

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

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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.	<ul style="list-style-type: none"> • 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) 	<ul style="list-style-type: none"> • 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.	<ul style="list-style-type: none"> • MR (Medical Representative) activities and MA (Medical Affairs) activities (as appropriate) 	<ul style="list-style-type: none"> • 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.	<ul style="list-style-type: none"> • Dialogue between management / IR departments and shareholders / investors through disclosure of information on management strategy, research and development, ESG, etc. (as appropriate) 	<ul style="list-style-type: none"> • 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.	<ul style="list-style-type: none"> • Sustainability surveys and interviews with business partners (once every 3 years) 	<ul style="list-style-type: none"> • Based on feedback that they do not understand how to approach sustainability as a company; we provide supporting 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.	<ul style="list-style-type: none"> • Implementation of Global Engagement Survey (once a year) • Consultations with labor unions (multiple times/year) 	<ul style="list-style-type: none"> • 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.	<ul style="list-style-type: none"> • Surveys of local government, medical institutions, local residents, etc. through NGOs (as appropriate) 	<ul style="list-style-type: none"> • 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.	<ul style="list-style-type: none"> • Dialogue with civic groups and local communities (as appropriate) • Meetings with industry associations (multiple times/year) 	<ul style="list-style-type: none"> • 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.	<ul style="list-style-type: none"> • Advocacy and dialogue through industry associations, and problem-solving (as appropriate) 	<ul style="list-style-type: none"> • 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.

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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	
Pollution	Handling of Substances of Concern / Substances of Very High Concern	N	R	●	●	●	●	●	●	Substances of concern / Very Concern	Promoting Environmental Management
	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	