on the “Daiichi Sankyo Group Policy on Access to Healthcare,” the Daiichi Sankyo Group works to expand access to healthcare with the three activity pillars of “Research & Development,” “Availability,” and “Capacity Building”, and contributes to achieving Goal 3 of the SDGs, “Good health and well-being.”

► Daiichi Sankyo Group Policy on Access to Healthcare



Reinforcement of Healthcare Foundations in Developing Countries

In developing countries, access to healthcare is restricted due to various factors such as the absence of health insurance systems and healthcare infrastructure, lack of healthcare professionals, and physical distance to medical institutions. The Daiichi Sankyo Group engages in activities to improve access to healthcare in developing countries by understanding the local needs well and working in partnership with Non-governmental organizations (NGOs) with a solid base for local activities.

► Capacity Building [Read more here](https://www.daiichisankyo.com/sustainability/access_to_healthcare/capability/) https://www.daiichisankyo.com/sustainability/access_to_healthcare/capability/

● Mobile healthcare field clinic services in Myanmar

(FY2019–FY2022)

In Myanmar where child and maternal mortality rates are high, we are providing mobile clinic services in collaboration with Plan International Japan, with KPIs such as reducing the under-five mortality rate and improving the maternal checkup rate.



● Breast cancer and cervical cancer screening camp project in Nepal

(FY2021–FY2023)

In Nepal, where breast and cervical cancers are the most common cancers among women, accounting for 30% of all cancer-related mortality. We are working with AMDA Multisectoral and Integrated Development Services to increase the number of people who receive cancer screening and early detection through the screening camp and educational activities.



● Capacity building for SRHR and breast cancer/cervical cancer in Zimbabwe

(FY2021–FY2024)

In cooperation with Plan International Japan, we are working to improve women's rights and access to cancer screening through educational activities for SRHR* and breast/cervical cancers and trainings of healthcare professionals.



* Sexual and Reproductive Health and Rights

Continued Initiatives Targeting Rare Diseases

Daiichi Sankyo works actively on the development of pharmaceuticals for rare diseases with significant social needs, where the number of patients is small and effective treatment is not available.

DS-5141, a nucleic acid drug based on Daiichi Sankyo's proprietary nucleic acid modification technology, is being examined for the treatment of Duchenne muscular dystrophy in phase 1/2 clinical trials in Japan. *DS-4108*, a drug using the same technology, targets glycogen storage disease type Ia

* Tissue non-specific alkaline phosphatase. A membrane-bound enzyme that degrades pyrophosphate.

(GSDIa) and is undergoing pre-clinical studies. The TNAP* inhibitor *DS-1211*, which targets pseudoxanthoma elasticum, has been evaluated in phase 1 clinical trials in the United States. A phase 1 clinical trial of *DS-6016* (anti-ALK2 antibody) is ongoing in Japan, with fibrodysplasia ossificans progressiva as the target disease.

In the field of rare diseases, we will continue our quest to create innovative pharmaceuticals by using the Company's strength in Science and Technology.

Initiatives to Prevent Antimicrobial Resistance (AMR)

The emergence and spread of antimicrobial-resistant bacteria is a significant global public health issue. It is estimated that the number of deaths due to antimicrobial-resistant (AMR) bacteria will reach approximately 10 million every year between now and 2050 if appropriate countermeasures are not taken now. The Daiichi Sankyo Group has taken measures against AMR bacteria by partnering with external organizations in utilizing its assets acquired through activities in the field of infectious diseases.

In 2019, Daiichi Sankyo signed an agreement to participate in the AMR Screening Consortium led by the GARDP*. Daiichi Sankyo is the third Japanese company to participate in the

Consortium, which aims to acquire novel compounds with antibacterial activity by using the chemical libraries of the respective companies.

In July 2020, Daiichi Sankyo decided to participate in and contribute US\$20 million to the AMR Action Fund, which was established to support the clinical development of new antibiotics and to realize a sustainable antibiotics market. Through the participation in the Fund, we will promote the development of innovative antibiotics and contribute to the prompt resolution of AMR issues around the world.

* Global Antibiotic Research and Development Partnership

Initiatives for Malaria, Tuberculosis, and Neglected Tropical Diseases (NTDs) through Partnerships

The Daiichi Sankyo Group makes the best use of its accumulated scientific findings and global network and promotes partnership-based drug discovery. Collaboration with partners possessing leading edge scientific knowledge around the world brings synergies to initiatives that cannot be completed by the Group alone. This initiative contributes to Goal 17: “Partnerships for the Goals” of SDGs adopted by the United Nations member states.

Daiichi Sankyo has contributed to the Global Health Innovative Technology (GHIT) Fund since its establishment in April 2013. The GHIT Fund is a public-private partnership

originating in Japan and aims to achieve drug discovery for combating infectious diseases in developing countries.

The Group companies are utilizing the partnership through the GHIT Fund structure to undertake a number of projects, including one to explore clinical candidate compounds for the treatment of Chagas disease, which is considered to be one of neglected tropical diseases (NTDs), and another to explore candidate anti-tuberculosis drugs from natural products. In addition to these activities, we have launched two screening projects for therapeutic drugs for malaria.

VOICE

To Protect People from Infectious Diseases



Kousei Shimada

Medicinal Chemistry Research Laboratories, Research Function

In response to the spread of COVID-19, we have launched a task force to promote research and development of vaccines and therapeutic agents on a Group-wide scale. In the meantime, we re-recognized the need for a system which can quickly respond to new pandemics and AMR (Antimicrobial Resistance) issues that are expected to occur in the future. To further activate research & development of anti-infective agents, we established the Emerging and Re-emerging Infectious Diseases Research Special Team (EReDS) in April 2021 and started activities. Creating novel drugs is a unique contribution that pharmaceutical companies can make. We will contribute to the development of sustainable society by maintaining the foundation of infectious disease research, passing on internal knowledge and knowhow, and creating novel drugs in the field of infectious diseases while leveraging our group's strength in drug discovery and promoting industry-government-academia cooperation.

Promoting Compliance Management

Thorough compliance is essential for the sustainable growth of a company. Daiichi Sankyo Group is committed to conducting all of its business operations based on the understanding that compliance is more than just adhering to laws, regulations and rules; it involves acting with high ethical standards and social consciousness appropriate for a life science-oriented company.

Compliance Training and Educational Activities

Ongoing compliance trainings and educational activities are indispensable parts of promoting our compliance programs.

In order to promote understanding of compliance, encourage high ethical standards, and cultivate an open workplace environment, we have been conducting small group discussion-type trainings (interactive training) using original training materials in the Company and Group companies in Japan.

Furthermore, we conduct compliance trainings by external specialists on a regular basis for the board members, Members of the Audit and Supervisory Board, Corporate Officers of the Company, and various employees of Group companies in Japan, such as presidents and compliance officers. We also conduct compliance trainings annually for new employees of the Company and Group companies in Japan and newly-appointed managers for each respective position. Employees at Group companies outside of Japan are also conducting compliance training using case studies and e-learning

programs, depending on the circumstances in each region.

Furthermore, we are also working on raising compliance awareness throughout the Group, as part of educational activities. For example, we periodically send messages of the Company's CEO regarding the importance of compliance to all the Group companies globally in order to further raise awareness of compliance.



Using a Compliance Reporting System

From May 2021, we have newly introduced the global hotline as a group-wide reporting channel managed by an outside vendor. While we previously established and operated a compliance reporting system according to the circumstances in each region, we believe that integrating external reporting channels contributes to identifying a breach of compliance throughout the Group better than before and developing more appropriate measures, which results in establishing an open workplace environment.

The global hotline accepts reports and consultation of compliance-related matters 24 hours a day, 7 days a week available in languages of countries and regions where the Group companies are located. We also receive reports and consultation from the outside of the companies as well as from employees on each the Group's websites.

Furthermore, the Company and each group companies in Japan provides reporting channels such as a hotline and/or e-mail system. There are also harassment consultation contact persons for Japan Daiichi Sankyo Group employees in the Human Resources Department, in each business function, and in external organizations.

We have also introduced and operated a system where a compliance officer of an group companies outside of Japan who discovers alleged misconduct of Senior Executive of the company may directly report to and consult with the Company's General Counsel (SEMRP: Senior Executive Misconduct Reporting Procedure).

Employee Survey on Ethical Culture in Japan

We conduct Employee Survey on Ethical Culture for executives and employees in the Company and Group companies in Japan periodically. In FY2020, approximately 9,500 individuals participated in the survey. We were able to identify the Company and Group companies' in Japan strengths and areas for improvement through this survey by analyzing factors such

as the level of comprehension of their mission and compliance-related policies, compliance implementation, and development of internal systems. We will be conducting such employee survey on a regular basis, and based on the results, we aim to enhance our compliance programs at the Company and Group companies in Japan.

Establishment of Daiichi Sankyo Group Quality Policy

Pharmaceutical companies all over the world have experienced incidents where they have lost their reliability due to quality and/or compliance issues, which have given a tremendous impact on their management. The Daiichi Sankyo Group has also faced such incident before.

Now that the countries and partners to be managed by Daiichi Sankyo have been rapidly expanding and getting more complicated due to globalization of value chain, increase in number of alliance partners and subcontractors etc., it is necessary to foster a culture of "Quality First" in the Daiichi Sankyo Group and enhance our quality management throughout the Daiichi Sankyo Group to develop a strong organizational base. We established the "Daiichi Sankyo Group Quality Policy" as a superior global policy for all the Daiichi Sankyo Group companies

for the purpose of building a system to be transmitted quality information to all levels of the organization in a timely and accurate manner, and to commit management and/or all employees to consistently address quality and compliance issues. By strengthening quality governance and the quality mindset, we will promote that every single employee including executives recognize the responsibility for quality and act autonomously, as well as maintain and continuously improve an effective quality system throughout the lifecycle of pharmaceutical products, from the development stage to launch and termination., which will contribute to the Daiichi Sankyo Group's materiality "Providing a stable supply of top-quality pharmaceutical products," "Providing the highest quality medical information" and "Promoting Compliance Management."

Ethical Marketing Practices

In addition to establishing our code in the Company and group companies in Japan and group companies outside of Japan in accordance with the industry code of each country and territory in which we operate based on the International Federation of Pharmaceutical Manufacturers & Associations Code of Practice ("IFPMA Code"), we established the "Daiichi Sankyo Group Global Marketing Code of Conduct" on October 1, 2016, as a global policy with the aim of maintaining a high level of standard when interacting with healthcare professionals, medical institutions, and patient organizations as well as promoting pharmaceutical products.

In this policy, we clearly state that relationships between the Company and each Group company and healthcare professionals must be maintained for the purpose of improving

the quality of healthcare, with a focus on providing information on pharmaceutical products to healthcare professionals, providing scientific and educational information, and supporting medical research and education.

In line with the revision of the IFPMA Code in January 2019, we revised the policy, prohibiting the provision of gifts and promotional aids to healthcare professionals, etc. We also prohibit the provision of entertainment, cash, and other personal gifts and stipulates stricter terms and conditions of contract in cases where we pay remuneration to healthcare professionals as well as the appropriateness of the remuneration. In this way, we promote appropriate marketing practices in accordance with the IFPMA Code.



Introduction of Global Hotline



Miyuki Kurihara
Ethics & Compliance Group,
Legal Affairs Department,
Daiichi Sankyo Co., Ltd.

The Daiichi Sankyo Group operates the hotline (a reporting channel) to foster an ethical culture in which all employees are encouraged to openly discuss what is right and what is wrong at their workplace. The global hotline newly introduced is available to persons outside the Daiichi Sankyo Group as well as employees of the Group companies in Japan and overseas for reporting and consultation in 19 languages, including Japanese and English. The global hotline also centrally manages consultations and inquiries regarding compliance on a global basis, through which we believe that we can identify allegations at the Daiichi Sankyo Group more comprehensively and take appropriate measures. However, we understand that introducing the global hotline cannot be achieved the intended purpose without employees' understanding the importance and fully utilizing it. We will continue our efforts to effectively operate the global hotline by communicating the protection of reporters and consulters as well as the purpose and importance of it to employees.

Promoting Environmental Management

The Daiichi Sankyo Group recognizes that environmental issues, including global warming and extreme weather, are worldwide issues which have impacts on our work and life, and we also understand that climate change is a risk that may affect our long-term business foundations such as, for example, a stable supply of pharmaceuticals. We work to promote environmental management based on these and we believe that doing so contributes to a resilient and sustainable society and helps build long-term corporate business foundations.

Measures for Climate Change

The EHS Management Policy (FY2021–FY2025) states that we should “Lower the environmental impact of the entire supply chain by conserving energy and resources, or reducing greenhouse gas emissions and waste,” thereby promoting environmental management.

To facilitate responsible corporate activities that address climate change, we have set the goal of reducing CO₂ emissions in FY2025, the final year of the 5-year business plan, by 25% compared to FY2015, in order to achieve our long-term CO₂ emissions target of 37.5% reduction (a target well below 2°C*) in FY2030 based on the approach of the Science Based Targets initiative (SBTi)**2, which aims to help accomplish the goal of the Paris Agreement*3 of keeping the average increase in global temperature below 2°C. This CO₂ emissions target is certified by SBTi, and the Company has participated in the Decarbonization Management Promotion Network established by the Japanese Ministry of the Environment and cooperated in the Ministry of the Environment’s SBT promotional activities.

In FY2020, the Daiichi Sankyo Chemical Pharma Onahama Plant started to operate a solar power system (3.3 megawatts of power output) in December 2020, which is one of the largest self-consumption power systems in the pharmaceutical industry in Japan. The plant reduced CO₂ emissions by approximately 470 tons in FY2020 and is expected to reduce CO₂ emissions by approximately 1,800 tons per year. The Daiichi Sankyo Europe Pfaffenhofen Plant has also installed power and will start operation in FY2021. The plant is expected to reduce CO₂ emissions by approximately 350 tons per year. We are actively advancing the use of renewable energy overseas in other sites, including Europe and Brazil that have also expanded the use of renewable energy.

Our CO₂ emissions for FY2020 were 182,865 tons (19.4% lower than in FY2015). We have worked on not only “actions to mitigate” CO₂ emissions but also “actions to adapt” to influence

from climate change that is inevitable in the medium- to long-term, including weather-related disasters that have apparently become more and more serious in recent years and in particular, flood damage, etc. which is a serious risk.

If rivers near research facilities and plants of the Daiichi Sankyo Group overflow, the Group companies in Japan could also be forced to suspend operations due to flood damage. Therefore, we are preparing for emergencies through initiatives such as the development of flood control manuals, etc. while assessing potential flooding risk at our research facilities and plants and identifying measures to minimize the most significant damage to property such as transformation units and outdoor facilities and injury.

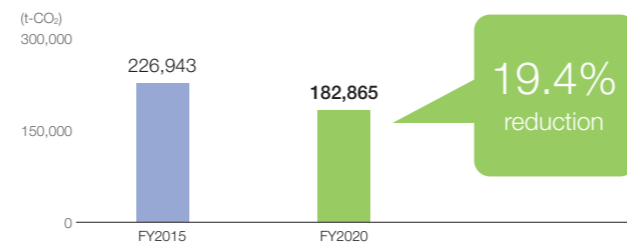
We will plan for weather-related disasters as part of our business continuity plan to ensure a stable supply of pharmaceutical products.

*1 A target stricter than the target of 2°C set by SBTi in 2019.

**2 Science Based Targets initiative (SBTi): An international initiative that encourages companies to set CO₂ reduction targets based on scientific evidence in order to help accomplish the goal of the Paris Agreement of keeping the average increase in global temperature below 2°C.

*3 A legally binding international treaty on climate change. It was adopted by 196 Parties at COP 21 in Paris, on 12 December 2015.

CO₂ Emissions



Onahama Plant: the onsite solar power system

Promoting Environmental Management

[Read more here.](https://www.daiichisankyo.com/sustainability/the_environment/policy-system/) https://www.daiichisankyo.com/sustainability/the_environment/policy-system/

Response Based on TCFD* Recommendations



We set up a cross-departmental task force in FY2019 and reviewed business risks and opportunities up to FY2030 in connection with the impact of various events arising from climate change on our business activities and “the degree of such risk” and “how much will such risk be mitigated by taking measures.” We conducted a scenario analysis and publicized

the results in FY2020. Furthermore, our climate-related risks and opportunities based on the TCFD recommendations we carried out are reflected in the environmental targets and plans in the current 5-year business plan (FY2021–FY2025), including promotion of the use of renewable energy and measures for flood damage risk, etc. of weather-related disasters becoming more or more serious in recent years as set forth on the left.

We will further improve climate change-related risk analysis and disclose more information in line with the progress of the current 5-year business plan.

* Task Force on Climate-Related Financial Disclosures

Climate Change Risks [Read more here.](https://www.daiichisankyo.com/sustainability/the_environment/climate_strategy/#ancol) https://www.daiichisankyo.com/sustainability/the_environment/climate_strategy/#ancol

Measures for Environmental Risk

Because our member companies handle various chemical substances, the Daiichi Sankyo Group considers proper management of chemical substances as an important initiative and issue. To prevent air and water pollution, our plants in Japan have established voluntary control standards that are stricter than legal requirements and properly control the emissions at plants and research facilities in Group companies in Japan. Similar, Group company plants outside Japan also regularly monitor their emissions to ensure compliance with the laws and regulations of each country and region.

With the purpose of assessing the impact of water discharged from operation sites on the ecosystem, in FY2020, we continued to conduct WET testing* at all plants and research facilities in Japan (seven operation sites). As a result, we confirmed that the discharged water has no serious impact on aquatic organisms in rivers, etc. In FY2021, we plan to conduct annual WET testing as usual and additional testing depending on changes in wastewater load at all of our plants and research facilities in Japan to promote appropriate wastewater management and improve the quality of discharged water.

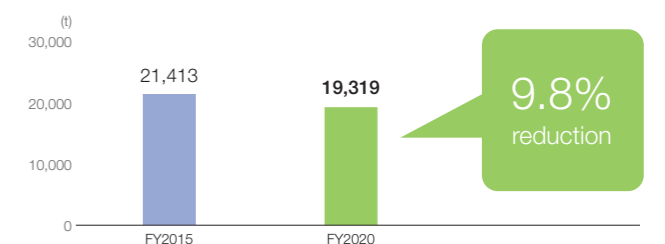
* Whole Effluent Toxicity Test. A testing method that utilizes the biological responses of fish, daphnia, and seaweed to determine the total toxicity of discharged water.

Efficient Use of Resources

We have established waste reduction and more efficient use of resources as important issues. Consequently, we seek to save resources through efforts such as the streamlining of resources used in manufacturing processes, the comprehensive separation of unnecessary and waste materials, the reduction of the total volume of unnecessary and waste material, and resource recycling. Whenever possible, we choose waste disposal firms that recycle thoroughly. In response to the continued focus on the problem of plastic waste, we have actively promoted waste recycling and increased the recycling rate of plastic (the percentage of the amount recycled to the total amount of waste generated) from 38.6% in FY2019 to 52.0% in FY2020. Under the current 5-year business plan, we will address the waste plastic problem and promote waste recycling by setting the target of 70% or more of the waste plastic recycling rate as a Materiality KPI. With respect to the use of water, we consider the ability to utilize a sufficient amount of good quality freshwater in the value chain to be extremely important to continue business activities.

While promoting efficient use of water, the Daiichi Sankyo Group has identified, by using the WWF-DEG Water Risk Filter, three plants in total in China and Brazil as being located in high water risk areas. We are paying attention to regulatory trends and making an effort to further optimize water usage in these areas. Specific measures include using recycled water for sprinklers and using rainwater for sanitary water and other daily usages.

Waste Generated



VOICE



Junichi Takanashi
General Administration Department (right)
Yoshiaki Konrai
Onahama Plant (left)
Daiichi Sankyo Chemical Pharma Co., Ltd.

Creation of Environmental Value through Energy Generation

In 2018, we conducted the largest scale construction work of a plant at Onahama Plant involving the construction of new buildings, demolition of existing buildings and renewal of power transformer units at the same time as the launch of the solar power system introduction project. In December 2020, such new solar power system in Onahama Plant started operation while we were advancing transformation to the fields of oncology and bio-pharmaceuticals. We believe that the construction of Onahama Plant contributed to the reinforcement of the Daiichi Sankyo Group’s environmental management.

Our conventional energy saving initiatives have been focused on reducing energy use. An action by generating energy using a renewable energy system was a new challenge for us, which involved cooperation and collaboration of many related parties.

Based on this experience, we will examine further actions to help achieve carbon neutrality by 2050 and we believe that we can expect to extend the example of Onahama Plant to other plants of Group companies as the model of environmentally advanced plants.

Promoting the Success and Development of a Diverse Range of People Who Create Our Competitive Advantages

The Daiichi Sankyo Group positions its people as its most important asset. We respect diversity and work to realize the mutual long-term growth of the company and the employees who act based on our Core Values of Innovation, Integrity and Accountability. We realize this by encouraging them to have a high level of engagement and contribution.

Cultivate Employees with Highly Competitive Skills

We define our human resource management under the Daiichi Sankyo Group HR Management Philosophy, fairly treating employees covered by our Core Values wherever they may be in the world, developing their talent and helping them make maximum use of it. Furthermore, by providing our employees opportunities to work with colleagues globally as well as opportunities for rotational assignments among our locations in different countries and regions to experience different cultures as well as different ways of working and thinking. This will enhance an environment globally in which diversity is respected and in that way, we generate a competitive advantage that benefits our global business activities.

Promoting the Success and Development of a Diverse Range of People Who Create Our Competitive Advantages

For the companies comprising the Daiichi Sankyo Group to evolve into a "Global Pharma Innovator with Competitive Advantages in Oncology", the Group needs to keep delivering the values that only it can create, while adapting to environmental changes both inside and outside of the Group. We expect that our employees fulfill their potential, even in such changing environments, and also grow at work.

Based on the idea that our business is built on the growth of our employees, we have sought to provide them with more opportunities to take on challenges in multiple business areas through job rotation. For example, we launched the Create Our Future (COF) project in Japan in 2017 based on the principle of focusing on the success of our employees. In the COF project, we assigned a total of 803 employees to our priority areas, including oncology and bio-pharmaceuticals, over the three years up to April 2020.

On top of this project, we have implemented a Career Development Program (CDP) in Japan, a systematic framework to balance the growth of individuals and the development of the Group, to enhance our career development efforts.

For this CDP program, we have provided our employees in Japan with information they will need in making career choices, including job descriptions, and expected knowledge, work

Promote Global Talent Management

Toward realizing our 2030 Vision, we have proactively recruited and employed qualified talents with broad experiences from both outside and inside of the Group. We have also developed a global talent management program to continue to develop leadership candidates. Specifically, we have identified the key positions required for realizing the management vision/mid-term business plan (a total of 20 positions identified as of April 2021) at the global level, ensuring the visibility of successor candidates and challenges surrounding the successor development. In addition, at other levels of the organization, we are also working to promote talent development measures tailored to employees' individual challenges, such as the provision of opportunities and positions that drive their growth, and the provision of training programs, to secure and retain talent. We have also actively provided international assignments and overseas study

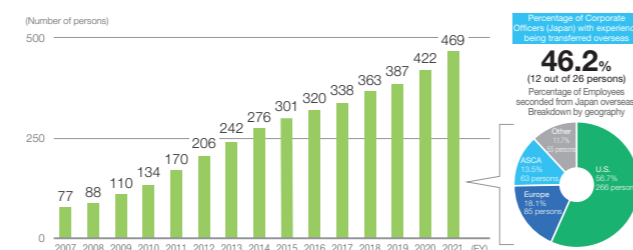
experience and skills required within the various departments, and career path models that provide employees with a clear direction regarding how they can develop their careers and continue to grow into other areas. This is available to our employees in Japan on our internal portal site.

We have also implemented an Individual Development Plan, a self-fulfillment reporting system for Japan employees. The Plan allows employees to have a clear vision of their future career paths over mid-to-long-term, with various experiences gained through work as the driver for their change and growth. The Plan allows employees to identify their advantages and disadvantages through dialogue (interview) with their supervisors and thus align their envisioned career plans with those of their supervisors, and to help foster their awareness of the need to voluntarily forge their careers.

Further, to support individual employees who are voluntarily taking on challenges and are striving to improve themselves through autonomous actions, we have worked to enhance the measure for developing employees who are readily adaptable to changing business environments, including providing courses on specialized skills, training programs for career building for each generation, and the planning of DX related education programs (data literacy basics, data analysis applications) for all employees.

programs to allow future leaders to comprehend global business and expand their knowledge.

Cumulative Number of Employees Newly Seconded from Japan to Group Companies Outside of Japan



Optimizing and Developing Diversified Talents to Create Globally Competitive Advantages

People Strategy at Daiichi Sankyo, Inc.(DSI)

At DSI, we created the 5-year People Strategy in 2020 to enable and support Daiichi Sankyo's business growth after listening to many leaders and employees as well as external experts. We have been implementing various prioritized initiatives and programs in the 3 areas: JOIN, GROW, and THRIVE. In the area of GROW, our programs for DSI employees include leadership development, manager training, online learning, talent review and a mentoring program.



Koji Ogawa

Corporate Officer
Head of US Corporate
Division,
Daiichi Sankyo, Inc.

Providing employees with growth and learning opportunities to develop global talents and leaders

In order to prepare for the future of our group, we are developing our future leaders who can effectively perform in globalizing business environments. For example, we started an audio program in Japanese called "DS15 (Discovery Station 15)", where employees share ideas and learn from each other, in December 2020. For 15 minutes a day, 4 days a week, dozens of participants in Japan and more-than 80 expatriates at DSI listen to topics on challenges and issues faced by Japanese employees in global and foreign environments including required skillsets, career development, communications issues, and cross-cultural issues.

We also have a voluntarily managed English conversation class 5 to 6 times on average per week for Japan-based employees and expatriates assigned to DSI. It has been named the "Speakers' Corner" where about 30 to 50 people think and discuss useful topics for global management in English, including leadership, communication, team management and mindset. When we started a new "Basic English Class" this year, the 15 Speakers' Corner participants volunteered as teaching facilitators to expand the English learning opportunities for an additional 50+ participants.

We hold a "Learning Forum" in English every month, inviting a DSI-based leader to discuss leadership and management challenges based on their experiences. It is attended by more than 100 employees in Japan and expatriates in the US. For DSI employees, we hold periodic "Bento Club" sessions to introduce Japanese business culture and customs to all DSI employees as well as a mentoring program for those who would like an individual opportunity to learn with a mentor. Finally, we started and plan to expand a "Global Learning Circle" where employees both in the US and Japan can learn from each other in a small group setting.

Cross-cultural work experiences in globalizing organizations

Our employees who understand the ways of working in Japan and cultural uniqueness of Daiichi Sankyo can and will be very important influencers and cultural driver toward the future Daiichi Sankyo's organizational culture. Work experiences in cross-cultural and global environments, and in particular how each individual spends time during their overseas assignment, also have significant impacts on personal growth. To really globalize, it is important to expand our overseas assignment programs to include more diverse and multi-directional talent assignments across regions and countries.

Diverse Workforce

At Daiichi Sankyo, our leaders develop their own expertise and strength, embrace curiosity to seek for new challenges, and can create an environment where openness and flexibility can generate new and innovative ideas. Even if you physically work in Japan, or no matter which country you live in, there will surely be an increase in opportunities to lead and work with your team members in different countries or regions. The growth of Daiichi Sankyo as well as our individual employee's growth can occur in parallel as we pursue to collectively optimize the organizational performance through the diverse Daiichi Sankyo workforce around the world.

Promoting the Success and Development of a Diverse Range of People Who Create Our Competitive Advantages

“Be Inclusive & Embrace Diversity”

The Daiichi Sankyo Group companies take a broad definition of diversity, which includes not only nationality, race, gender, age and other protected categories but also varying specialties, approaches, values and lifestyles. The Group companies aim to further drive their growth by nurturing an environment where every one of their employees respects each other and by proactively accommodating a variety of perspectives at work.

Initiatives to Promote the Active Role of Women in Japan

Based on the newly developed Action Plan for Empowering Women toward FY2025, the Group companies in Japan have worked on a broad range of initiatives for empowering women, including continuing to develop female candidates for managerial positions, supporting work-life balance, and fostering a positive workplace culture.

Since FY2019, we have held career design seminars (online webinars) for female employees in Japan whose careers may be easily impacted by life events, while since FY2020, we have broadened the scope of participants to include all employees in Japan to provide them with opportunities to think about their own career paths with life changes as their drivers.

We also held a meeting in Japan for exchanging opinions about the development of female candidates for management

between the Group’s management and SWAN, a network of women in managerial positions. From the perspective of fostering a positive workplace culture, through seminars targeted at newly appointed managerial employees, we have been striving to promote the understanding of how an organization can be managed in a manner to appreciate the variety in team members, view these differences as strengths, and thus improve the capability of the organization.

Going forward, in Japan, we will continue to push forward with initiatives based on our action plan to enhance our workplace environment in which female employees can develop their careers over the long term and work energetically.

► Detailed Initiatives and Timeline of the Action Plan for Further Empowering Women in Japan from FY2021 through FY2025

Initiative 1: Proactively develop female candidates for managerial positions (Japan)	
April 2021 -	Promote the development of female candidates for managerial positions and associated follow-up measures
Initiative 2: Implement activities to ensure new career development and provide growth opportunities for women	
April 2021 -	Understand and analyze the current status of career development and growth opportunities for women, consider implementing/implement programs, events, and networking activities that lead to new opportunities for career development and growth for women
April 2022 -	Consider implementing/Implement measures to ensure career development and provide new growth opportunities for women in Japan
Initiative 3: Enhance and strengthen the system that facilitates more flexible workstyle and thus leads to continued retention of employees	
April 2021 -	Expand telework, newly establish a system of leave as part of the support for career development, incorporate productivity into personnel evaluation metrics, and implement measures to improve workstyle/the way of taking a leave from work
April 2022 -	Enhance measures/systems to facilitate flexible workstyle and promote such measures/systems
By March 2026	Foster a work environment in Japan in which employees feel it's easier to take a leave from work toward the goal that employees taking 18 paid holidays a year by FY2025
Initiative 4: Operate the personnel management system in Japan in a manner to support employees in balancing work and family	
April 2021 -	Consider implementing/implement measures in Japan to help balance work and family, and continue to encourage men to take parental leave
October 2021 -	Implement measures in Japan to encourage male employees to share household chores and childcare
Initiative 5: Foster awareness of inclusion & diversity (I&D) at workplace	
April 2021 -	Clearly define and publish I&D policies, and incorporate detailed I&D discussions in a variety of training programs in Japan
October 2021 -	Hold seminars and e-learning opportunities on I&D

Creating a Workplace Environment that Empowers People with Disabilities (Japan)

We set a mid-term policy for the employment of people with disabilities in Japan, and promote such employment at Group companies such as Daiichi Sankyo Happiness (a special subsidiary company that meets the terms of the Act on the Promotion of the Employment of Disabled Persons). Daiichi Sankyo Happiness subdivides and simplifies workplace tasks to enable people with disabilities to be active participants, undertaking work from various other Group companies. In appreciation of these activities, Daiichi Sankyo Happiness was awarded the “Monisu Certification” on March 29, 2021, and as a result, is listed as one of the companies that excel in the

employment of people with physical and mental disabilities on the websites of Kanagawa Labor Bureau and the Ministry of Health, Labour and Welfare.

The employment rate of people with physical and mental disabilities for all the Group companies in Japan stood at 2.33% (vs. the legally required employment rate of 2.3%) as of July 2021.



* A new system whereby the Minister of Health, Labour and Welfare in Japan grants certification to outstanding small- and medium-sized business owners for their efforts in promoting and stabilizing the employment of persons with disabilities

Preparing LGBT-Friendly Environment

We have promoted the understanding of LGBT to employees in Japan and the introduction of a system to support LGBT with the aim of creating a LGBT-friendly work environment. Specifically, we have provided a heads-up about outing* in the content of training programs, and have revised the internal system so that same-sex partners of Japan employees can be

eligible for support equivalent to those given to legal spouses since October 2020 in Japan. In appreciation of these efforts, we were awarded a bronze prize at “work with PRIDE 2020.”

* Act of revealing a person’s sexual orientation or gender identity without the consent of the person.

Employee Health and Work Style Reforms

“To Contribute to the enrichment of quality of life around the world,” the Daiichi Sankyo Group’s purpose, it is essential that we first secure the physical and mental health and safety of our employees. To create a company in which each individual employee can work energetically in the best of physical and mental health and make maximum use of their capabilities, the Daiichi Sankyo Group has implemented a variety of employee health management and working environment related measures.

Enhancing Health and Productivity Management

Priority measures taken to promote health globally include: 1) implementing measures against lifestyle-related diseases, 2) improving mental health, and 3) building an environment to encourage employees to receive medical checkups.

As for absenteeism (the number of employees who took non-work related accident/sick leave for 30 days or longer), we have worked on measures to improve the health of our employees around the world with the aim to reduce the rate by 20% from the level in FY2019 by FY2025.

To further drive initiatives to help employees maintain/improve health in Japan, we have established the position of Chief Health Officer (Japan domestic), whereby the Company in Japan, its health insurance association and its labor union have collaborated in promoting health enhancement measures. Within the 5-year business plan, which started this year, we have set specific benchmarks and targets to strengthen a range of efforts toward achieving the plan.

► Evaluation Metrics/Targets for Maintaining/Improving Health (Group Companies in Japan)

Evaluation metrics	Actual benchmark results (FY)	Numerical targets			
		FY2021	FY2025	Comments	
Number of employees who took non-work related sick leave for 30 days or longer	99 persons (2019)	No numerical target*	80 persons	Down 20% from the standard value	
Percentage of loss from presenteeism	18.3% (2020)		14%	Down 20% from the standard value	
Percentage of individuals with anomalous findings	Blood lipids		40.6% (2019)	30%	Improved to less than the general average in Japan (based on data provided by KENPOREN, National Federation of Health Insurance Societies, in 2019)
	Blood pressure		22.9% (2019)	16%	
	Hepatic function		21.3% (2019)	15%	
Incidence of accidental falls at work	24 cases (2018)		12 cases	50% lower than the standard value	
Percentage of employees dealing with high-stress	4.0% (2020)		3.0%		
Rate of participation in health events	8.1% (2020)	15%	40%	Number of participants in event/all employees	
Ratio of conducting specific health guidance	39.6% (2019)	50%	70%	Updated to the aggregated results after the end of the final fiscal year	
Smoking rate	16.9% (2019)	13%	8%	0% in FY2030	

* No single-year target is set as improvement is difficult within a short period of time.

Support for Diverse Work Styles and Work Hour Management in Japan

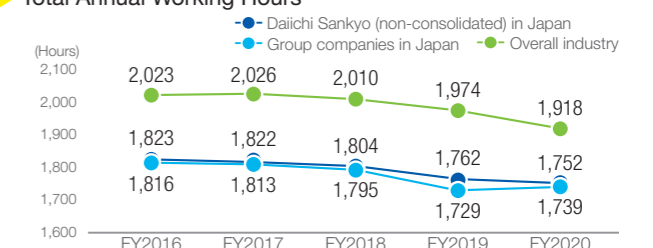
The Group has continued to make efforts to create an environment in which a diverse range of employees can work comfortably, through initiatives, such as appropriate work hour management, the introduction of flexible working arrangements, the implementation of a telework system for all employees, the introduction of systems for balancing work and childcare/caregiving/medical treatment and related seminars and discussion meetings. Since FY2020, as the DS Smart Work initiative, we have worked to continuously create additional values and promote meaningful work with a view to improving productivity and engagement of each employee. Through innovating new ways of working, we have sought to create more time, aiming to enable employees to have more time away from work, thereby achieving the promotion of the work-life cycle.

To prevent employees from working excessive hours, since FY2019 we have put in place a working hours interval system, which requires employees to take at least an 11-hour break between finishing work and returning to work the next day. In addition, in Japan, the Company has set a standard upper limit on the number of work hours since FY2018. This limit applies to all employees, including those under the discretionary work system. The employee labor union and management collaborate together for other initiatives such as providing guidance and implementing work improvements for health management. In FY2020, the total annual working hours at the Daiichi Sankyo Group companies (in Japan) were 1,739 hours, 179 hours shorter than those in the overall industry.

► A Diverse Range of Work Hour Adjustment Systems in Japan

Work hour adjustment system	Principal application	
① Fixed time system	Production division	
② Flex time system	Corporate staff division	
③ Discretionary work system	For planning work	Corporate staff division
	For specialized work	R&D division
④ System for working hours treated as off-site	Sales division	
⑤ Not subject to work hour management	Those in managerial positions	

► Total Annual Working Hours



Respect for Human Rights

The Daiichi Sankyo Group established the Daiichi Sankyo Group Human Rights Policy in June 2020. Fundamental to the belief that respect for human rights is at the foundation of the corporate activities, we engage in line with our mission, and are strengthening various human rights initiatives.

Establishment of Human Rights Policy

The Daiichi Sankyo Group established the Daiichi Sankyo Group HR Management Philosophy in April 2012. Since then, we have worked to enhance our workplace environment, in which we respect employees' diversity and take their health and safety into consideration. We specify our respect for human rights in the Daiichi Sankyo Group Corporate Conduct Charter revised in April 2019, and the Daiichi Sankyo Group Employee Code of Conduct established in April 2020. In June 2020, the Daiichi Sankyo Group Human Rights Policy was established following the approval of the Company's Board of Directors.

In terms of the Human Rights Policy, as we engage in our corporate activities, we comply with all human rights related laws and regulations, respecting international codes of conduct and fundamental regulations on human rights, including the Universal Declaration of Human Rights. At the same time, the Group also identifies human rights related issues in connection with our business activities from the perspectives of "Responsibilities as a global pharmaceutical company," "Human rights in our supply chain," and "Responsibilities in the workplace."

In FY2020, we started to conduct human rights due diligence* by setting up an internal team to address human rights

Implementation of Human Rights Risk Assessment

In FY2019, the Company conducted human rights risk assessment to examine the status of the risk management in five areas (wages, discrimination/inhumane treatment, human rights in our supply chain, human rights of participants of clinical trials, and access to healthcare).

Subsequently in FY2020, a questionnaire survey was conducted for all group companies conducting business operations. In FY2021, we will promote human rights initiative based on the issues from the survey.

Awareness Raising Activities on Human Rights

In FY2020, in order to raise the awareness of the Daiichi Sankyo Group Human Rights Policy and to create an opportunity for our personnel to think of our human rights initiatives more closely, we provided all the employees of group companies in Japan with e-learning programs for business and human rights under the theme of "Respect for human rights—Toward a sustainable society", and had an attendance of 96.9%.

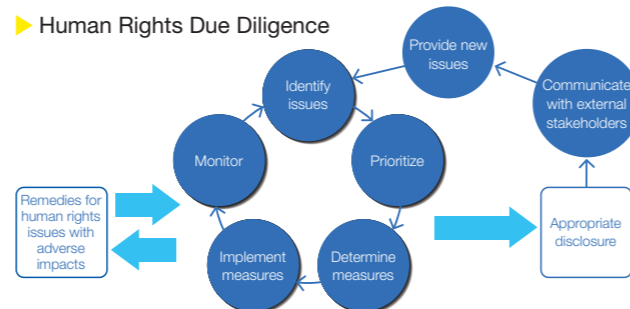
In addition, in Japan, we held e-learning programs on work-place harassment, understanding of LGBT, and encouragement of men's participation in childcare.

issues. We will continue to make efforts to avoid a negative impact on human rights, which could occur resulting from our business activities.

And from FY2019, the Group has reported the initiatives to prevent modern slavery and human trafficking in our business activities including our supply chain in accordance with the United Kingdom Modern Slavery Act 2015.

* A framework to assess, identify, prevent and mitigate any actual or potential human rights risks arising from our business activities

Human Rights Due Diligence



The Contents of the Questionnaire

Item	Contents
Dissemination of human rights policies	Status of Human Rights Policy dissemination, Status of implementation of trainings related to human rights
Address to human rights issues	Forced labor and human trafficking, Child labor, Discrimination, Freedom of association and collective bargaining rights, Working hours, Wage and employment contract, Inhumane treatment, Privacy, Negative impact on local communities, Health and safety, Considerations for human rights in research and development
Management	Stakeholder engagement, Operation of reporting channels, Status of responsible procurement

A general compliance training including certain aspects of human rights has been issued within the group companies in the United States, and a training on the German Equal Treatment Act for people managers for group companies in Europe (Germany)

We will continue to conduct awareness raising activities on human rights.

Respect for Human Rights of Participants in Clinical Trials

The Company has established the Global Policy of Clinical Trials Standards and conducts clinical trials in accordance with global standards, in consideration of the human rights and safety of participants in clinical trials and based on high ethical and scientific standards.

Clinical trials are conducted in compliance with applicable regulations, the Declaration of Helsinki*¹, and ICH*²-GCP*³, upon obtaining individual's voluntary will after detailed explanation (informed consent).

The Company conducts all clinical trials after both ethical propriety and scientific validity are confirmed in accordance with the internal review processes. In particular, the Company ensures the first-in-human study is appropriate ethically and scientifically through clinical trial review meetings that include qualified physicians as review members. Furthermore, clinical

trials are conducted after an external independent committee (Institutional Review Board / Independent Ethics Committee) also reviews the ethics (human rights of trial participants, etc.) and scientific validity, and approves the conduct of clinical trials.

The company ensures the training of the standard operation procedures aimed for ICH-GCP and clinical trial ethics to people who are engaged in clinical trials.

An independent department of the Company conducts the audit of clinical trial activities and drives remedial actions and preventive measures.

*1: Ethical principles for medical research involving human subjects.

*2: Abbreviation of "International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use."

*3: Abbreviation of "Good Clinical Practice" implementation standard of clinical trials of pharmaceuticals.

Initiatives for Human Rights in Procurement

The Daiichi Sankyo Group stipulates in Article 2 of the Daiichi Sankyo Group Corporate Conduct Charter that "We respect international norms, diverse cultures and customs, conduct business in a fair manner through free and fair competition, and conduct responsible procurement by complying with laws and regulations in each country and region in which we do business," and represents "sustainable procurement" in the Daiichi Sankyo Group Procurement Policy. In the Business Partner Code of Conduct established pursuant to the Procurement Policy, the Group sets our expectations for business partners, that provide us with products and services, to comply with and respect

various international norms, including human rights. Based on this Code, we conduct CSR Self-Assessment Questionnaire Surveys on a three-year cycle, aiming to increase communication with business partners. We conducted the second survey for FY2020-2022. The questionnaire for the survey includes items related to human rights.

Additionally, the Group is working on building a system to understand apparent risks of our business partners by using an external data source, enabling to act for improvement.

Through these activities, we will advance initiatives for human rights in procurement.

▶ For Sustainable Procurement [Read more here.](https://www.daiichisankyo.com/about_us/responsibility/ethics-compliance/procurement/) https://www.daiichisankyo.com/about_us/responsibility/ethics-compliance/procurement/

Promotion of Inclusion and Diversity

In the Group, the Human Resources Department of Daiichi Sankyo is in charge of matters related to the promotion of inclusion & diversity together with Human Resources Department of each group company. The Group takes a broad definition of diversity which includes not only protected categories such as, for example, nationality, gender, race, age and other personal attributes, but also the different specialties and approaches as well as values and lifestyle required for each job. We believe that if all employees of the Group actively accept each other's diversity, they will exhibit their abilities to the greatest extent possible, which, as a result, will contribute to the development of global business and the creation of innovation. Based on this idea, we engage in initiatives to foster a culture of mutual respect among employees.

As a global initiative, we promote "Creating ONE DS Culture Through Fostering Our Core Behaviors," which is included in the strategic pillars of the current 5-year business plan.

"Be Inclusive & Embrace Diversity" is one of the Three Core Behaviors, which will be embedded across the entire group companies, and means that the Group achieves larger goals through incorporating diverse perspectives into work while valuing each person. As an implementation of the Core Behaviors, we established the Global I&D project to promote inclusion & diversity by facilitating collaboration among representatives of the Group's global bases through regular information sharing.

For specific initiatives for Inclusion and Diversity (I&D), refer to page 77