Sustainability Report

General Disclosure

Basis for Preparation of the Sustainability Statement

The Daiichi Sankyo Group prepares a sustainability report on a consolidated basis to disclose information related to sustainability. This report is prepared under consideration of the European Sustainability Reporting Standards (ESRS), covering the same scope as the consolidated financial statements. It discloses information on topics identified as material through a materiality assessment that includes the Company itself as well as the upstream and downstream value chain.

Disclosures in Relation to Specific Circumstances

All data contained in this report pertains to FY2024 unless otherwise specified.

The Role of the Administrative, Management and Supervisory Bodies / Information Provided to, and Sustainability Matters Addressed by the Undertaking's Administrative, Management and Supervisory Bodies

The company is committed to strengthening the effectiveness and capabilities of its Board of Directors (BoD) in pursuit of its 2030 Vision—to become an "Innovative Global Healthcare Company Contributing to the Sustainable Development of Society"—as articulated in its current five-year business plan.

Of all 10 directors comprising the company's Board of Directors, 5 are outside directors. The ratio of outside directors among all directors is 50%, and the ratio of female directors is 20%. At our company, representatives of employees and other workers are not members of the Board of Directors.

Regarding the identification of impacts, risks, and opportunities related to company-wide sustainability issues and the monitoring of goal progress, Global Sustainability and Global Corporate Planning compile reports and submit them to the EMC (Executive Management Committee) and the BoD for approval by the BoD. Additionally, in accordance with the Sustainability Management Policy, the CEO directs the Head of Corporate Strategy to establish a framework for promoting sustainability management, including the formation of a Sustainability Committee to drive related initiatives.

As a framework for promoting sustainability management, the following is established and operated under the Daiichi Sankyo Group Sustainability Management Policy.

- For key sustainability issues such as human rights and Environment Health and Safety (EHS), sustainability promotion officers are appointed by organizational leaders for each relevant internal organization to promote sustainability management globally.
- Additionally, the Head of Global Sustainability operates the global promotion framework for human rights, EHS, non-financial information disclosure, and social contribution, integrates sustainability initiatives from each organization and region into company-wide strategy, compiles company-wide strategies and policies as well as annual and semi-annual plans and results, and submits and reports these to the Sustainability Committee.
- The Sustainability Committee is an advisory body to the EMC, which is selected and supervised by the Board of Directors. It receives reports on and deliberates basic policies for key sustainability issues, budget allocation, medium-term plans based on KPI setting, annual plans, performance reports, and implementation status, and submits and reports to the EMC as necessary.
- Each organizational leader shall formulate and implement their organization's sustainability promotion plan based on the sustainability management strategy and policies, and report to the Head of Global Sustainability on a quarterly or semi-annual basis.

Integration of Sustainability-Related Performance in Incentive Schemes

We do not operate a performance evaluation system for specific sustainability-related targets and/or impacts. However, as a compensation system related to sustainability, 15% of compensation for internal directors consists of 5-year business plan performance-linked stock compensation, of which 10% is linked to sustainability performance. As sustainability-related performance indicators, we adopt scores from the Dow Jones Sustainability Indices, FTSE, Russell, and Access to Medicine, and based on performance, an evaluation coefficient of 0-200% is determined within the fluctuation range.

The compensation linked to the achievement of 5-year business plan performance is a trust-type stock compensation system with the characteristics of performance shares (performance-linked stock compensation), and the number of shares granted as compensation is determined based on stock grant points calculated by multiplying the cumulative value of points granted based on position during the target period by a performance-linked coefficient.

Compensation is deliberated by the Compensation Committee (composed solely of outside directors, with one outside auditor participating as an observer), which is established as an advisory body to the Board of Directors. Based on the results of these deliberations, compensation is determined by Board of Directors resolution within the total compensation amount approved by the shareholders' meeting for each type of compensation.

Strategy, Business Model and Value Chain

Please refer to Daiichi Sankyo Value Report 2025, pages 15-16, 19-20, 43-46

General Disclosure

Interests and Views of Stakeholders

Stakeholders	Purpose of Engagement	Implementation method	Stakeholders' Opinions and Their Reflection
Patients and their Families	We understand the lives, concerns, and hopes of patients and their families, and collect and analyze feedback from patients and healthcare professionals as well as quality of life data. By reflecting these results in our Group's initiatives, we aim to improve patients' quality of life and contribute to a life filled with smiles for patients and families.	• Direct dialogue with cancer patients and caregivers through global advocacy activities • Dialogue with patients, their families, and healthcare professionals through COMPASS*1 (2-3 times/year) • Reflection in drug development-related materials through PFDD*2 (as appropriate)	• By understanding the true needs of patients and their families, we contribute to fostering a patient-centric mindset and to the research and development of pharmaceuticals that address those needs. • Based on the voices of patients and healthcare professionals who are close to patients, we consider the construction of clinical trial designs and implementation of clinical trials from the patient's perspective, including reducing patient burden during clinical trial participation and improving clinical trial effectiveness.
Healthcare Professional	Through the creation of innovative pharmaceuticals and other products and the provision of beneficial information to healthcare professionals, we work to improve healthcare professionals' satisfaction with patient care and understand their needs, thereby enriching treatment options and transforming standard care.	• MR (Medical Representative) activities and MA (Medical Affairs) activities (as appropriate)	• Understanding the diversification of customer issues and needs, implementing the provision of appropriate product usage information and medical collaboration-related information through the combined use of digital technologies, contributing to regional healthcare
Shareholders and Investors	Promoting mutual understanding with shareholders and investors through proactive disclosure of management information, and reflecting opinions in corporate management through constructive dialogue from a medium- to long-term perspective.	• Dialogue between management / IR departments and shareholders / investors through disclosure of information on management strategy, research and development, ESG, etc. (as appropriate)	• Based on favorable clinical trial results and acceleration of indication expansion studies, we received feedback that it would be appropriate to revise the performance outlook initially disclosed in the 5-year business plan, and we implemented appropriate information disclosure.
Business Partners	Advancing initiatives toward realizing a sustainable society with consideration for human rights and the environment, growing together as trusted business partners, and enhancing long-term mutual value.	• Sustainability surveys and interviews with business partners (once every 3 years)	• Based on feedback that they do not understand how to approach sustainability as a company; we provide supportingcning and educational materials.
Employees	Based on the opinions of each individual employee, we promote mutual sustainable growth between employees and the company by building an environment where employees maintain high engagement and thrive with vitality while achieving personal growth.	• Implementation of Global Engagement Survey (once a year) • Consultations with labor unions (multiple times/year)	• Through discussions with the labor union, we confirmed the need for hourly paid leave not limited to nursing and caregiving reasons, and introduced the hourly paid leave system in October 2022.
Local Communities	We collect local needs regarding regional diseases and healthcare delivery systems, and based on this information, provide necessary human resource development and medical services in each region to promote the advancement and strengthening of healthcare infrastructure.	• Surveys of local government, medical institutions, local residents, etc. through NGOs (as appropriate)	• Understanding that screening, diagnosis, and treatment systems for cervical cancer remain inadequate in developing countries, we implement awareness activities, cancer screening, and treatment with the aim of improving cancer screening rates and early detection.
Natural Environment	We accurately grasp environmental conditions and social demands, reduce environmental impact through activities across the entire value chain including resource conservation and resource circulation, and aim to reduce mutual risks between business and the natural environment.	• Dialogue with civic groups and local communities (as appropriate) • Meetings with industry associations (multiple times/year)	• Collaborating with civic groups and local communities where factories are located, investing in wind power plants to contribute to regional green energy supply • Promoting Japan's "Green Transformation (GX)"
Governments, Administration, Regulatory Authorities, Payers (Insurer)	Building trust relationships with governments, administration, regulatory authorities, and payers (insurer) in each country to ensure appropriate evaluation of pharmaceutical innovation.	• Advocacy and dialogue through industry associations, and problem-solving (as appropriate)	• Opinions from the "Expert Panel on Comprehensive Measures for Rapid and Stable Supply of Pharmaceuticals" established by the Ministry of Health, Labour and Welfare were materialized in government conference bodies.

*1 Activities aimed at realizing "life with smile" for people around the world by providing opportunities for all Group members to understand the lives and needs of patients and to think about what we can do to help, based on the Group's slogan, "Compassion for Patients".

*2 Acronym for Patient-Focused Drug Development, an initiative to reflect the voices of patients in drug development.

Processes to Identify and Assess Material Impacts, Risks and Opportunities

The Daiichi Sankyo Group conducts Double Materiality Analysis (DMA) to analyze and evaluate "impact materiality," which represents significant impacts on the environment and society, and "financial materiality," which represents significant risks and opportunities brought to business by environmental and social changes, to identify key issues.

The purpose of conducting DMA is to evaluate the risks and opportunities that sustainability matters bring to business activities from a medium- to long-term perspective, and utilize this in the planning and implementation of strategies and measures to pursue sustainable growth in highly uncertain business environments, as well as to understand the impacts that business activities have on the environment and society and respond appropriately to contribute to solving sustainability matters. Additionally, the purpose is to effectively utilize DMA results in sustainability information disclosure to meet the expectations of various stakeholders and comply with sustainability information disclosure standards (such as ESRS). To respond to the movement demanding "disclosure of important information to users," we aim to achieve effective sustainability information disclosure by following the DMA process required by ESRS.

The Daiichi Sankyo Group's DMA process consists of four steps: "Preliminary Preparation," "Topic Selection," "Topic Evaluation," and "Topic Verification." An overview of each step is as follows:

Step 0: Preliminary Preparation

- Verification of the value chain: To ensure the comprehensive identification of significant impacts on the environment and society, as well as material risks and opportunities, the undertaking clarifies business activities across the value chain (VC), including upstream, own operations, and downstream activities.

Step 1: Topic Selection

- Review of general sustainability topics: The undertaking compiles a list of sustainability topics defined under the ESRS as subjects to be addressed in the Double Materiality Assessment (DMA).
- Inclusion of company-specific sustainability topics: In addition to ESRS-defined topics, the undertaking identifies sustainability topics specific to the pharmaceutical sector and to the Group itself. These are derived from sources such as ESG rating agencies, sustainability reporting standards and frameworks, and existing internal materiality assessment documents, and are added to the DMA scope as appropriate.

Step 2: Topic Evaluation

- Identification and assessment of impacts, risks, and opportunities (IRO): For each topic, IROs arising from business activities are identified and evaluated, drawing on business planning and internal discussions.
  - » Impacts—both positive and negative—are assessed in terms of scale, scope, irremediability, and likelihood of occurrence. Risks and opportunities are assessed in terms of financial materiality and likelihood, and scoring is applied according to defined rules.
- Stakeholder engagement (SHE): To verify the completeness of sustainability topics and the appropriateness of IRO assessment results, the undertaking conducts SHE with both internal and external stakeholders.
- Determination of material sustainability topics: Based on the scoring of impact and financial assessments, topics exceeding defined thresholds are designated as material sustainability topics.

Step 3: Topic Verification

- Approval of the DMA proposal: The draft list of material sustainability topics is submitted for approval to the EMC and subsequently to the Board of Directors.

The DMA content is reviewed once a year in principle, and if it is determined that there are no major changes to the business or corporate organization and no new IRO occurrences or changes, the previous year's content is continued. When there are major changes to the business or corporate organization requiring a review of the DMA content, this DMA is implemented again.

General Disclosure

The result of Double Materiality Assessment

As part of CSRD (Corporate Sustainability Reporting Directive) compliance, our Group has been implementing the DMA following the aforementioned process since FY2024. While we continue internal deliberations toward final identification, we are discussing the following topics as important sustainability topics.

The table on the right shows an overview of important impacts, risks, and opportunities related to important topics, the Topics (Sub-topics) under ESRS, where they are positioned in our value chain, and in which time horizon they occur. It also shows the correspondence with our current materiality.

Detailed impacts, risks, and opportunities will be described on subsequent pages of the Sustainability Report.

	Topic(disclosure)	IRO		Value Chain			Time horizon			Correspondence with ESRS Sustainability Topics	Correspondence with Daiichi Sankyo Group's Materiality
		Impact P : Positive Impact N : Negative Impact	R : Risk O : Opportunity	Up-stream	Internal	Down-Stream	Short-term	Mid-term	Long-term		
Climate Change	Climate change mitigation	N		●	●	●			●	Climate change mitigation	Promoting Environmental Management
Pollution	Handling of Substances of Concern / Substances of Very High Concern	N	R	●	●	●	●	●	●	Substances of concern / Very Concern	
	Pollution of soil	N	R		●		●	●	●	Pollution of soil	
Patient and Healthcare Professionals	Meeting Unmet Medical Needs	P	O		●	●		●	●	Company-specific topic	Creating Innovative Pharmaceuticals
	Improvement of pharmaceutical access	P/N	O	●	●	●		●	●	Access to products and services	Improving Access to Healthcare
	Stable supply of pharmaceuticals	P/N	O	●	●	●	●	●	●	Access to products and services	Providing a Stable Supply of Top-Quality Pharmaceutical Products
	Ethical marketing activities	P/N	R		●	●	●	●	●	Responsible marketing practices	Promoting Compliance Management
	Access to Accurate Information / Ensuring patient safety and information security	P/N	R/O		●	●	●	●	●	Access to (quality) information / Security of a person / Privacy	Providing the Highest Quality Medical Information
Own Workforce	Securing competitive talent	P	O		●		●	●	●	Secure employment Work-life balance Working time	Promoting the Success and Development of a Diverse Range of People Who Create Our Competitive Advantages
	Safe and secure work environment (occupational health and safety / WLB / working hours)	N	R		●		●	●	●	Health and safety	
	Specialist talent development and career development aligned with business strategies	P	O		●				●	Training and skills development	
	Diverse workplace that promotes innovation	P	O		●		●	●	●	Diversity	
Value Chain workers	Business partners with compliance adherence	N	R	●	●	●	●	●	●	Health and safety Work-life balance Working time	Promoting Compliance Management
Business Conduct	Ethical behavioral policies and the organizational culture that supports them		R		●		●	●	●	Corporate culture	Promoting Compliance Management
	Prevention of bribery and corruption		R	●	●	●	●	●	●	Corruption and bribery	

Climate Change

Material Impacts, Risks and Opportunities (IROs)

Climate Change Mitigation

IRO		Value chain			Time horizon		
I (P/N)	RO	Upstream	Internal	Downstream	Short-term	Mid-term	Long-term
N		●	●	●			●

The impact on climate change from emitted greenhouse gases includes the fact that Greenhouse Gas (GHG) emissions caused by the operation of facilities using fossil fuels exacerbate global warming and extreme weather events. As for risks, suppliers and business partners using fossil fuels may contribute to similar warming effects, potentially resulting in the spread of infectious diseases and adverse impacts on public health.

Processes to Identify Impacts, Risks and Opportunities

In FY2021, we established a cross-departmental task team and conducted study sessions for relevant departments covering an overview of scenario analysis and net-zero scenarios published by the IEA (International Energy Agency) and IPCC (Intergovernmental Panel on Climate Change), examining business risks and opportunities from 2030 onwards. Using scenarios from the IEA (IEA SDS (WEO2021), IEA NZE 2050) and IPCC (RCP8.m5), we identified risks and opportunities across the entire value chain for both “transition” and “physical” aspects. The identified risks and opportunities were deliberated, evaluated, and approved by the EHS Management Committee in FY2022. Specifically, we identified risks and opportunities from the perspectives of “procurement,” “direct operations,” and “product and service demand,” and classified them into six categories. We selected the IEA and IPCC decarbonization scenario (1.5°C) and the scenario where decarbonization is not achieved (4°C) because we determined it was important to anticipate and prepare for extreme cases in both physical risks and transition risks. For each scenario, we organized the potential business impacts and resilience from the perspectives of “frequency of occurrence,” “business impact,” and “presence of investor interest,” and conducted a comprehensive risk and opportunity assessment targeting 2030 and 2050, adding investor perspectives to the financial impacts.

Policies, Actions and Performance for Material IROs

Climate Change Mitigation

Policies

The Daiichi Sankyo Group recognizes environmental issues such as global warming or extreme weather which have impact on our work and lives. Under the Daiichi Sankyo Group Corporate Conduct Charter and the Daiichi Sankyo Group EHS Policy, we are promoting environmental management and practicing responsible corporate activities to mitigate climate change and other environmental challenges. We expressed our support for the recommendations of the TCFD (Task Force on Climate-related Financial Disclosures)[*1] in May 2019, and disclosed information such as governance and results of scenario analysis in accordance with the TCFD disclosure framework in 2020. In addition, we will disclose information in accordance with the TCFD recommendations revised in October 2021, and aim to further strengthen our climate change-related governance and business strategies to proactively respond to climate change, which is a global issue.

Based on “Promoting Environmental Management,” which is a material issue (materiality) for our Group, we deliberate and report on plans and progress at the Sustainability Committee. This committee discusses a wide range of environmental issues including climate change with an outlook to achieving carbon neutrality by 2050, safe chemical substance management, water resources, and biodiversity. Additionally, we deliberate and report from a global perspective on engagement with business partners aimed at reducing environmental impact across the entire supply chain.

Through these deliberations and reports, we monitor the progress of KPIs linked to materiality and operate a PDCA cycle toward achieving targets, thereby enhancing the effectiveness of environmental management. Important matters deliberated are reported to the Board of Directors through the EMC and are subject to appropriate oversight.

We strive to identify risks that may force changes to business activities, such as climate change and water-related risks, and implement countermeasures as part of our Group’s risk management system. The Sustainability Committee plays an important role in evaluating and managing the financial impact of how climate change impacts present risks and opportunities to our business, and in enhancing resilience. When there are concerns about significant risks, they are reported to the Board of Directors and integrated into comprehensive risk management. Additionally, we deliberate and decide on medium-term and short-term targets and implementation plans with the aim of achieving long-term carbon neutrality transition.

Climate Change

As environmental burden on the earth increases, corporate activities cannot be sustained without achieving a sustainable society. Particularly for pharmaceuticals, which are life-related products, supply chain disruptions and reduced pharmaceutical supply capacity due to intensifying weather disasters represent significant business risks as well as social risks. Therefore, we believe it is important to promote decarbonization and reduce the environmental impact of our business operations, while also advancing decarbonization across the entire supply chain through collaboration with business partners, thereby achieving carbon neutrality and mitigating physical impacts.

A characteristic of our CO_2 emissions is that Scope 1 and Scope 2 emissions directly generated from business activities are small, while Scope 3 emissions from the supply chain account for the majority. Based on this recognition, we conducted scenario analysis to understand the impact of climate change on our business and clarify resilience.

*1 A task force established in December 2015 by the Financial Stability Board (FSB), an international organization comprising central banks and financial regulatory authorities from major countries

Risk

1.5°C Scenario	Introduction of carbon taxes, increased costs for introducing renewable energy facilities, and reputational risk attributable to insufficient disclosure
4°C Scenario	Supply chain disruption, temporary suspension of operations at company sites, increased air conditioning costs due to rising temperatures, and difficulty in operation due to water withdrawal risk, and reduced productivity of products derived from natural compounds

Opportunity

1.5°C Scenario	Measures to achieve Science Based Targets (SBTs)
4°C Scenario	The climate with increase will that diseases to Contributio

Actions Including Transition Plan for Climate Change Mitigation

We recognize that direct transition risks to business activities are limited, but for the supply chain, cost increases from carbon taxes and transition measures are considered potential risks going forward. Regarding physical risks, there are concerns about stable supply due to the intensification of weather disasters and other factors. Based on these analysis results, for transition risks, in addition to promoting energy-saving measures as we have done previously, we will create cost reduction opportunities through burden avoidance of carbon taxes and other costs by utilizing renewable energy, introducing decarbonization technologies, and collaborating with business partners. For physical risks, we will implement measures including deepening Business Continuity Plans (BCP) that includes flood countermeasures, implementing preventive measures to enhance supply chain stability, and securing diversity, support measures, and alternative measures, thereby avoiding damage to our Group and aiming for sustainable corporate value enhancement. Important risk countermeasures evaluated and identified through scenario analysis will be subject to progress management and supervision across the entire Group by the Sustainability Committee and the Board of Directors.

As responsible corporate activities for climate change, we have set CO_2 emissions targets approved by the Science Based Targets (SBT) Initiative*2, which are aligned with the goals of the Paris Agreement (limiting the increase in global average temperature to 1.5°C compared to pre-industrial levels): a CO_2 emissions target of -42% compared to FY2015 levels for FY2025, and a CO_2 emissions target of -63% compared to FY2015 levels by 2030.

At Daiichi Sankyo Europe's Pfaffenhofen plant, a biomass boiler using wood chips as fuel has been operational since April 2024, contributing to the reduction of GHG emissions in Scope 1 (direct emissions). Additionally, at Japanese and overseas locations, we continue to advance the installation of charging facilities for electric vehicles (EVs) and the introduction of EVs and fuel-efficient vehicles as company cars. Furthermore, switching to electricity derived from renewable energy sources is being promoted at each location as an ongoing initiative. We are advancing the decarbonization of electricity usage through reviewing electricity contracts and utilizing renewable energy certificates.

Climate Change

Performance

KPI and Target as of FY2025	FY2024 Results
Reduction of CO_2 emissions Scope 1 + Scope 2 by 42% from FY2015	42.7% reduction from FY2015
Reduction of CO_2 emissions intensity based on sales (Scope 3, Cat1) by 15% from FY2020	2.4% reduction from FY2020
At least 70% of business partners (as procurement amount) set targets at the SBT level (1.5°C target)	Business partners with 1.5°C level targets: 43.1%
Renewable electricity utilization rate more than 60%	79.9%

CO_2 emissions for FY2024 were 116,312 t-CO_2 (-42.7% compared to FY2015 levels). We are working on both aspects of "mitigation" through CO_2 emissions reductions and "adaptation" to unavoidable impacts. As "mitigation" measures, we are promoting GHG emissions reductions aligned with SBTi 1.5°C targets and the introduction of renewable energy, while as "adaptation" measures, we are strengthening supply chain resilience through the development of BCP for flood damage and other initiatives.

Regarding disclosure of CO_2 removal and storage amounts, there are no applicable activities.

Regarding internal carbon pricing, we are considering a change from the current cost-effectiveness verification system using virtual carbon prices (which considers running costs, power consumption, CO_2 emissions, carbon taxes, etc., targeting facilities at Japanese group companies where particularly significant energy-saving effects can be expected) to a new, more effective system aimed at further enhancing emissions reduction incentives for each department.

Regarding the anticipated financial impacts from physical risks, transition risks, and potential climate-related opportunities, we are currently examining calculation processes that are consistent with financial statements in collaboration with relevant departments.

As indicators and targets for evaluating and managing potential business impacts and climate-related risks and opportunities for each value chain, we have established KPIs and environmental targets in our current 5-year business plan. Based on the progress of the current 5-year business plan, we reviewed climate change-related KPIs in FY2021. As a result, we raised the target levels for Scope 1 and Scope 2 to correspond to a 1.5°C world, and also updated Scope 3 as a supplier engagement target, changing our request for CO_2 emissions reductions to 70% of suppliers to a "1.5°C level" target. In June 2023, we obtained "1.5°C target" certification from the SBT Initiative.

*2 An international initiative by CDP, the UN Global Compact, the World Resources Institute (WRI), and the World Wildlife Fund (WWF). It defines and promotes best practices for emissions reductions and net-zero targets aligned with climate science.

Energy consumption and mix

	Unit	FY2022	FY2023	FY2024
Total energy consumption related to own operations	MWh	680,723	736,789	719,671
Percentage of fossil sources in total energy consumption	%	72	70	68
Percentage of renewable sources in total energy consumption	%	28	30	32
Energy intensity (total energy MWh/consumption per net revenue)	MWh/ 100Mil.Yen	53.2	46.1	38.1

Renewable Enegy Usage and Breakdown

Types of Renewable Energy	Energy Usage (MWh)	Remarks
Solar energy generation	5,480	Electricity generated as sites in Japan, Germany and China
Non-fossil Certificate	205,416	Purchased in our group companies in Japan, Europe and Brazil
Biomass heat	8,416	Purchased by our group company in Germany
Other renewable energy	11,685	Fuels used for biomass boilers in Germany and for biofuel vehicles in Brazil

Climate Change

(Methodology)

Scope 1 CO_2 emissions are calculated using either the emission factors stipulated under the Act on Promotion of Global Warming Countermeasures in Japan or country-specific regulatory factors. Energy conversion factors are mainly based on heat values per unit defined by the U.S. Environmental Protection Agency (EPA).

Scope 2 CO_2 emissions reporting represents indirect CO_2 emissions from electricity, heat, and steam purchased and consumed by Daiichi Sankyo Group Location-based emissions are calculated based on average emission factors for regional/national power grids as defined by the IEA. Market-based Scope 2 emissions refer to indirect greenhouse gas emissions associated with electricity, heat, and steam procured through energy attribute certificates and power purchase agreements sourced from renewable energy sources such as wind, hydro, solar, and biomass. For sites where contracts/attribute certificates are not available or where supplier-specific emission factors are unavailable, national average emission factors are applied.

Scope 3 CO_2 emissions reporting represents indirect greenhouse gas (GHG) emissions from our value chain. Of the 15 Scope 3 emissions categories defined by the GHG Protocol, we identified Category 1* as significant since the majority originates from this category. The remaining 14 categories are either not applicable to Daiichi Sankyo Group are very small compared to Category 1, and therefore are not reported individually. As the source of emission factors for Scope 3 Category 1 CO_2 emissions, we use "Emission Intensity Database for Calculating Greenhouse Gas Emissions of Organizations through Supply Chains" provided by Ministry of the Environment.

* Emissions related to all expenditures for purchased goods and services from external suppliers (excluding business travel, transportation, capital investments, etc. that are included in other categories). Purchased goods and services primarily consist of raw materials for products, marketing, packaging materials, and consumables for laboratory and IT office equipment. Calculations are performed by multiplying expenditures by coefficients from the emission intensity database.

Scope 1, Scope 2, and Scope 3 CO_2 emissions

	Unit	FY2022	FY2023	FY2024
Scope 1 CO_2 emissions	1,000 t-CO_2	86	85	92
Percentage of scope 1 CO_2 emissions from regulated emission trading schemes %	%	–	–	0
Biogenic emissions (Out-of-scope emissions) scope 1	1,000 t-CO_2	–	–	0
Scope 2 CO_2 emissions – location-based	1,000 t-CO_2	–	–	111
Scope 2 CO_2 emissions – market-based	1,000 t-CO_2	24	24	24
Biogenic emissions (Out-of-scope emissions) scope 2	1,000 t-CO_2	–	–	0
Scope 1 and 2 (market-based) CO_2 emissions	1,000 t-CO_2	110	109	116
Scope 3 CO_2 emissions	1,000 t-CO_2e	3,163	4,408	4,160
Scope 3 Category 1: Purchased goods and services	1,000 t-CO_2e	1,809	3,888	3,549
Percentage of scope 3 CO_2 emissions calculated using primary data %	%	–	–	–
Total CO_2 emissions – location-based	1,000 t-CO_2	–	–	4,360
CO_2 emissions intensity, location-based (total CO_2 emissions per net revenue)	t-CO_2/100Mil.Yen	–	–	231.2
Total CO_2 emissions – market-based	1,000 t-CO_2	3,273	4,518	4,276
CO_2 emission intensity, market-based (total CO_2 emissions per net revenue)	t-CO_2/100Mil.Yen	256.0	282.1	226.7

Pollution

Material Impacts, Risks and Opportunities (IROs)

Handling of Substances of Concern/High Concern

IRO		Value chain			Time horizon		
I (P/N)	RO	Upstream	Internal	Downstream	Short-term	Mid-term	Long-term
N	R	●	●	●	●	●	●

Pollution of Soil

IRO		Value chain			Time horizon		
I (P/N)	RO	Upstream	Internal	Downstream	Short-term	Mid-term	Long-term
N	R		●		●	●	●

The Daiichi Sankyo Group uses many chemical substances in pharmaceutical manufacturing and research and development, including substances that raise concerns about adverse effects on the environment and health. If inappropriate management or accidents occur and disasters occur, there is a possibility of causing serious impacts on ecosystems through water and soil contamination from chemical substance spillage into the environment, as well as health hazards to employees and local residents from exposure to chemical substances. Regarding the release of active pharmaceutical ingredients (APIs) into the environment, there are also concerns about impacts on ecosystems and human health. Moreover, these risks apply not only to direct operations but also to upstream supply chains, as we outsource the manufacturing of some of the pharmaceuticals we sell to suppliers.

Policies, Actions and Performance for Material IROs

Handling of Substances of Concern/High Concern

Policies

We have established “appropriate management of chemical substances” in our EHS Basic Policy. For targets through FY2025, we have set “monitoring and continuous reduction of pollutant emissions to air and water,” “hazardous waste emissions: 10% reduction compared to FY2020,” and “education and awareness-raising to prevent environmental accidents,” working to minimize the impact of chemical substance contamination across the entire supply chain.

Actions

Initiatives at the Product Design Stage

For environmental impact assessment of manufacturing processes, it is important to consider and evaluate from a broad perspective that includes not only quality and cost but also environmental impact during the research and development stage. This is because changes to pharmaceutical manufacturing processes after production requires significant time and effort due to pharmaceutical regulatory constraints, and may also expand the risk of chemical substance contamination. When designing manufacturing processes for new products, our Group uses LIME (Life-cycle Impact assessment Method based on Endpoint modeling), a type of LCA (Life Cycle Assessment), to conduct quantitative evaluations at each stage of process development (e.g., early development, investigational drug, and commercialization stages). In doing so, we integrate toxic and hazardous substances used during manufacturing, energy consumption during manufacturing, waste emitted during manufacturing, and other factors into a single evaluation criterion to calculate an evaluation value. This LCA evaluation targets new products, and all or part of the evaluation has been conducted for two-thirds of all new products developed since 2020. This method is an initiative based on the concept of environmentally conscious “green chemistry,” aiming for manufacturing processes that consider the sustainability of the global environment by developing new synthetic reactions to prevent environmental pollution and reduce consumption of raw materials and energy.

Pollution

Initiatives at Factories and Research Facilities

For chemical substances that may have harmful effects on human health and ecosystems, we conduct appropriate management based on the PRTR system (Pollutant Release and Transfer Register) under the Law concerning PRTR. Additionally, there is no transboundary movement (transport, import, export, treatment) of hazardous waste as defined in Annexes I, II, III, and VIII of the Basel Convention, and no waste has been transported internationally.

To prevent water pollution, factories and research facilities of Japanese Group companies have established voluntary management standard values stricter than legal regulations and implement appropriate management through monitoring. Similarly, overseas Group company factories such as Daiichi Sankyo Pharmaceutical (Shanghai), Daiichi Sankyo Europe (Germany), and Daiichi Sankyo Brasil Farmaceutica also conduct regular monitoring to comply with laws and regulations in their respective countries and regions. Additionally, to evaluate the impact on ecosystems from many chemical substances not covered by effluent regulations in various countries and regions, including APIs, and from complex interactions, we conduct WET tests (Whole Effluent Toxicity tests, which evaluate the comprehensive toxic effects of effluent using biological responses of fish, water fleas, and algae). Following last year, in FY2024 we conducted environmental impact assessments using WET tests at all Japanese Group factories and research facilities (7 facilities). As a result, we confirmed that the impact on aquatic life in rivers and other water bodies is not at a level of concern. In FY2025 as well, we will continue to conduct WET tests once a year at all Japanese factories and research facilities as usual, striving for appropriate effluent management and water quality improvement.

Regarding information disclosure, based on GHS (Globally Harmonized System, a framework for internationally standardizing and providing hazard information related to chemical substances), we plan to classify the total amount of substances of concern that we generated, used, or procured during manufacturing by major hazard classification categories and disclose this information regularly. Furthermore, we recognize the need to similarly record and disclose the total amount of substances of concern released off-site as products or as part of products. We believe this will enable us to implement measures to reduce impacts on ecosystems and health risks to employees and local residents. Regarding hazard classification by GHS, we will begin this initiative in FY2025, advance frameworks and data compilation for each region, and work toward phased disclosure starting from FY2026.

Other Initiatives

For raw material manufacturers, we require submission of SDS (Safety Data Sheets) when concluding quality contracts, confirm information about chemical substances in raw materials (properties, hazards, and handling procedures), and share this information with departments that use these materials to prevent accidents.

Additionally, we share SDS (Safety Data Sheets) with drivers who transport products and business partners to ensure safe handling of products.

Pollution

Performance

- Hazardous waste emissions (FY2024): 3,148t (43.9% reduction from FY2020)
  *Scope: Global (Plants and research facilities)

- WET test implementation rate (FY2024): 100%
  *Scope: All Japanese Group factories and research facilities: 7 facilities

FY2024 PRTR-Designated Substance Emissions and Transfers (Domestic Group Factories and Research Facilities)

(Dioxins: mg, Mercury: kg, Other chemical substances: t)

Substance (Annual handling amount of 1 or more metric tons)	Handling Amount	Emissions (except for emission into soil)		Transfer Amount	
		Air	Public Water	Sewerage	Out of Offices
Chloroform	6.3	0.3	0.0	0.0	6.0
Toluene	470.7	0.4	0.0	0.0	212.2
N,N-Dimethylacetamide	13.7	0.0	0.0	0.0	13.7
Triethylamine	58.8	0.2	0.0	0.0	58.6
Hexane	10.0	0.7	0.0	0.0	8.4
Methylene chloride	11.9	0.8	0.0	0.0	11.1
Tetrahydrofuran	250.0	0.1	0.0	0.0	110.0
Methyl isobutyl ketone	2.2	0.0	0.0	0.0	0.0
Total	**823.6**	**2.6**	**0.0**	**0.0**	**419.9**
Dioxins	–	0.002	0.000	0.000	0.000
Mercury	–	0.001	0.000	0.017	0.000

Pollution of Soil

Policies

The Group makes efforts to prevent soil and groundwater contamination at plants and research centers. In Japan, when an investigation is required based on the Soil Contamination Countermeasures Act and related prefectural ordinance, we conduct the appropriate investigation according to the laws and regulations on discussion with the governmental offices.

If contamination occurs, we report it to the related government offices and properly disclose information to members of the surrounding community, and take appropriate measures, such as prevention of diffusion and purification according to the extent of contamination.

Actions

Soil Contamination Countermeasures at the Former Yasugawa Plant (Yasu City, Shiga Prefecture)

We confirmed the presence of mercury used as a material for pesticides that exceeded environmental standards on the grounds of the former plant site in 1993. Since then, we have installed a robust underground storage facility in adherence to regulatory guidance to manage the soil appropriately. Although there have been no reports of leakage or health issues to date, we decided to remove the storage facility in view of increasing safety and security in the region and in response to requests from the local community. We issued a press release announcing our decision in April 2020, and we are conducting removal work in consultation and coordination with all concerned parties. Of the two storage facilities, the removal work for the northern storage facility was completed at the end of FY2024, and we are currently beginning removal work for the southern storage facility. While continuously monitoring the groundwater since we completed on-site environmental improvement work in 2006, soil investigation around areas not meeting standards revealed soil contamination in some areas including embankments adjacent to the site. After consultation with administrative authorities, we began soil remediation work. We will implement all soil remediation work, including soil remediation work within the site, to resolve the soil contamination issues at this former plant site.

Performance

In FY2024, there were no reports of leakage or health damage incidents.

Social

Society

Human Rights Respect as the Foundation of All Activities

We advocate for human rights respect in the Daiichi Sankyo Group Corporate Conduct Charter, which serves as the behavioral principles of the Daiichi Sankyo Group, and in the Daiichi Sankyo Group Employee Code of Conduct, which specifies the actions that all officers and employees of our group should take.

Policy

Our group strongly recognizes that consideration for human rights is necessary in conducting business activities, and we have declared the Daiichi Sankyo Group Human Rights Policy. The CEO bears responsibility for establishing the framework for implementing this policy.

Patients and Healthcare Professionals

As a global pharmaceutical company, our group will advance initiatives toward respecting human rights by complying with relevant laws and regulations and considering stakeholder expectations regarding the following extremely important issues where our corporate activities are deeply connected to human rights.

- Contributing to expanded medical access through “promoting research and development,” “improving access to pharmaceuticals,” and “strengthening regional healthcare infrastructure”
- Flexible responses that limit patent applications and rights enforcement in countries and regions where pharmaceutical access is difficult to the minimum necessary scope that does not impede access
- Conducting research and development activities in compliance with relevant laws and regulations under high ethical standards regarding life
- Working on research and development of formulation and packaging technologies to resolve counterfeit drug issues, while providing appropriate responses tailored to the regulations and risks of each country and region
- Safe management and protection of personal information of patients, healthcare professionals, and all other stakeholders

Employees

We have established a commitment to focus on the following human rights issues in order to respect employee diversity and create a comfortable work environment that considers health and safety.

- Promoting activities aimed at realizing decent work that provides fulfillment for all employees
- Creating a workplace environment free from harassment and discrimination
- We do not tolerate child labor or forced labor
- Promoting appropriate occupational health and safety
- Respecting freedom of association and the right to collective bargaining in accordance with laws and regulations
- Ensuring appropriate working hours and wages in accordance with laws and regulations
- Engaging in fair recruitment activities and supporting employees’ ability to demonstrate their capabilities through attractive talent development and appropriate treatment

Business Partners

Our group promotes sustainable procurement to consider human rights in procurement activities. In addition, in accordance with our Business Partner Code of Conduct, we encourage business partners to respect human rights. We regularly verify the status of business partners’ initiatives and engage in dialogue as necessary.

Actions

Risk Management to Reduce Human Rights Risks

Implementation of human rights due diligence

- Based on our human rights policy, our group is working to implement risk assessment-based human rights due diligence to prevent human rights violations.
- Specifically, we identify potential human rights risks by conducting human rights risk assessments in 3-year cycles targeting all group companies where we conduct business activities.

Conducting sustainable surveys for business partners

- Our group conducts “Sustainable Surveys” for major business partners on a 3-year cycle, seeking their understanding and cooperation regarding our group’s approach to sustainability and strengthening bidirectional communication.
- In this survey, we ask business partners to respond to questions related to “ethical and honest business activities,” “human rights respect and labor,” “safety and health,” “promotion of environmental management,” “ensuring optimal quality, cost, and stable supply,” “management systems,” and other areas, in accordance with our Business Partner Code of Conduct and the principles of PSCI (Pharmaceutical Supply Chain Initiative), a nonprofit organization composed of global pharmaceutical companies.

Initiatives for Each Stakeholder Based on Human Rights Respect

For details on our initiatives, please refer to the disclosures on each topic that follow.

Channels to Raise Concerns or Needs and Approaches to Remedy

Our group has established the Global Hotline as an internal reporting system where compliance violations can be reported and consulted upon. This reporting system is operated by our group and is designed to be easily accessible to employees, with a 24/7 available system operating in 19 languages including Japanese and English. We also accept reports and consultations from external parties, including business partners, through each company’s website. Issues raised through the Global Hotline are subject to appropriate monitoring.

Furthermore, the “Daiichi Sankyo Group Individual Code of Conduct” clearly states that whistleblowers will not be punished and prohibits retaliation against them, creating an environment where employees can raise their concerns with confidence.

Through these initiatives, we strive to maintain an environment where employees can report with peace of mind.

Patients and Healthcare Professionals

Our group places our purpose of “contributing to the quality of life of people around the world ” at the foundation of our corporate activities, and we constantly aim to realize patient-centered healthcare. As indicated by our corporate slogan “Passion for Innovation. Compassion for Patients.®,” “compassion for patients” and “passion for innovation” are the core values that form the foundation of all our activities.

We strive to serve as a source of support for patients to find hope in their treatment, and we are driven by this sentiment to work on creating innovation. We believe that truly meaningful transformation lies beyond the accumulation of exploration and challenges in developing new pharmaceuticals, and we continue our activities daily with this conviction.

Furthermore, to further strengthen our global and cross-functional initiatives, we established a new “Patient Centricity Special Assignment” position in April 2024. Under this new framework, we comprehensively oversee Patient Centricity initiatives across the entire group and promote them in an integrated and strategic manner.

To make innovation more valuable, we always listen sincerely to patients’ voices and place importance on understanding their experiences, challenges and needs, and hopes for the future. We share these patient voices across the company to further promote and establish a Patient Centric Mindset.

Material Impacts, Risks And Opportunities (IROs)

Meeting Unmet Medical Needs

IRO		Value chain			Time horizon		
I (P/N)	RO	Upstream	Internal	Downstream	Short-term	Mid-term	Long-term
P	O		●	●		●	●

The Daiichi Sankyo Group contributes to creating hope for higher therapeutic efficacy and innovative treatment for patients worldwide through the development of innovative pharmaceuticals that address unmet medical needs. The revenue obtained from creating and providing innovative pharmaceuticals becomes the source for developing the next innovative pharmaceuticals.

Improving Access to Pharmaceuticals

IRO		Value chain			Time horizon		
I (P/N)	RO	Upstream	Internal	Downstream	Short-term	Mid-term	Long-term
P/N	O	●	●	●		●	●

To enable patients who need our innovative pharmaceuticals to access our medicines at an early stage, we are improving pharmaceutical access through our own efforts or partnerships. By delivering our products to patients in more countries and regions, we contribute to the quality of life of people around the world.

Stable Supply of Pharmaceuticals

IRO		Value chain			Time horizon		
I (P/N)	RO	Upstream	Internal	Downstream	Short-term	Mid-term	Long-term
P/N	O	●	●	●	●	●	●

Our group develops and manufactures high-quality pharmaceuticals from various perspectives including stable quality, ease of administration, heat resistance, and counterfeit drug countermeasures. We also work on strengthening and diversifying our supply chain and sustainable procurement, contributing to patients’ health by continuously providing high-quality pharmaceuticals in a stable manner according to demand.

Patients and Healthcare Professionals

Ethical Marketing Activities

IRO		Value chain			Time horizon		
I (P/N)	RO	Upstream	Internal	Downstream	Short-term	Mid-term	Long-term
P/N	R		●	●	●	●	●

When inappropriate marketing is conducted, it can lead to situations where optimal pharmaceuticals cannot be used. This can impair patients' treatment opportunities, cause side effects, and result in losses to healthcare finances, which can also lead to litigation. To prevent such situations, our group has established policies regarding marketing.

Provision of High-Quality Medical Information / Patient Safety and Privacy

IRO		Value chain			Time horizon		
I (P/N)	RO	Upstream	Internal	Downstream	Short-term	Mid-term	Long-term
P/N	R/O		●	●	●	●	●

Our group creates high-quality information regarding the efficacy and safety of pharmaceuticals and provides it to healthcare settings, contributing to the promotion of appropriate use. We also collect safety information from healthcare professionals regarding adverse reactions to marketed products and investigational drugs, and utilize this information for safety analysis. Through these efforts, we identify potential needs and create more effective pharmaceuticals and information, leading to contributions to patients' health. We also recognize the growing threat of counterfeit drugs. To prevent negative impacts on patients' health from counterfeit drugs, we are advancing the examination and implementation of counterfeit drug prevention technologies.

In our Group, we handle highly confidential patient data. To prevent inappropriate use, such as use for unintended purposes, and to avoid information leaks, we have established a clear policy on the protection of personal data and are taking measures to mitigate related risks.

Stakeholders Engagement and Initiatives to Minimize Safety Risks

Stakeholder Engagement

The Daiichi Sankyo Group is implementing the following activities to deepen engagement with end users, including patients and healthcare professionals.

Engagement with Patients

We are promoting activities where each employee has a Patient Centric Mindset, understands the lives, concerns, and hopes of patients and their families, and reflects this understanding throughout our entire value chain activities. Through direct dialogue with patients, caregivers, and other related parties, we aim to add new value to pharmaceuticals and services and provide pharmaceuticals that become hope for patients, thereby contributing to lives filled with smiles for patients and their families.

Global Advocacy Initiatives

The Global Patient Advocacy team in the oncology field works closely with more than 900 patient advocacy organizations worldwide with the purpose of deeply understanding patients' daily lives, treatment-related challenges, and access to pharmaceuticals.

Through these collaborations, we conduct surveys to identify patients' unmet medical needs and awareness surveys regarding treatments and clinical trials. Furthermore, we also provide support for awareness campaigns to reduce social stigma* associated with cancer and public education activities, contributing to improving patients' QOL (quality of life).

* The phenomenon where society assigns negative labels or prejudices to specific individuals or groups, resulting in discrimination or exclusion

Patients and Healthcare Professionals

COMPASS Activities in Research and Development

COMPASS is a Daiichi Sankyo Group initiative to promote the realization of "patient-oriented drug discovery," which started in 2014 as a cross-organizational activity within the R&D division centered at the Shinagawa R&D Center. Through COMPASS activities, we provide opportunities for Daiichi Sankyo Group employees to get to know patients and consider what they can do through bidirectional communication with patients and healthcare professionals. We implement a variety of initiatives to deepen engagement with patients. These include lectures delivered by patients, co-hosted dialogue events with patients such as the "Healthcare Café" in collaboration with other pharmaceutical companies, and ongoing contact with medical institutions and patient organizations. We also publish the internal newsletter COMPASS News, which shares reports on these activities—along with employees' personal stories of battling illness—with all employees in Japan.

Initiatives to Minimize Safety Risks

We have established a safety management system and strive to minimize safety risks for patients by objectively analyzing safety management information and providing information to healthcare settings to promote appropriate use of pharmaceuticals. We collect, evaluate, and examine safety management information globally, and as the safety management division of a global pharmaceutical company, we strive to execute safety measures globally. In Japan, we comprehensively collect safety management information (such as adverse reaction information) ourselves and provide appropriate use information to healthcare settings based on objective evaluation and examination.

We also contribute to supporting patients' safe and secure medication use through enhancing support systems that allow patients to receive treatment with peace of mind and through innovations in formulation, labeling, and packaging.

Policies, Actions and Performance for Material IROs

Meeting Unmet Medical Needs

Policies

Healthcare access challenges that pharmaceutical companies should address include unmet medical needs and restrictions to basic healthcare access caused by various social factors such as public health, education, and income disparities.

The Daiichi Sankyo Group has established the "Daiichi Sankyo Group Healthcare Access Policy" as our approach to addressing these healthcare access challenges, and we are promoting initiatives with the Head of Global Corporate Strategy serving as the Healthcare Access Officer.

The "Daiichi Sankyo Group Healthcare Access Policy" stipulates the promotion of research and development, which includes the following content:

- Leveraging our research and development capabilities cultivated over many years, we create innovative treatment and prevention methods and contribute to the transformation of standard care.
- Expand and deepen partnerships through rapid access to diverse external research findings and innovations, thereby broadening the possibilities for drug discovery.
- Leverage our research and development capabilities and partnerships to address unmet medical needs including malaria, tuberculosis, NTDs, NCDs such as cancer, rare diseases, and other conditions.

Patients and Healthcare Professionals

Actions

Innovative Drug Research and Development

Our Group is concentrating resources to maximize the product value of five DXd ADCs[*1], while also focusing on accelerating global clinical development under our “5DXd ADCs and Next Wave” strategy, which aims to create a product portfolio (Next Wave) that will transform the SOC[*2] to achieve sustained growth.

In the medium to long term, we are working to strengthen our drug discovery capabilities through technical research on new modalities[*3] and other approaches, aiming to create therapeutic drugs for various diseases beyond cancer by leveraging our advantages in science & technology.

*1 ADC stands for Antibody Drug Conjugate. It is a pharmaceutical product that combines antibody drugs with drugs (small molecule drugs) through appropriate linkers, delivering drugs directly to cancer cells via antibody drugs that bind to target factors expressed on cancer cells, thereby reducing systemic drug exposure while enhancing the attack power against cancer cells. DXd ADC combines our proprietary drugs and linkers with antibodies.

*2 Abbreviation for Standard of Care. The treatment method that is considered the best in current medicine and is widely used.

*3 Modality refers to therapeutic approaches such as small molecule drugs, antibody drugs, ADCs, nucleic acid drugs, gene therapy, etc.

Initiatives Against Drug Resistance: Participation in the AMR Action Fund

The emergence and spread of drug-resistant bacteria has become a major global public health challenge. Without appropriate countermeasures, it is estimated that approximately 10 million people worldwide will die annually from antimicrobial resistance (AMR) bacterial infections by 2050. Against this backdrop, the AMR Action Fund was established by IFPMA (International Federation of Pharmaceutical Manufacturers & Associations) in July 2020 to support clinical development of new antimicrobial agents and achieve a sustainable antimicrobial market. Our company is contributing to the early resolution of global AMR issues by promoting the development of innovative antimicrobial agents through a total contribution of 20 million USD to this fund.

Performance

KPI and Target as of FY2025	FY2024 Results
3ADC: 8 indications launched (as new indications during the medium-term plan period)	Enhertu® • Approval for HER2-positive multiple solid tumors (US: April 2024) • Approval for treatment of HER2-low expressing breast cancer without prior chemotherapy (US: January 2025, EU: March 2025) • HER2-positive gastric cancer second-line treatment (Ph3) TLR acquired (February 2025) Datopotamab® • Application for non-small cell lung cancer with EGFR gene mutation with prior treatment history, voluntary withdrawal of application for non-small cell lung cancer second/third-line treatment (US: November 2024) • Approval for hormone receptor-positive, HER2-negative breast cancer (Japan: December 2024, US: January 2025) HER3-DXd • EGFR-mutant non-small cell lung cancer third-line treatment CRL (Complete Response Letter) received (US: June 2024) • EGFR-mutant non-small cell lung cancer second-line treatment trial data readout (September 2024)
Multiple products that will become growth drivers following 3ADC are in late-stage development or beyond	Ezharmia • Approval for relapsed or refractory peripheral T-cell lymphoma (Japan: June 2024) • DS-7300 Small cell lung cancer second-line treatment (Ph3), dosing initiated (July 2024) • DS-6000 Ovarian cancer (Ph2/3), first patient dosing initiated (April 2024) • DS-3939 Multiple solid tumors (Ph1/2) trial ongoing
Post-DXd-ADC modalities are in the development stage	• DS-9606 Ph1 trial ongoing • DS-2325 Ph1b/2 trial ongoing
Number of priority review designations (cumulative total count)	12 cases in FY2024, cumulative total of 25 cases from FY2023

Patients and Healthcare Professionals

Improving Access to Pharmaceuticals

Policies

The "Daiichi Sankyo Group Medical Access Policy" defines the improvement of access to pharmaceuticals and includes the following:

- In developing countries, patients have limited access to necessary medications due to inadequate supply systems and counterfeit drugs, and even in developed countries, patients face restrictions due to healthcare system structures
- Taking full consideration of each country's circumstances and healthcare system structures, collaborating with various initiatives to deliver pharmaceuticals to patients who need them

The same policy also defines regional healthcare infrastructure strengthening as follows:

- There are challenges that hinder medical access in developing countries and other regions, including inadequate health insurance systems and medical infrastructure, pharmaceutical manufacturing and quality control issues, and shortages of healthcare personnel
- In response to these challenges, we will maximize the use of our Group's resources and engage in activities that can achieve the most desirable impact

Actions

Expanding Pharmaceutical Access through Strategic Partnerships

We are implementing optimal access strategies, including strategic partnerships, to deliver our innovative pharmaceuticals to more patients more quickly.

- We entered into strategic partnerships for our ADC products with AstraZeneca in March 2019 and with Merck & Co., Inc., Rahway, NJ, USA in October 2023.

Early Access Program

In countries and regions where our products are not yet approved, we provide pre-approval investigational drugs in accordance with each country's regulations for patients suffering from life-threatening serious diseases or conditions who cannot participate in ongoing clinical trials. In programs to deliver Enhertu® to patients early in countries and regions where it is not yet approved, we have established special risk management systems to ensure patient safety.

Performance

KPI and Target as of FY2025	FY2024 Results
Expansion of the number of countries and regions where cancer products are launched through collaboration with partners and other initiatives (40 or more countries launched)	Enhertu launched countries/regions: 69 countries and regions, 17 new countries/regions in fiscal year 2024 (Approximately 94,650 patients treated*)
As our contribution to addressing new risks through collaboration with regulatory authorities in various countries and other companies: **• DS-5670 (Daichirona) development progressing as planned**	Daichirona • Launched Omicron JN.1-adapted mRNA vaccine in Japan (Sep. 2024)

* Estimated based on the formula dividing "total sales volume" by the "amount of use required by one patient per year"

Patients and Healthcare Professionals

Stable Supply of Pharmaceuticals

Policies

We view the stable supply of pharmaceuticals as our corporate social responsibility itself. The Daiichi Sankyo Group is building a supply system with high risk resilience by promoting diversification of manufacturing sites, diversification of raw material procurement, and supply chain risk management. We have also established a system that can flexibly respond to risks such as natural disasters and pandemics through business continuity planning (BCP).

Actions

Building a Stable Production and Supply System

Our Group is building a flexible and efficient production and supply system by integrating the function to stably procure reliable raw materials for users and produce pharmaceuticals according to plan and logistics function to deliver products quickly and reliably after receiving orders, while centralizing information to ensure stable supply of high-quality pharmaceuticals. We have also established a stable supply system for global markets through collaboration with overseas production sites.

Pharmaceuticals are designed to deliver their efficacy effectively and safely. To reproduce the quality of developed pharmaceuticals as designed in production and provide stable supply of reliable products, it is necessary to establish a production management system that is scientifically verified from both hardware and software perspectives. Our Group has independently established world-class high-level standards through our quality and safety management system, building a global supply system for reliable pharmaceuticals.

Strengthening Quality Assurance Systems

We thoroughly comply with GMP (Good Manufacturing Practice) standards and conduct regular internal and external audits.

Performance

KPI and Target as of FY2025	FY2024 Results
Capital investment in our own facilities and CMO investment for establishing ADC production systems and stable supply of high-quality pharmaceuticals to patients: up to 300 billion yen	Implemented supply capacity expansion to respond to demand forecasts (approximately 226 billion yen, cumulative investment decision of approximately 522 billion yen from fiscal year 2021) Secured stable inventory

Patients and Healthcare Professionals

Ethical Marketing Activities

Policies

Our Group has established the “Group Healthcare Professional and Healthcare Institution Interaction Policy” to maintain high standards in interactions with healthcare professionals, healthcare institutions, and patient organizations, as well as in pharmaceutical promotion, in addition to establishing codes at our company and each subsidiary that comply with industry codes in each country and region based on the IFPMA Code of Practice (International Federation of Pharmaceutical Manufacturers & Associations Code, hereinafter “IFPMA Code”).

This policy clearly states that the relationship between our company and Group companies with healthcare professionals is aimed at improving the quality of medical care, and must focus on providing information about pharmaceuticals to healthcare professionals, providing scientific and educational information, and supporting medical research and education.

In January 2019, we revised this policy in line with the revision of the IFPMA Code to include provisions prohibiting the provision of gifts and promotional materials to healthcare professionals. Our Group prohibits the provision of entertainment and cash and personal gifts, and stipulates strict contractual requirements and appropriateness of compensation when paying healthcare professionals.

Actions

Strengthening Review System for Promotional Materials

Our Group conducts rigorous review of pharmaceutical promotional materials in compliance with laws and industry codes in each country. Globally, we have established the Product Material Review Process (PMRP) for creating globally common product-related materials and disease awareness materials, primarily in the oncology field, with reviews conducted by reviewers from Japan, the US, and Europe. When approved globally common materials are used as country-specific versions, they must be separately reviewed and approved in the respective country to comply with that country’s laws, regulations, and industry codes. We strictly operate the creation of global materials in this manner.

Providing High-Quality Medical Information/Patient Safety and Privacy

Policies and Actions

Our Group collaborates across related units to identify necessary and missing information for patients and healthcare professionals, creating and providing information through clinical studies and post-marketing surveillance. The Daiichi Sankyo Group has established the “Daiichi Sankyo Group Quality Policy” to promote the cultivation of a quality culture for providing safe and effective pharmaceuticals and high-quality medical information.

Medical Affairs Activities

Based on medical and scientific expertise, we interact with healthcare professionals while ensuring fairness, independence, and transparency, identify clinical questions (questions that arise for patients and in medical settings regarding drug use), and plan and promote clinical studies to clarify these questions, thereby engaging in new evidence generation activities. We actively conduct information dissemination activities for clinical study results, including presentations at Japanese and international conferences and publication in medical journals.

Medical Information Provision Activities

Medical Representatives (MRs) play a role in providing, collecting, and communicating information related to our pharmaceuticals to various healthcare professionals. Through our comprehensive training system, they deepen their knowledge of diseases and pathophysiology and engage in bidirectional communication with healthcare professionals. They strive to accurately and promptly convey specialized information on safety and efficacy, as well as information to help patients and their families lead healthy and fulfilling lives, in response to various needs of patients and families. Through these MR medical information provision activities, including proper use of our pharmaceuticals, promotion of post-marketing surveillance, and disease awareness, we strive to understand the voices of healthcare professionals and the patients and families they serve, thereby contributing to medical care.

Patients and Healthcare Professionals

Handling Inquiries from Patients and Healthcare Professionals

Our Product Information Center receives approximately 6,000 inquiries per month and about 70,000 inquiries annually regarding our pharmaceutical products from healthcare professionals and patients. To understand the background of inquiries, investigate pharmaceutical information, and provide accurate and easy-to-understand explanations, we conduct daily training in medical and pharmaceutical knowledge as well as questioning and explanation skills. We have introduced and utilize many systems for handling inquiries, including artificial intelligence (AI). These include systems that instantly present optimal Q&As to operators and voice recognition systems that connect inquiries to operators in charge of specific product areas.

Integration and Management of Internal and External Data

With the global launch of oncology products, timely management and monitoring of vast amounts of safety information has become increasingly important. Our company utilizes an Integrated Data Analysis Platform (IDAP) to streamline data aggregation and monitoring of proper use compliance. For interstitial lung disease, which is one of the particularly important safety concerns, we have achieved timely monitoring and information provision aimed at early detection and prevention of severe cases.

Counterfeit Drug Countermeasures

Our Group is addressing the growing threat of counterfeit drugs by reviewing sealing materials and changing box specifications for our manufactured and marketed products, while advancing technical studies and implementation to prevent counterfeit drugs. To strengthen traceability of prescription pharmaceuticals, GS1 code labeling incorporating expiration date and lot number information on sales packaging units and original packaging units has been mandated for products shipped from April 2021 onwards. For controlled narcotic pharmaceutical products, GS1 code labeling incorporating expiration date and lot number information on sales packaging units and original packaging units has also been mandated for products shipped from December 1, 2022 onwards. Our company has completed implementation for all applicable products.

We will continue to collaborate with the pharmaceutical industry and related organizations to consider the roles required of marketing authorization holders and strengthening measures according to product risks.

We are also actively promoting compliance with GDP[*1] to enhance reliability assurance during pharmaceutical storage and transportation.

*1 Abbreviation for Good Distribution Practice. Standards for proper distribution of pharmaceuticals.

Personal Information Protection Initiatives

Our Group has established internal regulations compliant with laws and regulations in each country and region based on global unified standards for personal information protection (Daiichi Sankyo Group Privacy Policy), thoroughly implementing safe management of personal information while conducting regular training to ensure proper handling of personal information. Furthermore, personal information regulations are being strengthened in countries around the world, including Europe's GDPR (General Data Protection Regulation). Our Group is working to comply with personal information protection legislation enacted in relevant countries and regions.

Performance

KPI	FY2024 Results
Improvement in stakeholder evaluation of our information provision approach, particularly from healthcare professionals	Japan Business Unit MR: Overall 1st place, Product Information Center: 1st place in pharmacist evaluation*

* MR: Aug. 2024, INTAGE Healthcare Inc. , Product Information Center: Nov. 2024, transcosmos inc. and The Japan Research Institute, Limited

Our Company's Employees

We empower our people as they are the most important asset. To achieve our Purpose and Mission, we aim to maximize human capital through the promotion and development of talent across various areas of the value chain, striving for mutual sustainable growth for both our employees and the company. All business activities are supported by talent, and we believe that attracting diverse talent and implementing effective human capital management in our global business expansion are sources of competitiveness.

Material Impacts, Risks And Opportunities (IROs)

A Workplace That Attracts Competitive Talent

IRO		Value chain			Time horizon		
Impact (P/N)	Risk/ Opportunity	Upstream	Internal	Downstream	Short-term	Mid-term	Long-term
P	O		●		●	●	●

To continuously create innovative pharmaceuticals with high quality, it is necessary to attract and retain competitive talent.

Working in a workplace where the corporate culture "One DS Culture" is deeply embedded and work-life balance is well-established contributes to improving employee engagement, enabling competitive talent to maximize their value contribution. This ultimately leads to the creation of more innovations and the delivery of innovative pharmaceuticals to more patients.

A Workplace Environment Where Employees Can Work with Peace of Mind

IRO		Value chain			Time horizon		
Impact (P/N)	Risk/ Opportunity	Upstream	Internal	Downstream	Short-term	Mid-term	Long-term
N	R		●		●	●	●

In workplaces such as factories and research facilities, inadequate occupational health and safety can lead to accidents, resulting in operational shutdowns, reviews of safety and health management systems, and loss of sales and profits due to damaged credibility. Currently, even as our business expands, we are implementing measures and environmental improvements to minimize risks and the impact of accidents when they occur.

Development and Career Advancement of Specialized Personnel

IRO		Value chain			Time horizon		
Impact (P/N)	Risk/ Opportunity	Upstream	Internal	Downstream	Short-term	Mid-term	Long-term
P	O		●				●

Implementation of specialized training necessary for business operations and support for self-development enhances employees' expertise and promotes individual capability improvement. Additionally, career development aligned with both business needs and each employee's aspirations and abilities improves employee motivation and encourages their active contribution.

The optimal placement and active contribution of these specialized personnel will drive the expansion of innovative pharmaceutical development.

For example, strengthening S&T and bio talent will contribute not only to increasing the number of R&D pipeline projects but also to improving antibody drug manufacturing capabilities.

Our Company's Employees

A Diverse Workplace That Promotes Innovation

IRO		Value chain			Time horizon		
Impact (P/N)	Risk/ Opportunity	Upstream	Internal	Downstream	Short-term	Mid-term	Long-term
P	O		●		●	●	●

Our Group aims to actively embrace employee diversity through Inclusion & Diversity (I&D) initiatives, enabling each employee to maximize their potential value. Additionally, enhanced mutual understanding among employees improves their sense of fulfillment at work. By leveraging diverse values and working together with purpose, employees and teams will drive the creation of innovative pharmaceuticals that transform the Standard of Care (SOC) and foster innovation across the entire value chain, supporting the company's sustainable growth.

Stakeholders Engagement and Channels to Raise Concerns or Needs

Stakeholder Engagement Process

The Daiichi Sankyo Group determines and implements employee-related initiatives based on employee engagement surveys and feedback.

The primary method for obtaining direct feedback from employees is the "Global Engagement Survey" conducted for all employees worldwide. Through this annual survey, we assess employee satisfaction with working at our Group and measure the penetration and identify challenges related to our unique corporate culture, "One DS Culture." Survey results are communicated to all employees under the CEO's name. Additionally, the EMC discusses workplace issues and initiatives identified through the results and analysis, leading to actions for creating a better workplace.

Furthermore, we maintain ongoing communication with labor unions in regions where they are organized. In Japan, which accounts for approximately half of all Group employees, we value our trust-based relationship with labor unions and emphasize labor-management dialogue to achieve constructive discussions aimed at resolving issues and transparent information disclosure to employees. For matters related to working conditions, we primarily use a consultation-based approach, conducting discussions and reports through respective meeting bodies for "the entire Daiichi Sankyo Group," "Japanese Group companies," and "individual business sites" according to Group-wide commonalities and the nature of consultation and reporting content. Where applicable, labor unions agreements have been concluded between each company and labor unions. For example, regarding organizational changes, as a labor-management reporting matter, we inform employees of the purpose of changes through our internal portal site.

Additionally, based on our "Global I&D Statement," our Group promotes the theme "Be Inclusive & Embrace Diversity" through regional BERGs (Business Employee Resource Groups) that proactively drive dialogue sessions and networking opportunities, reflecting the unique characteristics and challenges of each region. Through these initiatives, we aim to help employees learn the importance of recognizing and respecting each individual's differences and commonalities, thereby promoting deeper understanding and establishment of I&D (Inclusivity & Diversity).

Channels To Raise Concerns or Needs

We have established a Global Hotline as a Group-wide external whistleblowing channel.
(For details, please refer to P.15 Global Hotline.)

Our Company's Employees

Policies, Actions and Performance for material IROs

A Workplace That Attracts Competitive Talent

Policies

Our Group has established in the Daiichi Sankyo Group Corporate Conduct Charter that "We respect the diversity of our employees, and seek to include a diversity of thought in our daily work. We are committed to ensuring a healthy and safe working environment and do not tolerate harassment and discrimination" and "We provide employees the opportunity to develop their skills and abilities for the mutual growth of the individual employee and the corporation."

We have also established a People Philosophy, which commits to treating, developing, and supporting the performance of employees worldwide across our Group who share our "Core Values" in a fair manner. Employee-related policies and initiatives at each Group company are formulated in accordance with the following principles defined in this Philosophy.

1. Attraction
2. Inclusion & Diversity
3. Workforce Planning
4. Well-being
5. Engagement
6. Performance Management
7. Learning & Career Development
8. Rewards
9. Leadership & Succession

These policies are published on our Group's internal portal site, where all employees can access them. Global Compliance & Risk Management and Global HR are respectively responsible for overseeing these policies.

Actions

Implementation And Operation of Global HR Systems

- Our Group has introduced and operates global evaluation and grading system since FY2024 and new compensation frameworks since FY2025.
- The grade and compensation system focuses on achieving differentiated treatment based on job value and contribution level, aiming to enhance employee motivation and productivity while securing and retaining excellent talent.
- The evaluation system emphasizes coaching and feedback through daily one-on-one meetings, with talent development as its primary focus.

"One DS Culture" Penetration Activities (GCI: Global Culture Initiative)

- Implementation of GCI Leadership Forum: Conducted workshops on best practices for culture embedding and other topics with approximately 200 global leaders from our Group.
- Implementation of Culture Ambassador Workshops: Held workshops with nearly 300 Culture Ambassadors responsible for culture penetration within each organization to discuss the current status of GCI activities and activity plans.

Performance

KPI and Target as of FY2025	FY2024 Results
Positive response rate for engagement survey on corporate culture and workplace environment; 80% or higher	Positive response rate: 76%

Our Company's Employees

A Workplace Environment Where Employees Can Work with Peace of Mind

Policies

Daiichi Sankyo Group considers environmental conservation and the assurance of health and safety as important responsibilities in our corporate activities, and has established an EHS (Environment, Health & Safety) Policy. We prioritize these issues in all corporate activities, comply with relevant laws and international agreements, and set higher goals to strive for their achievement.

Additionally, we achieve continuous improvement by clarifying organizational roles and responsibilities and establishing an EHS management system. Furthermore, we enhance EHS-related knowledge and awareness through education and awareness-raising activities.

Actions

The Head of Global Corporate Strategy oversees EHS management across the entire Group as the Global EHS Management Officer, while the Head of Global HR promotes EHS management as the Global Health & Safety Officer. Additionally, we have established an EHS management structure that considers regions and units, designating EHS management sites as needed and conducting target management.

In the Sustainability Committee, the Head of Global Corporate Strategy serves as the chairperson, deliberating on EHS management policies, annual plans, implementation reports, and other matters, and reports the results to the EMC.

Performance

Indicators regarding Health and Safety

Classification	Boundary	FY2022	FY2023	FY2024
Lost time injuries frequency rate* (Full-time employees, contract employees, temporary employees, etc.)	Global	1.05	-	-
	Japan	0.17	-	-
	Outside Japan	2.03	-	-
Lost time injuries frequency rate (Full-time employees, contract employees)	Global	-	1.42	1.62
	Japan	-	0.23	0.58
	Outside Japan	-	2.69	2.60
Lost time injuries frequency rate (Temporary employees)	Global	-	1.59	1.90
Occupational accident fatalities	Global	0	0	0

* Number of work-related deaths and injuries/Total hours worked × 1,000,000
The number of work-related deaths and injuries counts cases that involved at least a day of leave.
Please refer to the ESG Data page for further details on the scope.

Development and Career Advancement of Specialized Personnel

Policies

We have established policies regarding "Learning & Career Development" within our People Philosophy, which applies to the entire Daiichi Sankyo Group. Our Group commits to providing employees with learning opportunities, personal innovation, and environments that lead to career growth, while developing talent that creates competitiveness and competitive advantage.

Actions

We provide initiatives from the perspectives of "Business Skill Enhancement" and "Career Development."

Our Company's Employees

Business Skill Enhancement Support

- Joint Daiichi Sankyo Group training according to one's career stage
  - » Tier-based training, global leader training for future management personnel, and manager development training
- Specialized capability training by each department to enhance expertise for each job function
  - » Training for each job function at each company, training to acquire specialized skills and knowledge, tier-based training for junior employees, etc.
- Systems to support individual employee self-development
  - » Voluntary enrollment training and provision of online learning tools

Support for Self-Actualization (Career Development)

- Self-development declaration system
  - » Every year, all employees declare their current status and future self-actualization vision to the company
- Deployment of role changes, inter-organizational transfers, and job function changes
  - » Support for strengthening broad perspectives and ability to handle diverse tasks
- Utilization of training and consultation services
  - » Implementation of career development support training and establishment of career support services

Performance

KPI and Target as of FY2025	FY2024 Results
Positive response rate through engagement surveys on development and growth opportunities: 80% or higher,	Positive response rate: 77%
1. Publication of actual education investment amount per employee	Education investment per employee: ¥207,430

A Diverse Workplace That Promotes Innovation

Policies

Our Group believes that by valuing each individual person and actively embracing diverse perspectives in our work, we can achieve greater goals as a Group. Our Group focuses on accepting diversity and fostering an organizational culture where everyone can thrive. This is because we believe that employees with diverse perspectives can maximize their abilities and skills, promote innovation, and contribute to patients worldwide by continuously creating innovative pharmaceuticals.

Actions

Daiichi Sankyo Group-wide Initiatives

- Membership in the Healthcare Businesswomen's Association, a nonprofit organization for all employees working in the healthcare industry
- We share and discuss challenges and improvement activities related to women's advancement (Gender Parity), centered around BERG activity members in each region.

Action in Japan

- Senior management personally conducts annual meetings with all division heads at Daiichi Sankyo Co., Ltd. to identify challenges in women's advancement within each organization and promote solutions.
- We have established a network of women in management positions and are working on mutual support, development of the next generation, and building relationships with similar organizations globally.

Workers In the value chain

Material Impacts, Risks and Opportunities (IROs)

Working Conditions

IRO		Value chain			Time horizon		
I (P/N)	RO	Upstream	Internal	Downstream	Short-term	Mid-term	Long-term
N	R	●	●	●	●	●	●

When business partners have inadequate workplace safety environments, Such situations may have negative implications for the physical and mental health of business partner employees, and could potentially increase the risk of occupational accidents. As a result, there is a possibility of negative financial impact on our company due to quality deterioration of products and services provided to us or manufacturing stoppages.

Stakeholders Engagement and Channels to Raise Concerns or Needs

Processes for Engagement

The Daiichi Sankyo Group clearly stipulates in Article 2 of its Corporate Code of Conduct to “conduct responsible procurement,” and has established “sustainable procurement” as an important policy in its procurement policy. Based on this procurement policy, we have developed a “Business Partner Code of Conduct” that systematically outlines our expectations for business partners who provide products and services toward the realization of a sustainable society.

This code is compliant with the principles of PSCI, a nonprofit organization comprised of global pharmaceutical companies, and includes specific provisions regarding important aspects such as “ethical and honest business conduct,” “respect for human rights and labor,” “occupational health and safety,” and “promotion of environmental management.” The Daiichi Sankyo Group aims to jointly fulfill social responsibility through proactive communication with business partners who understand and empathize with the spirit of this code. Particularly regarding respect for human rights, we established the “Daiichi Sankyo Group Human Rights Policy” in 2020 and are focusing on realizing respect for human rights and sustainable business activities throughout our entire supply chain.

Channels to Raise Concerns or Needs

We have established a Global Hotline as a group-wide external whistleblowing system.
(For details, please refer to P.15 Global Hotline.)

Workers In the value chain

Policies, Actions and Performance for Material IROs

Working Conditions

Policies

The concept of respect for human rights is the foundation of the Daiichi Sankyo Group's sustainability activities and is defined in the following charters, policies, and codes regarding business partners.

- Daiichi Sankyo Group Corporate Conduct Charter: Article 2 stipulates "responsible procurement," Article 4 addresses "respect for human rights," Article 5 covers respect for employee diversity and the establishment of workplace environments that prioritize health and safety, and Article 10 mandates promoting actions based on the charter's principles among business partners.
- Daiichi Sankyo Group Employee Code of Conduct: Establishes "respecting the human rights of all people and complying with labor standards" as a behavioral standard.
- Daiichi Sankyo Group Human Rights Policy: Established in June 2020 with approval from the Board of Directors. Respects international norms and fundamental principles including the Universal Declaration of Human Rights, International Covenant on Human Rights, ILO Declaration, and the UN "Guiding Principles on Business and Human Rights," and as a signatory to the UN Global Compact, expresses support for the 10 principles across four areas: human rights, labor, environment, and anti-corruption. Also addresses "prohibition of child labor" and "protection of young workers." Expects all business partners, including suppliers, to support this policy.

Our Group has compiled expectations for business partners who provide products and services to comply with and respect various international standards including human rights in our "Business Partner Code of Conduct."

Furthermore, we established the Business Partner Management Guidelines for Japan in September 2021 and the global version in October 2022, working to strengthen our management framework throughout the supply chain.

Actions

The Daiichi Sankyo Group has established a business partner management system based on risk assessment covering "corruption," "confidential information and personal information," "human rights," and "environment" at the commencement of transactions with suppliers, followed by continuous monitoring, in order to avoid risks of corporate value damage caused by business partner-related issues. For suppliers judged to be high-risk before or during transactions, we implement risk mitigation measures such as making decisions on whether to proceed with transactions considering the impact on the Daiichi Sankyo Group's business and social credibility, or conducting individual interviews and requiring submission of improvement plans according to the content and degree of risk. In addition, based on the Business Partner Code of Conduct, we conduct a Sustainable Survey on a 3-year cycle to assess how domestic and international suppliers address human rights in their business activities. We have also established an internal framework to respond to supplier-related issues and ensure that appropriate measures are taken promptly when risks are identified.

Performance

Based on risk assessments, when suppliers under contract are judged to be high-risk, we implement risk mitigation measures such as conducting individual interviews and requiring submission of improvement plans according to the content and degree of risk. In fiscal year 2023, we conducted 3 cases of interviews and requests for improvement plan submissions. Additionally, we held online training sessions for business partners with 'occupational health and safety' as the theme.

We regularly conduct training for employees engaged in procurement operations and hold annual seminars on the Act against Delay in Payment of Subcontract Proceeds, Etc. (Subcontract Act). In January 2023, we participated in the "Partnership Building Declaration" and are working on co-existence, co-prosperity, and strengthened collaboration throughout the entire supply chain. Additionally, in response to the UK Modern Slavery Act and Germany's LkSG, we continuously report on specific initiatives to prevent modern slavery and human trafficking in our business operations and supply chain.

Business conduct

Material Impacts, Risks and Opportunities (IROs)

Business Conduct Policies and Corporate Culture

IRO		Value chain			Time horizon		
I (P/N)	RO	Upstream	Internal	Downstream	Short-term	Mid-term	Long-term
	R		●		●	●	●

When employee compliance violations or inappropriate conduct occur, litigation may arise and regulatory responses may be required, potentially resulting in costs associated with litigation response and legal fine payments. To prevent such situations, the Daiichi Sankyo Group has established global policies regarding compliance and maintains an ethical organizational culture.

Anti-Corruption and Anti-Bribery

IRO		Value chain			Time horizon		
I (P/N)	RO	Upstream	Internal	Downstream	Short-term	Mid-term	Long-term
	R	●	●	●	●	●	●

If bribery or corruption is discovered, it could result in loss of trust from stakeholders, ultimately leading to decreased sales and increased fundraising costs.

To prevent these issues, the Daiichi Sankyo Group has established policies and programs for the prevention and detection of bribery and corruption incidents, strengthening corporate risk management.

Policies, Actions and Performance for Material IROs

Business Conduct Policies and Corporate Culture

Policies

The CEO has appointed a Chief Compliance Officer (CCO), to oversee and manage the global compliance and risk management unit. In accordance with Daiichi Sankyo Group Compliance Management Policy established in April 2025, the Global Ethics and Compliance Committee oversees and advises the Compliance function.

The Daiichi Sankyo Group Employee Code of Conduct (the ECC) was established in April 2020 to provide clearer global uniform standards of the individual behavior expected of the Group's executives and employees. We conduct training programs regularly to increase awareness of the ECC. In addition, Group companies in Japan have established the Compliance Code of Conduct, which sets out specific behavioral standards for officers, employees, and other personnel. This code has been developed in alignment with the Daiichi Sankyo Group Corporate Conduct Charter, the Daiichi Sankyo Group Employee Code of Conduct, and the JPMA Compliance Program Guidelines issued by the Japan Pharmaceutical Manufacturers Association. Group companies outside Japan have also established internal rules tailored to the laws, regulations, and specific characteristics of their respective countries and regions.

Actions

We are striving to raise compliance awareness within the Group by conducting activities, such as periodic messages (twice a year) from our CEO to the Group regarding the importance of compliance. The Company conducts an annual global compliance survey on corporate culture, targeting all executives and employees of Group companies to monitor the level of compliance awareness.

In order to promote the awareness of compliance, encourage the highest ethical standards, and cultivate an open workplace environment, the Company and the Group companies in Japan conduct small group discussion periodically (Compliance Communication Meeting) using training materials

developed in-house.

Furthermore, the Company conducts compliance training by external specialists on a regular basis for the Company's Board Members, members of the Audit and Supervisory Board, corporate officers of the Company, and Presidents and Auditors in Group companies in Japan. The Group companies in Japan also conduct compliance training annually for new employees and managers.

Group companies outside of Japan conduct compliance training through the face-to-face conversation, e-learning or other methods, as appropriate to each region.

Anti-Corruption and Anti-Bribery

Policies

The Group has specified the prevention of bribery and corruption in the ECC. In order to further ensure compliance particularly in this regard, we have also established the Daiichi Sankyo Group Anti-Bribery & Anti-Corruption Policy, which sets forth more detailed rules on the prevention of bribery and corruption, including the prohibition of cash payments to government officials and healthcare professionals.

Through a series of initiatives across the Group, we appropriately prevent, detect, and respond to suspected or actual cases of bribery and corruption. These initiatives include training on the Daiichi Sankyo Group Anti-Bribery and Anti-Corruption Policy, education on proper internal reporting procedures, regular audits and monitoring to identify high-risk functions, and the reporting of suspected cases arising in relevant regions or local affiliates to the Group's Board of Directors.

We communicate our principles on anti-bribery and anti-corruption to all executives, employees, and dispatched staff through key pages on the corporate website, global training programs, internal policies and procedures, and compliance communications. In addition, the Daiichi Sankyo Group requires all executives, employees, and dispatched staff to complete training on anti-bribery and anti-corruption.

Performance

KPI and Target as of FY2025	FY2024 Results
Number of signicant compliance violations*1: 0	0
Number of Notable Industry Code Violations (NICV)*2 : 0	3
Improvement of periodic employee survey scores on ethical culture following baseline	93% of positive response rate(+7 YoY)
Conduction of continuous compliance and promotional activities monitoring at each company	Conducted monitoring at each company

*1 Compliance violations which occur in domestic and overseas group companies are regarded as signicant when disclosure under the relevant laws or regulations is required by the DS group

*2 Cases where there have been healthcare-related ndings by the pharmaceutical regulatory authorities and industry-related organizations that may materially discredit or reduce condence in Daiichi Sankyo Group of companies

Independent Assurance Report for Environmental and Social Indicators

Independent Practitioner's Limited Assurance Report

To the Representative Director President and CEO of Daiichi Sankyo Company, Limited

Conclusion

We have performed a limited assurance engagement on whether selected environmental and social performance indicators (the "subject matter information" or the "SMI") presented in Daiichi Sankyo Company, Limited's (the "Company") Value Report 2025 (PDF version) (the "Report") as of and for the year ended March 31, 2025 have been prepared in accordance with the criteria (the "Criteria"), which are established by the Company and are explained on the Report. The SMI subject to the assurance engagement is indicated in the Report with the symbol "☑".

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that the Company's SMI as of and for the year ended March 31, 2025 is not prepared, in all material respects, in accordance with the Criteria.

Basis for Conclusion

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information,* and International Standard on Assurance Engagements (ISAE) 3410, *Assurance Engagements on Greenhouse Gas Statements*, issued by the International Auditing and Assurance Standards Board (IAASB). Our responsibilities under those standards are further described in the "Our responsibilities" section of our report.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA).

Our firm applies International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, issued by the IAASB. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other information

Our conclusion on the SMI does not extend to any other information that accompanies or contains the SMI (hereafter referred to as "other information"). We have read the other information but have not performed any procedures with respect to the other information.

Responsibilities for the SMI

Management of the Company are responsible for:

- designing, implementing and maintaining internal controls relevant to the preparation of the SMI that is free from material misstatement, whether due to fraud or error;
- selecting or developing suitable criteria for preparing the SMI and appropriately referring to or describing the criteria used; and
- preparing the SMI in accordance with the Criteria.

Inherent limitations in preparing the SMI

As described on the "ESG Data" page of the Report, GHG emissions quantification is subject to uncertainty when measuring activity data, determining emission factors, and considering scientific uncertainty inherent in the Global Warming Potentials. Hence, the selection by management of a different but acceptable measurement method, activity data, emission factors, and relevant assumptions or parameters could have resulted in materially different amounts being reported.

Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the SMI is free from material misstatement, whether due to fraud or error;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to the Company's management.

Summary of the work we performed as the basis for our conclusion

We exercised professional judgment and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the SMI that is sufficient and appropriate to provide a basis for our conclusion. Our procedures selected depended on our understanding of the SMI and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise. In carrying out our engagement, the procedures we performed primarily consisted of:

- assessing the suitability of the criteria applied to prepare the SMI;
- conducting interviews with the relevant personnel of the Company to obtain an understanding of the key processes, relevant systems and controls in place over the preparation of the SMI;
- performing analytical procedures including trend analysis;
- identifying and assessing the risks of material misstatements;
- performing a site visits at one of the Company's sites which was determined through our risk assessment procedures;
- performing, on a sample basis, recalculation of amounts presented as part of the SMI;
- performing other evidence gathering procedures for selected samples; and
- evaluating whether the SMI was presented in accordance with the Criteria.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

/s/ Yoshimitsu Nagasaka
Yoshimitsu Nagasaka, Engagement Partner
KPMG AZSA Sustainability Co., Ltd.
Tokyo Office, Japan
September 26, 2025

Notes to the Reader of Assurance Report:
This is a copy of the Assurance Report and the original copies are kept separately by the Company and KPMG AZSA Sustainability Co., Ltd.

ESG Data

☑ Information with this mark has been assured by KPMG AZSA Sustainability Co., Ltd.

Environment

Promoting Environmental Management

Aspect	Classification	Boundary*1	Items	Unit	FY2022	FY2023	FY2024
CO_2	CO_2 emissions	Global	Total	t-CO_2	109,735	109,239	☑ 116,312
	CO_2 emissions by Greenhouse Gas Protocol classification	Global	Scope 1 *2	t-CO_2	86,006	85,245	☑ 91,836
		Global	Scope 2 (market-based) *2	t-CO_2	23,729	23,994	☑ 24,477
		Global	Scope 3 Category 1*3	t-CO_2	1,809,230	3,887,790	☑ 3,549,346
Energy*4	Breakdown of energy use	Global	Renewable electricity utilization rate	%	78.1	80.0	☑ 79.9
		Global	Total	MWh	680,723	736,789	☑ 719,671
Water resources	Water used (municipal water, industrial water, fresh ground water)	Global (Plants and research facilities)		1,000m^3	8,261	8,191	☑ 8,060
	Wastewater	Global (Plants and research facilities)		1,000m^3	8,090	8,232	☑ 8,078
	COD *5	Global (Plants and research facilities that discharge wastewater into public waters)		t	14	15	☑ 15
Waste	Total amount of waste discharged (outsourced waste treatment)	Global (Plants and research facilities)		t	12,189	10,909	13,371
	Total amount of waste discharged (excluding hazardous waste) *6	Global (Plants and research facilities)		t	4,995	5,435	☑ 10,223
	Waste plastic recycling rate	Global (Plants and research facilities)		%	69.3	72.4	☑ 77.8
	Disposal of hazardous waste *7	Global (Plants and research facilities)		t	7,194	5,474	☑ 3,148

GHG emissions quantification is subject to uncertainty when measuring activity data, determining emission factors, and considering scientific uncertainty inherent in the Global Warming Potentials.

Social

Employees

Aspect	Classification	Boundary*1	Items	Unit	FY2022	FY2023	FY2024
Employees	Number of employees *8	Global	Total	Persons	17,435*9	18,726*9	☑ 19,765*9
			Female	Persons	6,940	7,683	☑ 8,459
				%	39.8	41.0	☑ 42.8
			Male	Persons	10,493	11,037	☑ 11,297
				%	60.2	58.9	57.2
		Japan	Total	Persons	9,263	9,468	☑ 9,362
			Female	Persons	2,471	2,615	☑ 2,711
				%	26.7	27.6	☑ 29.0
			Male	Persons	6,792	6,853	☑ 6,651
				%	73.3	72.4	71.0
		Outside Japan	Total	Persons	8,172*9	9,258*9	☑ 10,403*9
			Female	Persons	4,469	5,068	☑ 5,748
				%	54.7	54.7	☑ 55.3
			Male	Persons	3,701	4,184	☑ 4,646
				%	45.3	45.2	44.7
	Number of new employees	Global	Total	Persons	2,164*9	2,840	2,513*9
			Female	Persons	1,180	1,560	1,318
			Male	Persons	983	1,280	1,161
	Average years of service	Global	Total	Years	13.1	12.7	12.4
			Female	Years	8.7	8.7	8.8
			Male	Years	16	15.5	15.1
	Proportion of senior managerial employees *10	Global	Female	%	19.2	18.7	24.2
		Japan		%	5.6	8.2	11.4
	Number of managerial employees	Global	Total	Persons	6,238	6,781*9	7,254*9
			Female	Persons	2,022	2,361	☑ 2,757
				%	32.4	34.8	☑ 38.0
			Male	Persons	4,216	4,418	4,494
				%	67.6	65.2	62.0
		Japan	Total	Persons	2,923	2,889	2,723
			Female	Persons	267	288	☑ 303
				%	9.1	10.0	☑ 11.1
			Male	Persons	2,656	2,601	2,420
				%	90.9	90.0	88.9
		Outside Japan	Total	Persons	3,315	3,892*9	4,531*9
			Female	Persons	1,755	2,073	☑ 2,454
				%	53	53.3	☑ 54.2
			Male	Persons	1,560	1,817	2,074
				%	47.1	46.7	45.8
	Employment rate of people with physical or mental disabilities	Japan	Total	%	2.44	2.57	☑ 2.59

Employees

Aspect	Classification	Boundary*1	Items	Unit	FY2022	FY2023	FY2024
Human resource development	Amount of training/development investments per employee	Global	Total	Yen	145,734	166,906	207,430
	Positive response rate (%) on corporate culture & work environment through engagement survey			%	77	79	76
	Positive response rate (%) on development & growth opportunities through engagement survey			%	75	76	77
Occupational health and safety	Lost time injuries frequency rate*11 (Full-time employees, contract employees, temporary employees, etc.) *12	Global		–	1.05	–	–
		Japan		–	0.17	–	–
		Outside Japan		–	2.03	–	–
	Lost time injuries frequency rate*11 (Full-time employees, contract employees) *13	Global		–	–	1.42 ☑	1.62
		Japan		–	–	0.23 ☑	0.58
		Outside Japan		–	–	2.69 ☑	2.60
	Lost time injuries frequency rate *11 (Temporary employees) *14	Global		–	–	1.59 ☑	1.90
	Occupational accident fatalities	Global		Persons	0	0 ☑	0
Labor union	Coverage of collective bargaining	Global	Total	%	89	89	89
		Japan		%	100	100	100

Enhancement of Communication

Aspect	Classification	Boundary*1	Items	Unit	FY2022	FY2023	FY2024
Overall assessment of MRs *15	All responding physicians	Japan		Rank	1st	1st	1st
	Hospital doctors				1st	1st	1st
	Private practitioner				1st	1st	1st
Number of inquiries received by the product information center from outside the company (prescription pharmaceuticals)		Japan		Cases	60,000	60,000	60,000

Improving Access to Healthcare

Aspect	Classification	Boundary*1	Items	Unit	FY2022	FY2023	FY2024
Number of development projects conducted through the GHIT *16			Aggregate (January to December)	Cases	4	4	3

Social Contribution Activities

Aspect	Classification	Boundary*1	Items	Unit	FY2022	FY2023	FY2024
Social Contribution Activities	Number of employees taking short-term volunteer leave	Japan		Persons	0	9	5

Governance

Corporate Governance

Aspect	Classification	Boundary*1	Items	Unit	FY2022	FY2023	FY2024
Structure of Board of Directors	Number of directors	Non-consolidated	Total	Persons	9	9	10
			Female	Persons	1	1	1
	Number of outside directors		Total	Persons	4	4	5
Structure of Audit & Supervisory Board	Number of Audit & Supervisory Board members		Total	Persons	5	5	5
			Female	Persons	2	2	3
	Number of Outside Audit & Supervisory Board members		Total	Persons	3	3	3
Remuneration to Members of the Board	Total		Total	JPY Million	1,092	1,200	1,120
Remuneration to Members of the Audit and Supervisory Board	Total		Total	JPY Million	154	154	154

Ethics & Compliance

Aspect	Classification	Boundary*1	Items	Unit	FY2022	FY2023	FY2024
Training	Compliance training	Japan	Total	Persons	599	691	628
	Training on Daiichi Sankyo Group Employee Code of Conduct (e-learning and group training)	Japan		Persons	9,454	9,637	10,103
		Outside Japan		Persons	2,370	5,880	3,954
	GVP*17 training	Non-consolidated		%	100	100	100
				Persons	5,909	5,980	6,436
	GQP *18 training	Non-consolidated		%	100	100	100
Survey	Periodic employee survey on ethical culture Positive response rate	Global		%	-	86	93
Allegations	Number of allegations received Reports Received	Global		Cases	207	315	363

Quality Management

Aspect	Classification	Boundary*1	Items	Unit	FY2022	FY2023	FY2024
Number of recalls	(Class I) *19	Global		Cases	0	0	0
	(Class II) *20				5	2	3

*1 Japan: Daiichi Sankyo (non-consolidated) and consolidated subsidiaries in Japan. Outside Japan: overseas consolidated subsidiaries. Global: Daiichi Sankyo (non-consolidated) and all its consolidated subsidiaries. *2 Scope 1: For domestic sites, the emission factors stipulated by the Act on Promotion of Global Warming Countermeasures are used. The emissions include those from renewable energy and waste incineration. For overseas sites, the emission factors stipulated by each country's laws and regulations are generally applied. Where specific factors are unavailable, emission factors stipulated by the Act on Promotion of Global Warming Countermeasures are used. Scope 2: The emission factors are basically determined by the power contract or each country's laws and regulations. Where specific factors are not available, the latest factors for the countries published by "Emissions Factors 2023" of the International Energy Agency (IEA) are used instead. When renewable energy or renewable energy certificates are used, an emission factor of zero is applied. *3 Emission Intensity Database for Calculating Greenhouse Gas Emissions of Organizations through Supply Chains" provided by Ministry of the Environment is used. In FY2023, CO_2 emissions increased due to changes in calculation methods, such as revision of emission intensity allocation, and the growth in business operations. *4 Fuel consumption is calculated mainly using the heat values per unit defined by the U.S. Environmental Protection Agency (EPA). *5 COD pollution in Japan is the sum of measurements at four sites in Japan (Tatebayashi site, Onahama site, Odawara site and Kitamoto site) with potassium permanganate as an oxidant. The global COD pollution load represents the total of Japan and overseas, with the overseas figures measured by the colorimetric determination method. *6 The figure in FY2024 includes the waste temporarily generated by the soil remediation at Odawara Plant. *7 The figure in FY2024 decreased due to changes in production volumes for certain items. *8 The numbers of employees means the total count of employees in all Group companies at the end of the fiscal year (as of March 31, 2025 for FY2024). Average years of service is calculated based on the information as of April 1 of the next fiscal year. *9 Including non-binary category based on the requests *10 Percentage of employees at the level of division head or above *11 Number of work-related deaths and injuries / Total hours worked × 1,000,000 The number of work-related deaths and injuries counts cases that involved at least a day of leave *12 Temporary employees, contractors, and outsourced contractors are excluded from the figures for domestic consolidated subsidiaries, but included those for overseas consolidated subsidiaries *13 In FY2023, outside Japan and Global excluded Daiichi Sankyo Australia, Daiichi Sankyo Singapore, and Daiichi Sankyo Canada. In FY2024, outside Japan and Global excluded Daiichi Sankyo Australia, Daiichi Sankyo Singapore, Daiichi Sankyo Mexico, and Daiichi Sankyo Colombia. *14 In FY2023, Global excluded Daiichi Sankyo Inc, Daiichi Sankyo Australia, and Daiichi Sankyo Singapore, and Daiichi Sankyo Canada. In FY2024, Global excluded Daiichi Sankyo Inc., Daiichi Sankyo Australia, Daiichi Sankyo Singapore, Daiichi Sankyo Mexico, and Daiichi Sankyo Colombia. *15 Survey by INTAGAE Healthcare Inc (Rep-i) *16 Global Health Innovative Technology Fund *17 Good Vigilance Practice. Standards for safety management of post-marketing pharmaceuticals, quasi-pharmaceuticals, cosmetics, and medical devices after manufacturing and selling *18 Good Quality Practice. A ministerial ordinance on quality management standards for pharmaceuticals, quasi-pharmaceuticals, cosmetics, and medical devices *19 A situation in which there is a reasonable probability that the use of or exposure to the product will severely affect the health or cause death *20 A situation in which the use of a product may cause temporary or medically reversible adverse health consequences or carries a minimal risk for serious adverse health effects.