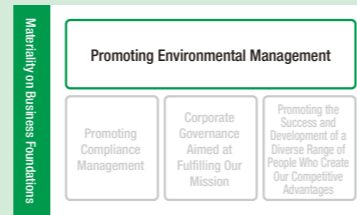


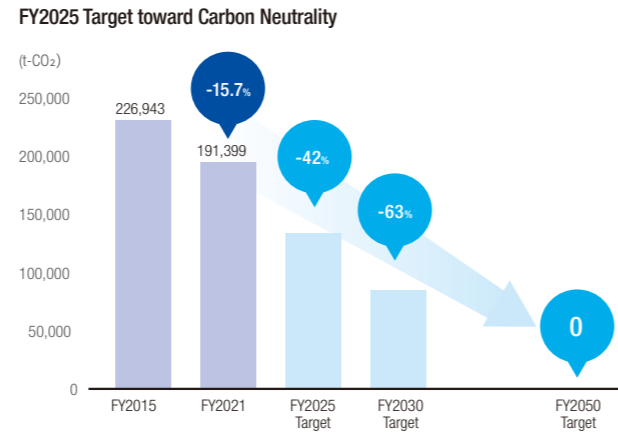
Promoting Environmental Management



As a healthcare company with the Purpose “to contribute to the enrichment of quality of life around the world,” we consider global environmental conservation, which is the basis of life and livelihood, as a key management issue.

Revision in KPI Targets

As a materiality KPI for environmental management in our current 5-year business plan (FY2021–FY2025), we set a target of reducing Scope 1 and Scope 2 CO₂ emissions by 25% by FY2025 and by 37.5% by FY2030 compared to FY2015 emissions, a target based on the level of the SBTi*1 to limit global temperature increase to “well below 2°C.” However, in order to more actively respond to growing requirements from society for action on climate change, notably the Japanese government’s 2050 carbon neutral declaration and the COP26 summit’s adoption of the Glasgow Climate Pact, we decided to set a more ambitious goal of reducing Scope 1 and Scope 2 CO₂ emissions by 42% by FY2025 and 63% by FY2030 compared to FY2015 emissions, which are aligned with the SBTi “1.5°C” target.



*1 An international initiative that encourage companies to set CO₂ reduction targets in line with the Paris Agreement goals.

Decarbonization Initiatives

At the Pfaffenhofen Plant in Germany, a self-consumption solar power generation system started to operate in February 2022. Moreover, plants in Japan are promoting energy-saving initiatives mainly by switching to highly efficient energy-saving refrigerators and taking measures to improve the thermal insulation of boiler pipes. These initiatives have resulted in reducing our global CO₂ emissions by more than 700 tons annually.

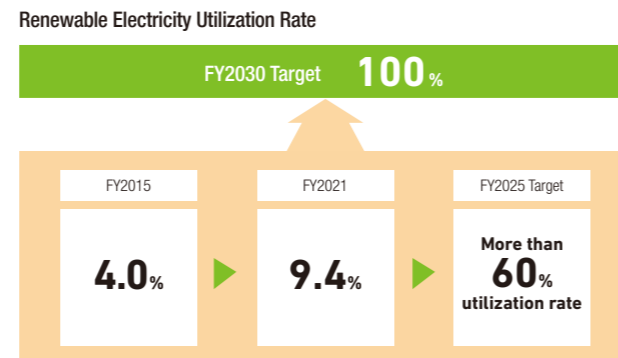


Utilization of Renewable Energy

In FY2021, we focused on examining procurement solutions and scope of application with a view to expand the use of renewable energy. As a result, from April 2022, we started to switch the electricity used at 13 sites in Japan, including the head office building, plants, research laboratories, and training centers, to renewable energy (FIT non-fossil fuel energy certificates with tracking information). We therefore expect the Group’s overall CO₂ emissions for FY2022 to come to around 120,000 tons (a reduction of about 45% compared to FY2015). We aim to achieve our FY2025 renewable energy utilization rate target of at least 60% by maintaining the current level along with our business expansion, and furthermore, to achieve a renewable electricity utilization rate of 100% ahead of schedule by FY2030, as accelerated by the RE100*2.

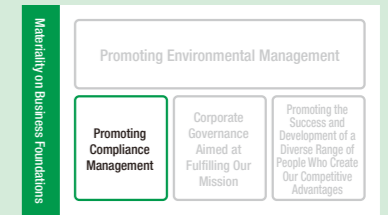
Our Group companies in and outside of Japan are also accelerating initiatives to realize carbon neutrality through promoting the introduction

of decarbonization technology which enables the implementation of renewable energy utilization.



*2 RE100: A global initiative promoting 100% corporate renewable energy, operated by The Climate Group, an international environmental NGO, and CDP that urges companies to disclose their climate change measures.

Promoting Compliance Management



Compliance is indispensable for the long-term maintenance and improvement of our corporate values. The Daiichi Sankyo Group complies with laws, regulations, and industry codes, and executes compliance management with a focus on ensuring that it retains the highest ethical standards and social consciousness required of a life science company.

Initiatives for Improving Workplace Culture

Our Group endeavors to reinforce an open workplace culture as a cornerstone for our compliance management. In FY2021, we carried out a global employee survey to measure the score of our “periodic employee survey on ethical culture,” which was one of our materiality KPIs. 84% of respondents provided positive responses, indicating that we are succeeding in creating a culture that respects compliance.

To further encourage improvements in workplace culture, in addition to periodic messages emphasizing the importance of compliance by our CEO and compliance officers and carrying out interactive training

programs every year, we have selected “Speak Up” as our Group-wide theme for FY2022. We are implementing various measures aimed at raising employee awareness of the importance of everyday communication and listening attentively. We will also continue to promote the use of our Global Hotlines, which are open 24 hours a day, 365 days a year, available in the languages of the countries and regions where the Group companies are located, and attempt to create an even better workplace culture and to further promote compliance management.

Initiatives for Code Compliance

Our Group manages cases of healthcare-related findings made by pharmaceutical regulatory authorities or industry-related organizations that may materially discredit or reduce confidence in the company. These are referred to as “significant code violations,” and we disclose them on our global website.

Since FY2021, as part of our efforts to prevent code violations globally, we regularly collect information on code violations that have

taken place at our Group companies in Japan, the U.S., Europe, and the ASCA region, and hold meetings with the code compliance representatives of the Group companies. By sharing examples of and exchanging opinions on code violations that have taken place at Group companies in each country, we are able to deepen our understanding, which is useful in our efforts to prevent further code violations from occurring.

Promoting Sustainable Procurement Activities

In order to realize a sustainable society, we believe it is necessary to join efforts with our business partners to promote sustainable procurement. We are engaged in various initiatives, one of which is conducting a sustainable procurement survey with our business partners once every three years, based on our Business Partner Code of Conduct (BPCC)*3. The second survey (FY2020–FY2022) was issued to 403 of our major business partners in Japan and overseas. Working together with our overseas Group companies, we succeeded in improving the participation rate, and obtained responses from 386 companies (96%). An analysis of these responses revealed similar trends to the first survey (FY2017–FY2019), suggesting the need to continue focusing on environmental initiatives. In FY2022, we are planning to share information relating to sustainability activities through individual discussions with business partner companies selected according to their answers to the second survey responses. Through such two-way communication, we intend to encourage mutual cooperation with our business partners, and thereby promote and strengthen our initiatives for sustainable procurement.

*3 The BPCC establishes concrete items that our Group companies expect from our Japanese and overseas business partners including compliance in various fields—such as ethics, human rights, health and safety, and environmental management.

Sustainable Procurement Survey

	First sustainable procurement survey (Period: FY2017–FY2019) Results			Second sustainable procurement survey (Period: FY2020–FY2022) In progress	
	Number of companies surveyed	Number of respondents (Response rate)	Number of companies that communicated Number of respondents	Number of companies surveyed	Number of respondents (Response rate)
Total	381	355 (93%)	26	403	386 (96%)
Direct materials					
Subtotal	248	230 (93%)	18	263	257 (98%)
Raw materials	119	113 (95%)	6	138	135 (98%)
Licensed products and consigned manufacturing products	99	92 (93%)	7	89	88 (99%)
Manufacturer/Non-tier 1 Supplier	30	25 (83%)	5	36	34 (94%)
Indirect materials					
Subtotal	133	125 (94%)	8	140	129 (92%)

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



We believe that our “people” are the most important “asset” of the Daiichi Sankyo Group. Based on our HR Management Philosophy, we respect the diversity of each and every employee, thereby ensuring the mutual sustainable growth of our employees and the Company. To achieve this, we are creating a work environment where a diverse range of talents are highly engaged and can maximize their potential, and acquiring and training talents to enhance our business competitiveness.

Fostering One DS Culture

We have been working to create our common global corporate culture, One DS Culture, since FY2021 in order to further accelerate the expansion of our oncology business and global business development, which are part of what we aim to achieve in our current 5-year business plan.

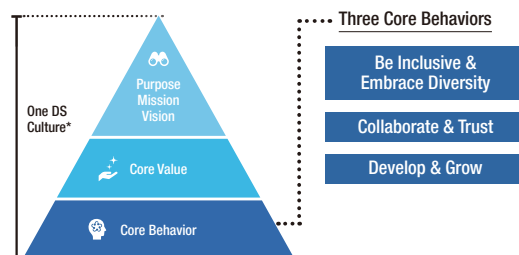
By fostering One DS Culture while leveraging our heritage and strengths, we aim to create a workplace where all employees can work energetically, regardless of gender, nationality, cultural background or other differences. Through the understanding and implementation of the Three Core Behaviors among our employees, our employees will effectively collaborate with employees around the world to achieve our shared vision and build trust across functions and regions, which will lead to innovations for the benefit of patients.

In FY2021, as part of fostering One DS Culture, we organized an online workshops for management and global leaders with the aim of building understanding of and commitment to behaviors and work styles appropriate to a truly global company. We also conducted our first global engagement survey of all employees across the Group and received a high response rate of 89% (14,494 respondents). The survey included questions on corporate culture and work environment, as well as opportunities for development and growth, and these were set as

materiality KPIs. The results for the FY2021 survey showed a 75% positive response rate for corporate culture and work environment and a 68% positive response rate for development and growth opportunities. While we do have room to improve, this score highlights that our employees report being personally invested in their work, excited about our vision, and see a strong connection between their roles and our Purpose and Vision. Using the positive response rate in FY2021, the first year of the survey, as a baseline, we plan to make improvements going forward. In FY2022, we plan to analyze the factors behind the results in comparison to the previous year and develop a plan to address improvement areas.

For more information on the Three Core Behaviors

P. 3



* The combination of our Purpose, Mission, Vision, Core Values, and Core Behaviors

Promoting Inclusion & Diversity (I&D)

In FY2021, on International Women’s Day, we formulated our Global I&D Statement. Across the Daiichi Sankyo Group, “Inclusion” refers to the acceptance of diversity, and “Diversity” refers to differences in various aspects, including gender, race, religion, sexual orientation, age, disability, values, beliefs and other areas. Furthermore, connecting diverse perspectives and experiences to innovation in business is another important concept of Inclusion. We believe that promoting I&D will lead to higher employee engagement and enable us to contribute to our various stakeholders, including patients, and the many diverse countries, regions, and communities in which we live and work.

One of our Materiality KPIs is to achieve 30% of female in senior managerial employees by FY2025. In FY2021, we reached 17.9% (+1.8 pt YoY) globally, but the low ratio of female in senior managerial employees in Japan remains a challenge. In Japan, we have set a target of increasing the percentage of female in managerial employees, who are the candidates for senior managers, to at least 15% by the end of FY2025 (9.3% in FY2021; +1.2 pt YoY), and we will continue

to work toward achieving this target. At the same time, we will create a workplace environment in Japan in which women can play an active role more than ever before by providing support for women in terms of leadership training, career development, offering growth opportunities, and ensuring a good work-life balance.

Percentage of female in senior managerial employees

