



2026

Daiichi Sankyo Sustainability Report

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General Disclosures

Basis of Reporting

Basis for Preparation of the Sustainability Report

The Sustainability Report has been prepared on a consolidated basis, and the reporting boundary for business activities is consistent with that of the consolidated financial statements.

This report is also based on the principle of double materiality, under which the Daiichi Sankyo Group assesses both material impacts on people, society, and the environment arising from our business activities and upstream and downstream value chain, as well as material risks and opportunities that may affect the Group's business and financial performance. For an overview of the value chain, please refer to "Strategy and Value Chain."

Governance

Role of Administrative, Management and Supervisory Bodies in Sustainability

We are working to establish a management structure that enables swift and agile response to changes in the business environment, secure regulatory compliance and operational transparency, and strengthen monitoring on management and execution. To this end, we prioritize a corporate governance structure that contributes to maintaining and enhancing stakeholder trust.

The Board of Directors comprises five inside directors and five outside directors, with outside directors accounting for 50% of the total and female directors representing 20%. For details on the backgrounds and experience of outside directors, please refer to pages 83-84 of the Annual Securities Report for FY2025. Employee and worker representatives do not serve as members of the Board of Directors.

The functions responsible for sustainability and compliance risks identify and assess sustainability-related impacts, risks, and opportunities (IROs) and monitor progress toward related targets. These assessments are then submitted to the Executive Management Committee (EMC) and the Board of Directors for review and approval.

To promote sustainability management, we have established and operate the following framework under the Sustainability Management Policy:

- Under the direction of the CEO, the Head of Global Corporate Affairs is responsible for establishing the sustainability management framework, and the Sustainability Committee to promote sustainability management.

- For the Group's key sustainability issues of Environment, Health, and Safety (EHS), the head of each relevant function appoints a Sustainability Promotion Officer to promote sustainability management.
- The Head of Global Sustainability oversees the global framework for advancing EHS, non-financial disclosure, and social contribution activities, ensuring that sustainability initiatives across functions and regions are aligned with the Group's overall strategy. The Head also consolidates company-wide strategies and policies, as well as annual and semiannual plans and performance results, and submits proposals and reports to the Sustainability Committee.
- The Sustainability Committee serves as an advisory body to the EMC under the oversight of the Board of Directors. The Committee deliberates over fundamental policies for key sustainability issues, budget allocation, medium-term and annual plans based on established KPIs, performance, and the progress of sustainability initiatives, and submits proposals and reports to the EMC as necessary.
- Each function head formulates and implements a sustainability promotion plan for their respective function in line with the Group's sustainability management strategy and policies, and reports to the Head of Global Sustainability semiannually or annually.

Integration of Sustainability-related Performance into Incentive Schemes

As part of the Company's sustainability-related remuneration structure, 15% of inside directors' total compensation consists of medium-term performance-based share compensation (long-term incentives under the 5-Year Business Plan), 10% of which is linked to sustainability performance. The sustainability-related performance metrics consist of climate-related metrics and Global Engagement Survey scores. Based on performance against these metrics, a performance multiplier ranging from 0% to 200% is applied.

The remuneration linked to performance under the 5-Year Business Plan (medium-term performance-based share compensation) is a trust-based share remuneration plan structured as performance shares. The number of shares granted is determined based on share grant points calculated by multiplying the cumulative number of points awarded for the relevant period according to the director's position by a performance-linked multiplier.

Remuneration is deliberated by the Compensation Committee, an advisory body to the Board of Directors composed solely of outside directors, with one outside Audit & Supervisory Board member attending as an observer. Based on the Committee's deliberation results, remuneration is determined by resolution of the Board of Directors within the total remuneration amount approved by the General Shareholders Meeting for each type of compensation.

General Disclosures

Strategy and Value Chain

We are committed to realizing our Purpose to, "contribute to the enrichment of quality of life around the world." To achieve our 2030 goal of becoming an "innovative global healthcare company contributing to the sustainable development of society" and to accelerate progress toward our 2035 Vision of becoming a "trusted healthcare innovator transforming the lives of people through our science and technology," we have formulated the 5-Year Business Plan (FY2026-FY2030). The plan is designed to accelerate growth while building the foundation for the next generation. To deliver on the 5-Year Business Plan, we will execute the following strategies.

Strategy

Be a Global Top 5 Oncology Company by 2035

- Leveraging the strengths of our proprietary DXd ADC^{*1} technology, we will bring multiple medicines and indications to market on schedule and aim to generate oncology revenue of more than JPY 2.3 trillion by FY2030.
- Providing high-value information and other support to healthcare professionals, we aim for delivering our medicines to more than 700,000 cancer patients annually.
- Building the capabilities to independently develop and commercialize our products, enabling sustainable growth.

Identify next BGTs

- Looking ahead to our long-term growth, we aim to identify multiple Breakthrough Generating Technologies (BGTs) ^{*2} following DXd ADC technology by 2030. These BGTs will form the foundation of our core technologies, enabling us to continuously create innovative new medicines with high confidence over the long term.

Operational Excellence

- We are enhancing organizational productivity through digital transformation, including the use of AI, and strategic talent allocation. By driving operational excellence across the Group, we also optimize our cost structure and strengthen our profit-generating capabilities.

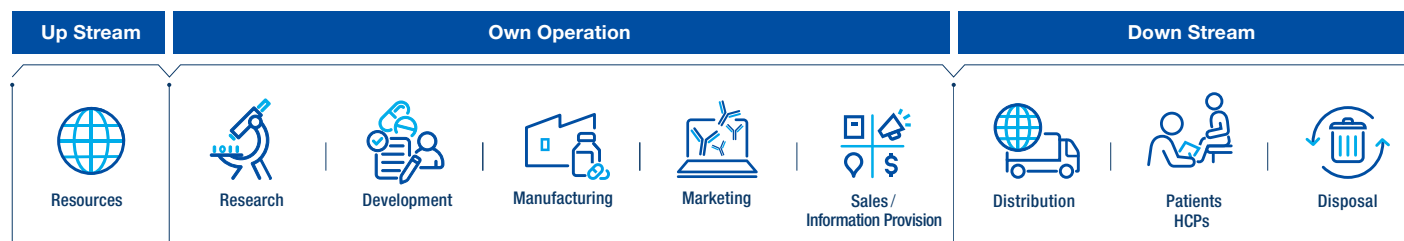
Be a Trusted Partner for Sustainable Society

- By meeting the expectations of diverse stakeholders and remaining a trusted partner, we will contribute to a more sustainable society. Guided by patient centricity across the Group, we provide medicines that create meaningful value for patients. By upholding the highest ethical standards in our engagement with the healthcare community, we will provide patients and their families with safety and peace of mind. We will also reduce our environmental impact across the value chain.

^{*1} Antibody-drug conjugates (ADCs) are medicines that combine an antibody and a drug (small-molecule compound) using an appropriate linker. By delivering the drug directly to cancer cells via an antibody that binds to a target expressed on the cancer cells, ADCs enhance antitumor activity while reducing systemic exposure to the drug. Daiichi Sankyo's proprietary DXd ADC technology uses an antibody targeting a specific antigen expressed on the surface of cancer cells, linked via a linker to multiple molecules of a topoisomerase I inhibitor (DXd), to deliver DXd into cancer cells.

^{*2} Breakthrough Generating Technologies (BGTs) are Daiichi Sankyo's proprietary drug discovery technologies designed to accelerate the delivery of more innovative medicines to patients. Each BGT serves as a platform technology capable of generating multiple new medicines from a single technology.

Value Chain



General Disclosures

Stakeholder Engagement

Stakeholders	Purpose of Engagement	Methods of Engagement	Stakeholders' Opinions and Their Reflection
Patients and their families	To better understand the experiences, challenges, and needs of patients and their families, and to collect and analyze feedback and quality-of-life data from patients and healthcare professionals. We incorporate these insights into our initiatives to improve patients' quality of life.	<ul style="list-style-type: none"> • Direct dialogue with cancer patients and caregivers through patient advocacy activities; • Dialogue sessions with patients, their families, and healthcare professionals through COMPASS^{*1} (multiple times per year); • Incorporation of patient perspectives into clinical trial materials through Patient-Focused Drug Development^{*2} (as appropriate) 	<ul style="list-style-type: none"> • Gaining a deeper understanding of the genuine needs of patients and their families deepens our patient centric mindset and contributes to the research and development of medicines that better address those needs. • Based on feedback from patients and healthcare professionals, we consider patient-centered clinical trial designs and trial implementation approaches, including measures to reduce the burden on trial participants and enhance the effectiveness of clinical trials.
Healthcare professionals	To discover and develop innovative medicines, provide valuable information to healthcare professionals, enhance treatment satisfaction, and better understand their needs, thereby expanding treatment options and transforming the standard of care.	<ul style="list-style-type: none"> • Medical Representative (MR) and Medical Affairs activities 	<ul style="list-style-type: none"> • Understanding the increasingly diverse needs and challenges of patients and healthcare professionals, leveraging digital tools to provide information on the appropriate use of medicines and healthcare collaboration, thereby contributing to community healthcare.
Shareholders and Investors	To foster mutual understanding with shareholders and investors through proactive disclosure of accurate and transparent corporate information, and to incorporate their perspectives into management through constructive dialogue from a medium- to long-term perspective.	<ul style="list-style-type: none"> • Dialogue with shareholders and investors led by the management team, Investor Relations (IR), and Sustainability departments through the disclosure of information on corporate strategy, research and development, financial performance, and sustainability. 	<ul style="list-style-type: none"> • Timely reporting of feedback and expectations gathered through dialogue with shareholders and investors by the Investor Relations (IR) and other relevant departments to the management team for consideration in business strategy and disclosure practices.
Business partners	To work together as trusted business partners to advance initiatives toward a more sustainable society while respecting human rights and protecting the environment, thereby achieving mutual sustainable growth	<ul style="list-style-type: none"> • Sustainability surveys and meetings with business partners 	<ul style="list-style-type: none"> • Based on feedback from business partners, we provide them with training and awareness materials to support their efforts to address environmental and other sustainability issues.
Employees	To build a work environment where employees remain highly engaged, continue to grow, and thrive by reflecting the voices of individual employees, thereby promoting the sustainable growth of both employees and the Company.	<ul style="list-style-type: none"> • Global Engagement Survey (annually) • Consultations with labor unions (multiple times per year) 	<ul style="list-style-type: none"> • Following discussions with labor unions, we introduced hourly paid leave in Japan in October 2022 for purposes beyond nursing care and family caregiving. • Following discussions with labor unions, we introduced more flexible menstrual leave in April 2026, allowing employees to take leave in full-day, half-day, or hourly increments.
Local communities	To understand local healthcare needs, including local disease patterns and healthcare delivery systems, and use these insights to provide the talent development and healthcare services needed in each region, thereby strengthening local healthcare infrastructure.	<ul style="list-style-type: none"> • Surveys of local governments, healthcare institutions, and community members conducted through NGOs (as appropriate) 	<ul style="list-style-type: none"> • Identifying healthcare challenges in developing countries and implementing awareness, cancer screening, and treatment initiatives to improve screening rates and promote early detection.
The natural environment	To understand environmental trends and societal expectations, reduce environmental impacts across the value chain, and mitigate risks affecting both the business and the natural environment.	<ul style="list-style-type: none"> • Dialogue with citizen groups and local communities (as appropriate); • Meetings with industry associations (multiple times per year) 	<ul style="list-style-type: none"> • In collaboration with citizen groups and local communities in areas where we operate manufacturing sites, we invested in wind power projects to support the regional supply of green energy.
Governments, regulatory authorities, and payers	To build trusted relationships with governments, regulatory authorities, and payers in each country and help ensure the appropriate evaluation of the safety, efficacy, and quality of medicines.	<ul style="list-style-type: none"> • Policy proposals, dialogue, and issue resolution through industry associations (as appropriate) 	<ul style="list-style-type: none"> • Contributing to the development of specific government measures based on recommendations from Japan's Ministry of Health, Labour and Welfare's Expert Panel on Comprehensive Measures for the Rapid and Stable Supply of Pharmaceuticals.

^{*1} An initiative based on part of the Group's slogan, "Compassion for Patients," that provides all Daiichi Sankyo Group directors, officers, and employees with opportunities to better understand the lives and challenges of patients and to consider what they can do to help, thereby contributing to better lives for people around the world.

^{*2} Patient-Focused Drug Development (PFDD), an approach that incorporates the voices of patients into the drug development process.

General Disclosures

Management of Impacts, Risks, and Opportunities

Process for Identifying Material Impacts, Risks, and Opportunities

We identify material sustainability-related impacts, risks, and opportunities in conjunction with the process of formulating our 5-Year Business Plan. We use a combination of top-down and bottom-up approaches in our assessment. This disclosure is based on the assessment results as of the reporting date and may be revised or updated as the assessment progresses.

Step 1: Impact Assessment and Screening

When formulating our 5-Year Business Plan, we identify potential and actual impacts of our business activities and value chain on the environment and people. We conduct an initial screening of sustainability topics identified based on the ESRS list of sustainability matters and industry trends, considering their severity and likelihood and engaging with internal and external stakeholders.

Step 2: Input to the Formulation of 5-Year Business Plan

We use material impacts identified through the screening process as inputs to the formulation of our 5-Year Business Plan. Accordingly, the priority areas of the Group's 10-year Vision and the 5-Year Business Plan are formulated taking into account our material impacts on the environment and people.

Step 3: Identification and Assessment of Material Sustainability Topics, Impacts, Risks, and Opportunities Based on the 5-Year Business Plan

We identify and assess material sustainability topics and related impacts, risks, and opportunities by comparing the priority areas of the finalized 5-Year Business Plan and the considerations underlying them against sustainability frameworks, including ESRS, European Sustainability Reporting Standards and SASB, Sustainability Accounting Standards Board.

Identified Material Sustainability Topics

The table below sets out the material topics and sub-topics identified through the process for identifying material impacts, risks and opportunities. Where the terminology differs from that used in the ESRS, the corresponding ESRS topic or sub-topic is indicated in parentheses.

Detailed descriptions of the impacts, risks and opportunities identified for each sub-topic are provided in the disclosures relating to the respective topics.

	TOPIC	SUB-TOPIC
E1	Climate Change	• Climate change mitigation
E2	Pollution	• Management of Substances of Concern and Substances of Very High Concern (Substances of concern, including substances of very high concern)
S1	Own Workforce	• Occupational Health and Safety (Health and Safety)
S2	Workers in the Value Chain	• Working conditions and Occupational Health and Safety (Working conditions / Health and Safety)
S4	Patients and Healthcare Professionals (Consumers and End-users)	• Access to Healthcare / Ethical Marketing (Social inclusion of consumers and end-users) • Patient Health and Safety (Personal safety of consumers or end-users) • Patient Privacy (Information-related impacts for consumers or users)
G1	Business Conduct	• Corporate Culture: Anti-Corruption and Anti-Bribery (Corporate culture, including anti-corruption and bribery, the protection of whistle-blowers and animal)

Environment

Climate Change

Material Impacts, Risks and Opportunities

Greenhouse gas (GHG) generated across the value chain, including R&D, manufacturing, and other activities, contribute to climate change, which may in turn have negative impacts on the environment and people. Meanwhile, stricter decarbonization regulations, the introduction of and increase in carbon prices, and fluctuations in energy prices may have financial impact, such as increased operating costs, for the Daiichi Sankyo Group and our supply chain.

Identification of Climate-related Risks and Scenario Analysis

Scope1 and Scope2 GHG emissions associated with the Group's business activities account for only 2.4% of total GHG emissions, whereas Scope3 emissions from the supply chain account for more than 97.6% of total GHG emissions. Taking this into account, we conducted scenario analysis to understand the impact of climate change on our business and assess resilience.

We analyzed our entire value chain, using climate scenarios published by organizations including the International Energy Agency (IEA) and Intergovernmental Panel on Climate Change. Relevant units and functions collaborated to identify and organize climate-related transition risks, physical risks and related opportunities. These risks and opportunities were assessed based on factors including their likelihood and potential impacts on business operations and financial performance over the FY2030 and FY2050 time horizons. We identified material climate-related risks and opportunities and assessed their potential impacts of our corporate strategy. Based on the results, we are implementing specific measures to address each material climate-related risk and opportunity. We have identified climate change mitigation as an important sustainability topic and are promoting initiatives to address it, aiming to be a trusted partner for our stakeholders. At the same time, physical risks such as supply chain disruptions and reduced pharmaceutical supply capacity due to intensifying weather disasters represent a significant social risk that threatens the stable supply of pharmaceuticals, as well as a significant business risk for the Group. We are strengthening supply chain resilience through the development of business continuity plans for flood damage and other initiatives to address these risks.

Climate Change Mitigation

Policies

To conduct responsible corporate activities in addressing climate change and other environmental issues, we promote environmental management based on the Daiichi Sankyo Group Corporate Conduct Charter and the Daiichi Sankyo Group EHS Policy and EHS Basic Policy, which set out our principles on the environment, health and safety.

In May 2019, we expressed support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), a global framework created in 2015 by the Financial Stability Board to help companies disclose climate-related financial risks and opportunities. We conduct climate-related scenario analysis to assess the potential impacts on transition risks, including government policies and regulations, carbon costs, and technological developments, on our business model, and are currently incorporating the results into the strategies and measures of the 5-Year Business Plan (FY2026–FY2030).

Transition Plan

Given that supporting a sustainable society is a priority for Daiichi Sankyo, we have established a Net Zero Transition Plan to achieve net-zero GHG emissions across our value chain by FY2050. This plan has been approved by the Science Based Targets initiative (SBTi), a global corporate climate organization that helps businesses and financial institutions set greenhouse gas reduction goals to limit global warming to 1.5°C above pre-industrial levels. The SBTi has stated that our plan is aligned with the 1.5°C target.

The medium- to long-term targets, initiatives, and their progress under this plan are reviewed and monitored from a global perspective by the Sustainability Committee. The results of such monitoring, together with other significant matters discussed and reported to the Committee, are escalated to the Board of Directors through the Executive Management Committee (EMC), thereby ensuring appropriate oversight and supervision.

Actions

Under the plan, we will reduce GHG emissions from our operations (Scope1 and Scope2) as well as GHG emissions across our upstream and downstream value chains (Scope3) through:

- The use of renewable electricity
- The continued promotion of energy conservation at manufacturing sites

- The use of energy-efficient equipment
- The promotion of GHG emissions reductions from fleets
- Continuous engagement with business partners
- Global policies related to business travel
- Reducing GHG emissions from transportation and distribution

Regarding internal carbon pricing, the Group is considering changing and integrating the current investment-effectiveness verification system using a virtual carbon price, which is operated by Group companies in Japan, into a new, more effective mechanism aimed at further enhancing emissions reduction incentives for each department.

Targets and Performance

As part of our responsible corporate activities to address climate change, we established the following emission reduction targets approved by the SBTi, which are also aligned with the goals of the Paris Agreement to limit the increase in global average temperature to 1.5°C above pre-industrial levels.

KPIs and Targets for FY2025	FY2025 Performance
Reduction of CO ₂ emissions Scope1 + Scope2 by 42% from FY2015	48.5% reduction from FY2015
Reduction of CO ₂ emissions intensity based on sales (Scope3, Cat1) by 15% from FY2020	13.7% 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: 58.5%
Renewable electricity utilization rate more than 60%	79.7%

Energy consumption and mix

	Unit	FY2023	FY2024	FY2025
Total energy consumption related to own operations	MWh	736,789	719,671	704,582
Percentage of fossil sources in total energy consumption	%	70	68	66
Percentage of renewable sources in total energy consumption	%	30	32	34
Energy intensity (total energy MWh/consumption per net revenue)	MWh/ 100Mil.Yen	46.1	38.1	33.2

Renewable Energy Usage and Breakdown

Type of Renewable Energy	Energy Usage (MWh)	Remarks
Solar energy generation	5,370	Electricity generated at sites in Japan, Germany, and China
Non-fossil Certificate and renewable electricity products	219,563	Procured by Group companies in Japan, Europe, and Brazil
Biomass heat	7,143	Purchased by group companies in Germany
Other renewable energy	14,263	Fuels used for biomass boilers in Germany and for biofuel vehicles in Brazil

Scope1, Scope2, Scope3 GHG Emissions*

	Unit	FY2023	FY2024	FY2025
Scope1 GHG emissions	1,000 t-CO ₂ e	85	92	79
Percentage of Scope1 GHG emissions covered by regulated emission trading schemes	%	—	0	0
Biogenic emissions (Out-of-scope emissions) Scope1	1,000 t-CO ₂ e	—	0	0.8
Scope2 GHG emissions- location-based	1,000 t-CO ₂ e	0	111	119
Scope2 GHG emissions- market-based	1,000 t-CO ₂ e	24	24	25
Biogenic emissions (Out-of-scope emissions) Scope2	1,000 t-CO ₂ e	0	0	0
Scope1 and 2 GHG emissions- market-based	1,000 t-CO ₂ e	109	116	104
Scope3 Category1 : Purchased goods and services	1,000 t-CO ₂ e	3,888	3,549	3,533
Percentage of Scope3 GHG emissions calculated using primary data	%	—	—	0

* This indicator is calculated based on CO₂ emissions only. We plan to expand the scope of disclosure in future years to include GHG emissions covering other greenhouse gases.

Methodology

Scope1 GHG emissions

Scope1 GHG 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 and U.S. Energy Information Administration.

Scope2 GHG emissions

Scope2 GHG emissions reporting represents indirect GHG emissions from electricity, heat, and steam

purchased and consumed by Daiichi Sankyo Group. Location-based emissions are calculated based on average emission factors for national/regional power grids as defined by the IEA. Market-based Scope2 emissions refer to indirect 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 and attribute certificates are not available or where supplier-specific emission factors are unavailable, national average emission factors are applied.

Scope3 GHG emissions

Scope3 GHG emissions reporting represents indirect GHG emissions from our value chain. Of the 15 Scope3 emissions categories defined by the GHG Protocol, Category1* was identified as significant since the majority of our emissions originate from this category. The remaining 14 categories are either not applicable to us or are not reported individually because their contributions are significantly smaller than that of Category1. For the calculation of Scope3 Category1 GHG emissions, the Emissions Intensity Database for Calculating GHG Emissions of Organizations throughout the Supply Chain, provided by Japan's Ministry of the Environment, is used as the source of emission factors.

* Emissions related to all expenditures for purchased goods and services from external suppliers excluding expenditures accounted for under other categories, such as business travel, transportation, capital investments. 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.

Pollution

Material Impacts, Risks and Opportunities (IROs)

The use of chemicals and emissions associated with R&D, manufacturing, and other activities may have negative impact on ecosystems and the health of local communities. Inadequate management of chemicals by the Group may cause environmental pollution and have financial impacts, including increased regulatory compliance costs and operational constraints.

Management of Substances of Concern and Substances of Very High Concern

Policies

We have established the appropriate management of chemical substances in our EHS Basic Policy.

As targets by FY2025, we set the following new goals: “monitoring and continuous reduction of pollutant emissions to air and water”; “reducing hazardous waste emissions by 10% from FY2020”; “promoting education and awareness to prevent environmental accidents”; and minimizing the impact of chemical substance contamination across our supply chain.

We will continue our efforts through FY2030 by setting the following goals: “hazardous waste emission intensity based on sales: 10% reduction from FY2025,” “reduce the use of substances of very high concern in the manufacturing process for new products,” “build a data collection and disclosure system for substances of concern and very high concern,” “ensure that the concentration of active pharmaceutical ingredients in wastewater remains below the Predicted No Effect Concentration (PNEC),” and “monitor soil pollution status and implementation of measures.”

Actions

Initiatives at the Product Design Stage

For environmental impact assessment of manufacturing processes, it is important to evaluate from a broad perspective, considering quality and cost as well as environmental impact during the research and development stage. This is because changes to pharmaceutical manufacturing processes after production require significant time and effort due to pharmaceutical regulatory constraints and may also increase the risk of chemical substance contamination. When designing manufacturing processes for new products, we use Life-cycle Impact assessment Method based on Endpoint modeling, a type of Life Cycle Assessment (LCA), to

conduct quantitative evaluations at each stage of process development (e.g., early development, investigational drug, and commercialization.) In the process, we integrate various factors including toxic and hazardous substances used during manufacturing, energy consumption during manufacturing, and waste generated during manufacturing into a single evaluation criterion to calculate an evaluation score. This LCA evaluation targets new products. Based on the concept of Green Chemistry, this approach aims to develop manufacturing processes that take the sustainability of the global environment into account. To this end, we strive to prevent environmental pollution and reduce the consumption of raw materials and energy through initiatives such as the development of new synthetic reactions.

Initiatives at Plants and Research Facilities

For chemical substances that may have harmful effects on human health and ecosystems, we conduct appropriate management based on the Pollutant Release and Transfer Register (PRTR) system under the law concerning PRTR. Additionally, we engage in 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, our plants and research facilities in Japan have established voluntary management standards that are stricter than legal regulations and ensure appropriate management through monitoring. Similarly, our overseas plants, such as Daiichi Sankyo Pharmaceutical (Shanghai), Daiichi Sankyo Europe, and Daiichi Sankyo Brazil Farmacêutica, also conduct regular monitoring to comply with relevant laws and regulations in their respective countries and regions. Additionally, we conduct Whole Effluent Toxicity (WET) tests to evaluate the comprehensive toxic effects of effluent using biological responses of fish, water fleas, and algae. Through these tests, we evaluate the impact on ecosystems from many chemical substances including active pharmaceutical ingredients (APIs), which are not covered by effluent regulations in the relevant countries and regions, as well as complex interactions among those substances. In FY2025, we conducted environmental impact assessments using WET tests* at all Japanese Group plants and a total of seven research facilities. As a result, it confirmed that the impact on aquatic life in rivers and other water bodies is not at a level of concern. In FY2026, we plan to continue conducting annual WET tests at all our plants and research facilities in Japan, striving for appropriate effluent management and improved water quality. Furthermore, to ensure that

* Whole Effluent Toxicity tests, which evaluate the comprehensive toxic effects of effluent using biological responses of fish, water fleas, and algae.

the concentration of APIs in wastewater remains below the PNEC, we have begun exploring a monitoring and control system for the concentration of key active pharmaceutical ingredients in wastewater at some of our plants.

Regarding information disclosure, based on GHS*1, we plan to classify the total amount of substances of concern that it generated, used, or procured during manufacturing by major hazard categories and disclose the classification information regularly. We also recognize the need to record and disclose the total amount of substances of concern that are released off-site as products or part of products. Such initiatives will enable us to reduce impact on ecosystems and health risks to employees and local residents. Regarding hazard classification based on the GHS, we are establishing a data collection structure for each region with the aim of making disclosures in 2027.

Other Initiatives

We require raw material manufacturers to submit safety data sheets (SDS) when concluding quality contracts and reviews information about chemical substances in raw materials, including their properties, hazards, and handling procedures. We share this information with internal departments that use these raw materials to help prevent accidents.

Additionally, we share SDS with drivers who transport products and business partners to ensure safe handling of products.

*1 Globally Harmonized System of Classification and Labelling of Chemicals. A framework for internationally standardizing and providing hazard information related to chemical substances.

Performance

FY2025 PRTR-Designated Substance Emissions and Transfers
(Group Plants and Research Facilities in Japan)

Units: mg for dioxins, kg for mercury, and t for other chemical substances

Substance (Annual amount handled of 1 metric ton or more)	Amount Handled	Emissions (No emissions to soil)		Transfer Amount	
		Air	Public Water	Sewerage	Out of Offices
Chloroform	6.6	0.3	0.0	0.0	6.3
Toluene	185.3	0.3	0.0	0.0	185.0
Triethylamine	52.1	0.1	0.0	0.0	52.0
Hexane	8.1	0.7	0.0	0.0	7.4
Methylene chloride	11.7	0.7	0.0	0.0	11.0
Tetrahydrofuran	120.1	0.1	0.0	0.0	120.0
Total	383.9	2.2	0.0	0.0	381.7
Dioxins*2	—	—	—	—	—
Mercury*2	—	—	—	—	—

*2 Not applicable due to the incinerator being out of operation.



Human Rights

Policies

The Daiichi Sankyo Group's commitment to respecting human rights is set out in the Daiichi Sankyo Group Corporate Conduct Charter, which serves as the foundation of our sustainability activities, and the Daiichi Sankyo Group Employee Code of Conduct, which specifies the standards of conduct expected of all Group directors, officers, and employees.

We recognize that respect for human rights is essential to our business activities. Accordingly, we have issued the Position Statement on Human Rights and are committed to respecting internationally recognized standards and principles*.

* These include the UN Guiding Principles on Business and Human Rights and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work.

Reporting Concerns and Access to Remedy

We have established a global hotline as a reporting and consultation channel through which employees can report or seek advice regarding compliance violations, including human rights violations. The global hotline is available 24 hours a day, 365 days a year, in 20 languages, including Japanese and English, to ensure accessibility for all employees. Reports and inquiries from external parties, including business partners, are also accepted through the websites of Group companies. To assess the effectiveness of this reporting system, we conduct periodic reviews of the trends in the number of reports and consultations received, the time required for investigation and response, and the status of feedback provided to reporters, and continuously evaluate whether this reporting system is functioning appropriately.

Furthermore, the Daiichi Sankyo Group Employee Code of Conduct explicitly states that whistleblowers will not be subject to any disadvantageous treatment and that retaliation against individuals who raise concerns is prohibited. We also maintain strict confidentiality regarding reports, thereby fostering an environment in which employees can raise concerns with confidence. Where it has been substantiated that we have caused or contributed to human rights violations through our activities, we will promptly investigate the facts of the matter and, through dialogue with affected individuals, appropriate corrective actions, disciplinary measures against those involved, and other relevant means, provide or cooperate in providing appropriate remedy aimed at restoring the rights of those affected.

Priority Topics

As a global pharmaceutical company, we recognize that the following issues are closely linked to both our business activities and human rights. In addressing these priority issues, we comply with applicable laws and regulations, take stakeholder expectations into account, and promote initiatives to respect human rights.

Patients and Healthcare Professionals

To build and maintain trust with patients and healthcare professionals and ensure appropriate access to medicines and medical information, we are committed to addressing the following human rights issues as priorities:

- Contribute to expanding access to healthcare by advancing research and development, improving access to medicines, and strengthening local healthcare systems.
- Conduct research and development in compliance with applicable laws and regulations, guided by a strong commitment to ethical standards and respect for human life.
- Advance formulation and packaging technologies to combat counterfeit medicines, while implementing measures tailored to the regulatory requirements and risks of each country and region.
- Ensure the secure management and protection of the personal information of patients, healthcare professionals, and all other stakeholders.

Employees

To foster a workplace that respects employee diversity and promotes health and safety, we are committed to addressing the following priority human rights issues:

- Promote activities aimed at realizing decent work for all employees.
- Maintain a workplace free from harassment and discrimination.
- Prevent child labor and forced labor.
- Promote occupational health and safety.
- Respect freedom of association and the right to collective bargaining in accordance with applicable laws.
- Ensure appropriate working hours and wages in compliance with applicable laws.
- Support employees in realizing their full potential through fair recruitment, learning and development opportunities, and appropriate compensation and fair treatment.



Human Rights

Business Partners

We promote sustainable procurement to ensure that human rights considerations are embedded in our sourcing activities. In accordance with the Business Partner Code of Conduct, we encourage our business partners to respect human rights, including prohibiting forced and child labor. We periodically review our business partners' human rights practices and engage in dialogue with them as necessary.

Actions

Human Rights Risk Management

Conducting Human Rights Due Diligence

To prevent and mitigate business-related human rights violations, we conduct human rights due diligence based on risk assessments.

Specifically, we conduct human rights risk assessments across all Group companies engaged in business activities on a three-year cycle to identify potential human rights risks.

In FY2025, based on the responses to the second human rights risk assessment, we conducted individual interviews with the Group companies' human rights representatives to validate the assessment results and conduct follow-up discussions. As a result, no significant risks were identified across the human rights areas assessed, including those related to the International Labour Organization (ILO) Core Labour Standards.^{*1} In the areas of governance and management, we identified opportunities to strengthen our business partners' human rights due diligence framework and will continue to address them. We will continue to prevent and mitigate human rights risks through ongoing human rights risk assessment and response.

Since FY2026, we have established a framework under the Global Ethics & Compliance Committee, the Group's oversight and advisory body for compliance, to promote and oversee human rights due diligence on a global basis. We have assigned dedicated human rights specialists and appropriately allocated the necessary budget and resources for human rights due diligence, including support from external experts.

^{*1} Freedom of association and the recognition of the right to collective bargaining; the elimination of forced labor; the prohibition of child labor; the prevention of discrimination; and the assurance of a safe and healthy working environment.

Conducting Sustainability Surveys of Business Partners

We conduct sustainability surveys of our key business partners on a three-year cycle to promote understanding of and cooperation with our approach to sustainability while strengthening two-way communication.

The survey is based on the Business Partner Code of Conduct and the principles of PSCI^{*2}, a non-profit organization of global pharmaceutical companies. It includes questions covering areas such as ethical and integrity-based business conduct, human rights and labor, health and safety, environmental management, quality, cost and stable supply, and management systems.

^{*2} PSCI: Pharmaceutical Supply Chain Initiative, a nonprofit organization composed of global pharmaceutical companies

In FY2025, as part of the third sustainability survey, questionnaires were distributed to more than 300 business partners. We analyzed the responses received and provided e-learning training tailored to the survey results to the business partners surveyed.

We have also established a business partner management framework based on risk screening, including human rights considerations, at the outset of each business relationship, followed by ongoing monitoring throughout the relationship. In addition to IT-based risk assessments conducted globally, business partners are evaluated based on (1) country- and industry-specific risk factors, including CPI^{*3} and ILO^{*4} scores, and (2) responses to the sustainability questionnaire. Where a business partner is identified as posing a high risk, we implement risk mitigation measures appropriate to the nature and severity of the identified risks, including conducting individual meetings and requesting corrective action plans. The implementation status of the submitted corrective action plans is monitored on an ongoing basis, and their effectiveness in mitigating risks has been confirmed. Business partners are also reassessed as necessary. Through these initiatives, we will continue to strengthen our compliance-based management and further enhance our risk management framework to address emerging global regulations, including the CSDDD,^{*5} thereby contributing to the realization of a sustainable society over the long term.

^{*3} CPI (Corruption Perceptions Index): An index that compares and ranks countries based on the perceived extent of corruption among public officials and politicians.

^{*4} ILO score: A score calculated by the Company based on country-level indicators for the four human rights issues covered by the ILO Core Labour Standards: forced labor, child labor, discrimination, and freedom of association and the right to collective bargaining.

^{*5} CSDDD (Corporate Sustainability Due Diligence Directive): A directive issued by the European Union requiring companies to identify and address adverse human rights and environmental impacts in their operations and value chains.

Initiatives for Stakeholders Based on Respect for Human Rights

For details of our initiatives for each stakeholder group, please refer to the relevant sections that follow.



Patients and Healthcare Professionals

Patient Centricity, a Core Principle of the Group

Guided by patient centricity, we place patients' voices, needs, and experiences at the center of our decisions and actions. We take seriously the feedback and insights gained through dialogue with patients and healthcare professionals (HCPs). We incorporate these insights into every stage of our activities, including R&D, manufacturing, education, and efforts to improve access to medicines, thereby contributing to better treatment and improved quality of life (QOL) for patients. Engagement with Patients and healthcare professionals and Channels for Raising Concerns.

Material Impacts, Risks and Opportunities

Providing innovative medicines and information and ensuring appropriate and stable access to medicines contribute to improving patients' health outcomes and QOL. Building an R&D foundation and platforms to continuously create next-generation innovative medicines also gives hope to patients awaiting new treatment options and, over the medium- to long-term, leads to the creation of new market opportunities and sustainable growth.

Ensuring product quality and patient safety, appropriately managing information, including patient data, and conducting ethical marketing are prerequisites for providing safe and effective medicines and contribute to improving health outcomes and QOL. Building relationships of trust with patients and HCPs through these efforts provides a foundation for creating new business opportunities and supporting sustainable growth.

Conversely, as issues in any of these areas could affect people's lives, health, or privacy, the Daiichi Sankyo Group treats them as material management issues and continuously works to manage and improve them.

Engagement with Patients and HCPs and Channels for Raising Concerns

The Daiichi Sankyo Group undertakes the following activities to deepen our dialogue and engagement with end users, including patients and HCPs.

Collaboration with Patient Advocacy Groups

We collaborate with more than 900 patient advocacy organizations worldwide to deepen our understanding of the challenges patients face in their daily lives and treatment journeys, as well as barriers to access to medicines.

Through this collaboration, the team conducts surveys to identify patients' unmet medical needs and understand their perceptions of treatment options and clinical trials, with the aim of applying the findings to future activities. We also conduct awareness-raising campaigns to reduce the prejudices often associated with cancer and supports public education activities, with the aim of deepening society's understanding of cancer and our treatment and contributing to an environment in which patients can live their daily lives in their own way.

COMPASS Activities to Incorporate Patients' Voices into Research and Development

COMPASS is a our initiative designed to advance patient-oriented drug discovery. It was launched in 2014 as a cross-functional initiative within the R&D Division, centered on the Shinagawa R&D Center.

Through two-way communication with patients and HCPs, COMPASS provides employees with opportunities to deepen their understanding of patients' voices and experiences and consider what they can do together with patients.

COMPASS undertakes a range of initiatives, including hosting talks by patients, co-hosting the "Healthcare Café" dialogue events with patients in collaboration with other pharmaceutical companies, engaging with medical institutions and patient advocacy groups, and publishing "COMPASS News," which shares activity updates, including these initiatives, as well as employees' accounts of their experiences with illness, with all employees in Japan.

Patients and Healthcare Professionals

Provision of Medical Information Activities

Medical representatives (MRs) are responsible for providing, collecting, and communicating information about our medicines to various HCPs.

By engaging in two-way communication with HCPs, MRs contribute to the appropriate use of our medicines, post-marketing surveillance, and disease awareness through their medical information provision activities.

In addition, the Group's relevant functions work together to identify necessary information and information gaps from their respective areas of expertise. They use these insights to address these gaps by generating data and evidence through post-marketing studies and other post-launch activities.

Medical Affairs Activities

We advance initiatives to generate new medical information on our products and to enhance their value in clinical practice. Drawing on medical and scientific expertise, we engage with HCPs while ensuring fairness, independence, and transparency. We identify clinical questions that arise among patients and in clinical practice regarding the use of medicine and plan and advance clinical research to address these questions, thereby generating new evidence. We proactively disseminate clinical research outcomes by presenting them at academic conferences globally and publishing them in medical journals.

Access to Healthcare

Policies

Daiichi Sankyo Group Position Statement on Access to Healthcare

The Daiichi Sankyo Group recognizes that barriers to access to healthcare arise not only from unmet medical needs but also from various social determinants, including public health and education challenges, income disparities, and other factors that limit access to basic healthcare services. To address these challenges, we are committed to advancing initiatives across our value chain, from research and development to manufacturing, sales, and safety management, guided by the following principles: (1) Promoting Research and Development, (2) Enhancing Access to Medicines, and (3) Strengthening Healthcare Systems in Developing Countries. The Head of Global Corporate

Strategy is accountable for Access to Healthcare initiatives and promotes efforts to improve access to healthcare through collaboration with relevant internal functions and external partners.

(1) Promoting Research and Development

- Contribute to addressing unmet medical needs and improving people's health through the creation of innovative medicines leveraging our long-standing research and development capabilities.
- Foster innovation and advance the discovery of new medicines and technologies through external drug discovery networks and diverse partnerships.
- Contribute to addressing global health challenges in developing countries, including malaria, tuberculosis, and neglected tropical diseases, in addition to unmet needs in areas such as cancer and rare diseases.

(2) Enhancing Access to Medicines

- Promote access to medicines by taking into account the healthcare systems and market environments of both developing and developed countries*.

(3) Strengthening Healthcare Systems in Developing Countries

- Contribute to addressing barriers to healthcare access in developing countries, including limitations in healthcare systems, infrastructure, and workforce capacity, by leveraging our resources, expertise, and capabilities.

* For example, even after a medicine has been approved, patients in some countries and regions may experience delays in accessing treatment due to differences in development timelines and regulatory approval processes. For patients in these countries and regions, we provide pre-approval investigational medicines in accordance with local regulations.

Patients and Healthcare Professionals

Actions

Accelerating the Clinical Development of Innovative Medicines

We are committed to bringing the goal of curing cancer closer to reality through innovative cancer therapies.

To achieve this, we have been advancing our “5 DXd ADCs and Next Wave” strategy, which focuses on maximizing the value of five DXd ADCs, including ENHERTU® and DATROWAY®, while pursuing next-generation therapies that have the potential to transform the standard of care. By conducting global clinical development from the early stages of development, we strive to deliver innovative treatment options more quickly to patients across a broader range of countries and regions.

In addition, by advancing personalized medicine, we aim to provide new treatment options for patients whose needs have not been fully addressed by existing therapies. Through the creation of BGTs, we seek to deliver multiple innovative medicines to patients rapidly and efficiently.

Expanding Access to Medicines Through Strategic Partnerships

We are advancing strategic collaborations with AstraZeneca and Merck & Co., Inc., Rahway, NJ, USA regarding our DXd ADC products. By leveraging our partners’ global development, commercialization, and regulatory capabilities, we are working to expand patient access to innovative medicines in countries and regions around the world.

Building a Resilient and Stable Supply Network

Recognizing that reliable access to medicine depends on a robust supply chain, we continue to strengthen our manufacturing and supply capabilities.

Through closer integration of manufacturing and logistics functions, diversification of production sites and suppliers, and enhanced supply chain risk management, we are working to ensure a stable supply of high-quality medicines while improving supply chain resilience.

Targets and Performance

KPIs and Targets*1 for FY2025	FY2025 Performance
Increase the number of launched countries through collaboration with partners	Enhertu® launched: Cumulative 99 countries and regions (FY2025: 30 countries and regions), Number of patients treated: Appx. 155,000*2
3ADCs : 8 indications launched as new indications during the medium-term plan period (FY2021-FY2025)	10 indications launched (as new indications during the medium-term plan period) Reference: FY2025 Approval Updates Enhertu® • Approval for HER2 Low or HER2 Ultralow BC*, chemo naïve (JP: Aug. 2025) • Approval for First-Line Treatment of HER2 Positive BC (US: Dec. 2025) • Approval for Neoadjuvant Treatment of HER2 Positive BC (CN: Mar. 2026) Datroway® • Approval for EGFR mutated NSCLC (US: Jun. 2025)
Multiple projects to become the new growth driver after 3ADCs are in or above late development or more advanced Stage	• I-DXd: Granted Breakthrough Therapy Designation for Extensive-Stage SCLC (US: Aug. 2025) • R-DXd: Granted Breakthrough Therapy Designation for Platinum-Resistant Ovarian Cancer and others (US: Sep. 2025) • DS-3939: Phase 1/2 trial data presented in Advanced Solid Tumors (Oct. 2025)
Post DXd-ADC modality is in development stage	• DS3610 (STING agonist ADC) : Phase 1 trial initiated (Nov. 2025) • DS9051 (TPD molecule) : Phase 1 trial initiated (Nov. 2025)
Number of designations to the priority review system	FY2025 23 cases (Cumulative 51 from FY2023)
In house capital investment and CMO investment for the construction of ADC production system and stable supply of top quality pharmaceuticals to patients (including capital expenditure): Maximum 300 billion yen	Expansion of supply capacity in response to demand forecast (Decision made to invest approx. 6 billion yen in FY2025 (cumulative total since FY2021, approx. 463 billion yen))

*1 Target values are disclosed only for KPIs for which targets have been set.

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

Ethical Marketing

Policies

Daiichi Sankyo Group Policy on Interactions with HCPs and Healthcare Organizations

We follow the Daiichi Sankyo Group Policy on Interactions with HCPs and Healthcare Organizations to uphold high ethical standards in our interactions with healthcare professionals, healthcare organizations, and patient organizations, as well as in the promotion of our medicines.

The policy prohibits the provision of entertainment, cash, or personal gifts to HCPs and establishes strict contractual requirements for engagements to ensure that any remuneration is appropriate.

In developing this policy, we have aligned it with national and regional industry codes that are based on the IFPMA Code of Practice.

It clarifies that our interactions with HCPs are intended to enhance the practice of medicines, and such interactions must be focused on informing HCPs about pharmaceutical products, providing accurate and balanced scientific and educational information, and supporting medical research and education.

This policy applies not only to interactions with healthcare professionals and healthcare organizations, but also to interactions with patient organizations and all other stakeholders with whom we interact.

Actions

Stricter Review of Promotional Materials

We conduct rigorous reviews of pharmaceutical promotional materials in accordance with applicable laws, regulations, and industry codes in each country and region.

In the oncology field, we have established a Product Material Review Process (PMRP) for the development of globally shared product-related and disease awareness materials. Under this process, responsible functions in Japan, the United States, and Europe conduct reviews. Before any materials approved through the global review process are used in a specific country or region, they are subject to additional review and approval in that country or region to ensure compliance with applicable local laws, regulations, and industry codes.

This review process ensures both global consistency and compliance with country-specific regulatory requirements.

Compliance with the Guidelines for Promotional Information Provision Activities

The Compliance and Risk Management Department serves as the oversight function for promotional information provision activities, and a Promotional Information Provision Activities Oversight Committee has been established.

The Promotional Information Provision Activities Oversight Committee oversees and provides guidance on the review status of our promotional and other related materials, the preparation and retention of activity records, the implementation of monitoring activities, and responses to inappropriate information provision activities.

We also provide regular training to employees to promote appropriate promotional information provision activities, including activities related to seminars and lectures, with particular emphasis on key considerations when providing information on unapproved medicines and off-label use. In addition, our website provides a contact point and reporting channel for inquiries and complaints regarding promotional information provision activities.

Targets and Performance

KPIs and Targets for FY2025	FY2025 Performance
Number of Notable Industry Code Violations (NICV)*: 0 cases	2 cases

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

Patients and Healthcare Professionals

Patient Health and Safety

Policies

We have established a product safety management system to promote the appropriate use of medicines and minimize patient safety risks. We objectively analyze safety information and provide comprehensive safety information to HCPs.

We collect, evaluate, and assess safety information globally and strive to implement appropriate safety measures worldwide.

Daiichi Sankyo Global Policy on Clinical Safety & Pharmacovigilance

This Policy has been established to ensure patient safety and promote the proper use of pharmaceuticals. It requires all employees and relevant contractors to recognize patient safety as a fundamental responsibility and to act accordingly.

In addition to complying with applicable laws and regulations, we are committed to patient centricity and to the continuous evaluation and optimization of the benefit-risk balance of our products. Through the timely and appropriate collection, reporting, and assessment of safety information, as well as the implementation of necessary risk minimization measures, we contribute to safeguarding patient safety and improving public health.

Furthermore, the policy emphasizes that pharmacovigilance is not solely the responsibility of a specific function, but a shared responsibility of all employees. Accordingly, we are committed to fostering a strong patient safety culture and continuously enhancing awareness of patient safety throughout the organization.

Actions

Contributing to Patients Through Pharmacovigilance

We are committed to minimizing patient safety risks by collecting, assessing, and analyzing safety information from around the world, including adverse event reports, and by providing HCPs with objective, science-based information that supports the appropriate use of our medicines.

Safety information is continuously monitored and evaluated throughout the product lifecycle, from clinical development through post-marketing use, to identify emerging safety signals at an early stage and implement appropriate risk minimization measures in a timely manner. By generating and

sharing meaningful safety insights, we help patients and HCPs around the world better understand the benefits and risks of our medicines, supporting informed treatment decisions and helping patients approach treatment with confidence.

For interstitial lung disease (ILD), one of the key safety concerns associated with DXd ADC products, we continuously monitor emerging safety information and generate and disseminate relevant insights to support early detection and mitigate the risk of severe outcomes.

Measures Against Counterfeit Medicines

To address the threat of counterfeit medicines, we are upgrading tamper-evident seals and packaging specifications for the products we manufacture and markets, while evaluating and implementing anti-counterfeiting technologies.

To strengthen the traceability of prescription medicines, we are introducing globally standardized GS1 barcodes containing information such as expiry dates and batch numbers on sales packages and shipping cases.

In addition, we promote compliance with Good Distribution Practice to enhance the reliability of the storage and transportation of medicines.

Patient Privacy

Policies and Actions

Daiichi Sankyo Group Policy on Privacy

We follow the “Daiichi Sankyo Group Global Policy on Privacy” as a globally consistent standard for personal data protection. This policy ensures we maintain internal rules in compliance with applicable laws and regulations in each country and region to ensure the secure handling of personal data. We also provide regular training to reinforce awareness and ensure the appropriate handling of personal data.



Own Workforce

Our Employees: Our Most Important Capital

The Daiichi Sankyo Group regards our employees as our most important capital. As the driving force behind sustainable value creation and the realization of our Corporate Purpose, we are committed to strengthening our human capital. Our 20,171 employees (FY2025) leverage their expertise and diverse experiences to contribute to our business and society around the world.

Material Impacts, Risks and Opportunities

We support employees in developing their skills and careers and work to enhance their engagement through capability development, the continued provision of growth opportunities, and initiatives to enhance job fulfillment. These efforts help attract and retain talented employees and foster innovation, thereby strengthening business competitiveness and enhancing corporate value over the medium- to long-term. Conversely, if occupational health and safety and a sound working environment are not adequately ensured, this may negatively affect employees' safety, health, and job fulfillment, leading to lower employee retention and productivity, which may in turn affect organizational capabilities and corporate value.

Engagement and Channels for Raising Concerns

Our employee-related initiatives are informed by employee engagement surveys and employee feedback.

We conduct an annual Engagement Survey covering all employees worldwide. Through the survey, we assess employee satisfaction and the level of engagement with our unique corporate culture, One DS Culture, while identifying areas for improvement. The survey results are shared with all employees by the CEO. The Executive Management Committee (EMC) also discusses workplace challenges and initiatives identified through the survey results and analysis and translates these insights into concrete actions to create a better workplace.

We also maintain ongoing communication with labor unions in regions where they are established. In Japan, we place great importance on building a relationship of trust with labor unions. Through constructive labor-management dialogue aimed at resolving workplace issues, we promote transparent communication with employees. Matters relating to working conditions are discussed primarily through labor-management consultation. Depending on whether the matters concern the Group as a whole,

Group companies in Japan, or individual business sites, discussions and reporting are conducted through the appropriate labor-management forums. Each Group company has concluded a collective bargaining agreement with our labor union. For example, organizational changes are communicated to employees through the Company's internal portal site as a labor-management reporting matter, including the purpose of the changes. In Europe, we proactively engage with employee representatives, including Works Councils, to ensure alignment with regional labor standards and practices. Through regular consultations and constructive dialogue, we address workforce matters, promote employee well-being, and support a positive working environment.

Channels for Raising Concerns

We have established the Global Hotline as a common reporting channel for all Group companies. (For details, please refer to Reporting Concerns and Access to Remedy of Human Rights on page 10.)

Working Conditions

Policies

The Daiichi Sankyo Group Corporate Conduct Charter sets out our commitment to respecting employee diversity, fostering a workplace that is free from harassment and discrimination, and promotes health and safety, as well as providing opportunities for employee development based on the belief that employees and the Company grow together.

We have also established the Daiichi Sankyo Group People Philosophy, which provides that employees worldwide who share our Core Values are to be treated fairly, provided with opportunities for development, and supported in realizing their full potential. Employee-related policies and initiatives at each Group company are developed in accordance with the following principles set out in the People Philosophy:

1. Talent Acquisition
2. Inclusion & Diversity
3. Workforce Planning
4. Well-being
5. Engagement
6. Performance Management

7. Learning & Career Development

8. Compensation

9. Leadership & Succession Planning

These policies are published on our intranet and are accessible to all employees.

We also place particular emphasis on addressing human rights issues, including child labor and forced labor. (For details, please refer to "Policy of Human Rights" on page 10.)

Actions

Global Human Resources System

We have established and operate globally standardized frameworks for performance evaluation, job grading, and compensation.

The job grading and compensation systems are designed to provide differentiated rewards based on job value and individual contribution, with the aim of enhancing employee motivation and productivity while attracting and retaining talented people.

The performance evaluation system places emphasis on coaching and feedback through regular one-on-one meetings between managers and employees, with employee development as our primary objective.

While respecting the laws and practices of each country and region, we have established a fair and competitive compensation framework based on global policies. Our bonus system is linked to business results, ensuring that compensation appropriately reflects performance.

One DS Culture Initiatives : Global Culture initiative (GCI)

We hold the GCI Leadership Forum, a workshop aimed at embedding One DS Culture, in which approximately 150 global leaders from across the Group participate.

We also hold the Culture Ambassador Workshop, in which approximately 300 Culture Ambassadors responsible for promoting One DS Culture within their respective organizations participate to discuss the current status of GCI initiatives and future action plans.

Inclusion and Diversity Actions

We have established the Global I&D Statement to promote understanding, adoption, and embedding of Inclusion & Diversity (I&D) across the Group.

We have joined the Healthcare Businesswomen's Association, a nonprofit organization for women working in the healthcare industry.

In addition, Business Employee Resource Group proactively organizes networking events to share and discuss I&D-related challenges and improvement activities.

Targets and Performance

KPI Items and FY2025 Targets	FY2025
Positive response rate (%) on corporate culture & work environment through engagement survey 80% or more, or 10% or more increase compared to FY2021:	77%
Ratio of women in senior management 30% or higher	26.9%

Training and Skills Development

Policies

The Daiichi Sankyo People Philosophy sets out the Group's policy on Learning & Career Development. We are committed to providing employees with opportunities for learning, an environment that fosters innovation and support for career growth, thereby developing talent that drives our competitive advantages and long-term success.

Actions

We provide learning and development opportunities from two perspectives: Business Skills Development and Support for Self-Fulfillment and Career Development.

Business Skills Development

Daiichi Sankyo Group-wide Initiatives

- Self-directed learning support initiatives, such as the "Unlimited Learning" platform, providing

all employees with learning content to develop leadership, digital skills, and future-focused capabilities.

Actions in Japan

- Management and Coaching Training for People Managers
- Global Skills Development Program
- Digital Transformation (DX) Skills Development Program

Support for Self-Fulfillment and Career Development Actions in Japan)

- Self-Growth Declaration Program
 - » Every employee annually shares their current situation and future career aspirations.
- Transfers between organizations, and career changes
 - » Opportunities to broaden employees' perspectives and strengthen their ability to take on a wide range of responsibilities.
- Training Programs and Career Support Services
 - » Career development training programs and a dedicated career support consultation service.

Targets and Performance

KPI Items and FY2025 Targets	FY2025
Positive response rate (%) on development & growth opportunities through engagement survey to 80% or more, or 10% or more increase compared to FY2021:	78%
Disclosure of actual training investment per employee	JPY 226,536

Occupational Health and Safety

Policies

We have established the EHS Policy, recognizing environmental protection and the protection of health and safety as key responsibilities of our business activities. Under the Policy, we give priority to these issues in all business activities, comply with applicable laws, regulations, and international commitments, and strive to achieve higher standards by setting ambitious goals.

We also promote continuous improvement by clearly defining organizational roles and responsibilities and maintaining an EHS management system. In addition, we enhance EHS knowledge and awareness through education and awareness-raising activities.

We actively communicate information to stakeholders on our efforts to protect the environment and ensure health and safety, thereby fulfilling our accountability to stakeholders.

Actions

The Head of Global Corporate Affairs serves as the Global EHS Management Officer and oversees EHS management across the Group, while the Head of Global Total Rewards & Well-being serves as the Global Health and Safety Officer and leads the implementation of EHS management.

The Sustainability Committee, chaired by the Head of Global Corporate Affairs, reviews policies, annual plans, and implementation reports relating to EHS management, and reports the results of its deliberations to the EMC.

Performance

Lost Time Injury Frequency Rate (LTIFR) and Occupational Fatalities

KPI	FY2023	FY2024	FY2025
Lost Time injury Frequency rate (Permanent & Fixed-term employees)	1.42	1.62	1.15
Number of work-related fatalities	0	0	0



Workers in the Value Chain

Material Impacts, Risks and Opportunities

If the Daiichi Sankyo Group's business partners fail to respect workers' human rights, safety, and health, this may negatively affect workers' rights, safety, and health. In addition, failure to adequately prevent or remedy such situations may have negative impacts on business continuity, revenue, and corporate value through a loss of societal trust, procurement constraints, or supply disruptions.

Engagement with Workers in the Value Chain and Channels for Raising Concerns

We have established the Global Hotline as a common external reporting channel. (For details, please refer to Reporting Concerns and Access to Remedy of Human Rights on page 10).

Working Conditions and Occupational Health and Safety

Policies

The Daiichi Sankyo Group Corporate Conduct Charter clearly states in Article 2 that we are committed to responsible procurement, while the Daiichi Sankyo Group Procurement Policy identifies sustainable procurement as a key policy. Based on this policy, we have established the Business Partner Code of Conduct, which systematically sets out our expectations for suppliers providing products and services to contribute to a more sustainable society.

The Code is aligned with the principles of the Pharmaceutical Supply Chain Initiative (PSCI), a non-profit organization of global pharmaceutical companies. It includes specific requirements covering key areas such as ethical and integrity-based business conduct, respect for human rights and labor practices, occupational health and safety, and environmental management. Through proactive engagement with suppliers that understand and embrace the principles of the Code, we aim to fulfill our social responsibilities in partnership with them.

To further strengthen supply chain management, we established the Business Partner Management Guidelines.

Actions

We have established a Business Partner Management framework based on risk assessments conducted before entering into business relationships with suppliers and ongoing monitoring thereafter. The assessments cover risks including corruption, confidential and personal information, human rights, and the environment, with the aim of mitigating risks that could adversely affect our corporate value.

Based on the Business Partner Code of Conduct, we conduct sustainability surveys of domestic and overseas suppliers on a three-year cycle to assess their approaches to respecting human rights in their business activities. We have also established an internal framework for responding to supplier-related issues, enabling timely action when risks are identified.

Targets and Performance

KPI and FY2025 Target	FY2025 Performance
Sustainable procurement coverage rate (based on procurement amount): 75%	53%

G Governance

Business Conduct

Material Impacts, Risks and Opportunities

Inappropriate business practices, including bribery and the provision of improper benefits, may undermine the appropriate use of medicines and the fairness of healthcare-related decision-making, potentially having negative impacts on patients, healthcare professionals, and society.

As a result, regulatory sanctions, litigation and administrative monetary penalties, loss of business opportunities, and reputational damage may affect our business activities, revenue, and corporate value.

Corporate Culture (Anti-Corruption and Anti-Bribery)

Policies

The Group's Chief Compliance Officer has responsibility for compliance and risk management. In addition, based on the Daiichi Sankyo Group Global Policy on Corporate Compliance Management established in April 2025, we established the Group's Global Ethics & Compliance Committee to oversee and advise on the compliance function.

To provide globally consistent standards of conduct for directors, officers, and employees across the Group, we established the Daiichi Sankyo Group Employee Code of Conduct. In addition, Group companies in Japan have established the Compliance Code of Conduct, which sets out the specific standards of conduct to be followed by directors, officers, employees, and other workers. The Code in Japan was developed based on 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 (JPMA). Group companies outside Japan have also established internal policies and procedures tailored to applicable laws, regulations, and local business practices.

The Group Employee Code of Conduct explicitly prohibits bribery and corruption. To reinforce this commitment, we follow the Daiichi Sankyo Group Global Policy on Anti-bribery and Anti-Corruption, which provides more detailed requirements, including the prohibition of cash payments to government officials and healthcare professionals.

Actions

Through these measures, we work to prevent, detect, and respond appropriately to suspected or actual cases of bribery and corruption. These measures include training on the Group's Anti-Bribery and Anti-Corruption Policy, training on appropriate internal reporting, periodic audits and monitoring of high-risk functions, and reporting suspected cases arising in relevant regions or local affiliates to the Board of Directors.

We communicate our anti-bribery and anti-corruption principles to all directors, officers, employees, and other workers through our corporate website, global training programs, policies, procedures, and compliance communications.

We promote a strong culture of compliance through awareness-raising initiatives, including messages from the CEO twice a year on the importance of compliance. We also conduct an annual global culture survey of all directors, officers, and employees to assess the level of compliance awareness across the organization.

At Daiichi Sankyo and our Group companies in Japan, each department holds compliance dialogue sessions at least once a year. These sessions are conducted in a small-group discussion format using common training materials developed specifically for this program to strengthen compliance awareness and foster a workplace culture rooted in high ethical standards and open communication. In addition, we regularly provide compliance training led by external experts for directors, Audit & Supervisory Board members, executive officers, presidents of Group companies in Japan, and Audit & Supervisory Board members of those companies. New employees and newly appointed managers at Daiichi Sankyo and our Group companies in Japan also receive annual compliance training tailored to their respective roles.

Group companies outside Japan provide compliance training through in-person sessions, e-learning, or other formats, taking into account local circumstances.

Targets and Performance

KPI and FY2025 Target	FY2025 Performance
Significant compliance violations* ¹ : 0 cases	0 cases
Improvement in employee culture survey scores	93.4% (FY2024: 92.6%* ³): 0.8 percentage points increase from the previous fiscal year
Implementation Rate of Daiichi Sankyo Group Employee Code of Conduct Training (Number of Companies)* ² : 90% or more	Japan: Implementation rate: 100% (5/5 Companies) ASCA* ⁴ : Implementation rate: 90% or more (10 or more out of 11 companies) Europe: Implementation rate (company-based): 100% (16/16 Companies) Implementation rate (employee-based): 98% U.S.: Not applicable (conducted every three years)

*¹ Compliance violations which occur in domestic and overseas Group companies are regarded as significant when disclosure under the relevant laws or regulations is required by the Daiichi Sankyo Group.

*² Execution Rate Based on the Number of Group Companies Compared to the Plan

*³ FY2024 score (percentage of positive responses)

*⁴ Asia, South and Central America