Human Capital

—the most important capital in Daiichi Sankyo Group’s value creation model

The human capital of the Daiichi Sankyo Group is the driving force behind the evolution of our business model that leverages Science and Technology (S&T) for sustainable value creation. Here, we discuss how the Group’s human capital management makes the best use of human resources (HR) initiatives to enhance the value of human capital and the viability of our management strategy.

Our view of human capital

We position “our people” as the most important asset. We respect the differences of each employee and aim to achieve mutually sustainable growth in both employees and the Company by encouraging and developing talents in all areas of the value chain. All of our business activities are supported by employees and we believe that for the global expansion of our business, acquiring diverse talent and implementing effective HR management are the sources of our competitiveness.

We define human capital as a combination of three elements: (1) the power of the individual, who is constantly growing; (2) the continuous supply of human resources to areas to be strengthened, structured in line with strategies; and (3) the structures, systems, and measures to synergize individuals and organization.

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Elements of human capital

- Power of individual (developing individual strengths)
- Highly specialized expertise and technological capabilities
- Self-directed actions (implementing Core Behavior)
- High level of engagement
- Power in numbers (continuous supply of human resources to area of strength)
- Power of synergy (structures, systems, and measures to create synergies among people and organizations)

Integration of management strategy and human capital expansion measures

- Expansion of talent to enable execution of management strategy
  - 2030 Vision: Innovative Global Healthcare Company Contributing to the Sustainable Development of Society
  - Management strategy: Further growth and development from oncology business expansion and globalization

Talent required for oncology business expansion and globalization

- Global talent with specialized knowledge of group-wide operations, markets in each region/country, and regulatory requirements (at any site worldwide).
- Specialized professionals to ensure an R&D pipeline and bring products to market (S&T/biopharmaceutical)
- DX professionals who can generate innovation and efficiency throughout our value chain

Power in numbers (continuous supply of human resources to area of strength)

- HR portfolio structured flexibly according to management strategy
- Pipeline that continually produces the talent required

Power of synergy (structures, systems, and measures to create synergies among people and organizations)

- Culture (including inclusion and diversity, I&D) that accelerates innovation
- Organizational structures adapted to business needs

Cycle of human capital management

To realize sustained value creation and growth, our human capital management is based on a series of management cycles wherein human capital is maximized and business foundations are strengthened so that the Company’s capital can be invested into business activities.

Integration of mid-term strategy and Materiality

Social value

- Innovation in standard of care: Creating innovative new molecules to address unmet medical needs
- Reduced environmental impact: Response to emerging global environmental challenges

Corporate value

- Financial value (current)
  - Expansion of sales revenue
  - Generate profits
  - Enhance corporate capital
  - Reduction of capital costs

Non-financial capital (future financial + pre-financial)

- Human capital (outcomes)
  - Realizing a strategic HR portfolio
  - Strengthening intellectual capital
  - Reinforcing other capitals by strengthening human capital
- Intellectual capital
  - S&T activities
  - Conceptualization
- Manufacturing capital
  - ADC global production
  - Manufacturing
  - Quality assurance

Human capital expansion measures (activities)

- Further boosting S&T talents
  - Hiring and training of S&T talents
  - Development of specialized professionals (over-DX and global leaders)
  - Assigning employees based on business strategies

- Supporting growth of individuals
  - Creating a place to take on new challenges
  - Developing learning environments
  - Setting up an experience section for innovation (better expertise management)
  - Enhancing employee engagement and workplace experiences

- Improvements in employee health and workplace environments
  - Enhancing workplace health and safety strategy and implementing improvements
  - Creating stress-free workplaces

- Culture
  - Transforming to a global culture
  - Implementing HR programs and I&D information systems

- Supporting growth and development of individuals
  - Creating opportunities for employees to develop and grow
  - Establishing performance and evaluation systems

* The human capital outcomes contribute to the augmentation of other non-financial capitals. Financial value is created as a result of corporate activities that make use of those capitals.