

# ESG (Environmental, Social, and Governance) Data

## Environmental

### Promoting Environmental Management

Aspect	Classification	Item	Scope	Unit	FY2015	FY2016	FY2017
CO <sub>2</sub>	CO <sub>2</sub> emissions		In Japan	t-CO <sub>2</sub>	176,157	176,732	165,933
			Global	t-CO <sub>2</sub>	243,402	236,162	224,826
	CO <sub>2</sub> emissions by Greenhouse Gas Protocol	Scope 1	In Japan	t-CO <sub>2</sub>	85,045	91,662	80,552
			Global	t-CO <sub>2</sub>	115,243	115,474	104,375
		Scope 2	In Japan	t-CO <sub>2</sub>	91,112	90,182	85,382
			Global	t-CO <sub>2</sub>	128,159	125,799	120,451
Water resources	Water used		In Japan	1,000m <sup>3</sup>	11,868	10,986	10,311
			Global	1,000m <sup>3</sup>	12,531	11,534	10,828
	Wastewater		In Japan	1,000m <sup>3</sup>	10,834	9,934	9,856
			Global	1,000m <sup>3</sup>	11,288	10,370	10,283
Waste	Effective water usage volume <sup>*1</sup>		Global	1,000m <sup>3</sup>	1,243	1,164	544
			Waste generated		In Japan	t	19,676
	Global	t			21,764	22,756	16,651
	Final disposal rate		In Japan	%	0.46	0.69	0.43
Amount of office paper consumed				In Japan	Million sheets	5,469	5,355

Information with this mark is verified by SGS Japan Inc.

## Social

### Promoting Compliance Management

Aspect	Classification	Item	Scope	Unit	FY2015	FY2016	FY2017
Compliance	Rank-specific compliance training <sup>*2</sup>		In Japan	Persons	354	436	520
			Outside Japan	Persons	100	100	100
	Theme-focused compliance training <sup>*3</sup>	Ratio of employees participating in e-learning and group training	In Japan	%	100	100	100
			Outside Japan	%	100	100	100
	Compliance violations discovered through DS-hotline and reporting venues for sexual and power harassment		In Japan	Cases	7	0	6
			Compliance training based on Corporate Integrity Agreement <sup>*4</sup> in the United States		In Japan	Persons	37
	Outside Japan	Persons			772	2,001	2,074
	GVP <sup>*5</sup> Compliance training	Ratio of GVP-related employees undergoing training	Non-consolidated	%	100	100	100
Ratio of all employees (excluding GVP-related employees) undergoing training			Non-consolidated	%	98.6	99.8	99.9
	Development-related training (including GCP)	Aggregate number of e-learning programs and group training sessions	Non-consolidated	Times	31	93	93

### Mutual Growth of Employees and the Company

Aspect	Classification	Item	Scope	Unit	FY2015	FY2016	FY2017
Employees	Number of employees by region <sup>*6</sup>	In Japan	In Japan	Persons	8,589	8,648	8,765
		Outside Japan	Outside Japan	Persons	6,660	6,022	5,681
		Total	Consolidated	Persons	15,249	14,670	14,446
Employee data <sup>*6</sup>	Number of male employees	In Japan	Persons	6,631	6,643	6,663	
		Outside Japan	Persons	3,290	3,088	2,888	
	Number of female employees	In Japan	Persons	1,958	2,005	2,102	
		Outside Japan	Persons	3,370	2,934	2,793	
	Average years of service	In Japan	Years	17.6	18.7	18.9	
Diversity <sup>*6</sup>	Employment rate of people with physical or mental disabilities	In Japan	%	2.45	2.44	2.45	
		Percentage of female employees	In Japan	%	22.8	23.2	24.0
	Global		%	34.9	33.7	33.9	
	Percentage of women in managerial positions	In Japan	%	5.0	5.4	6.0	
Global		%	20.5	22.6	21.3		
Human resource development	Number of company-wide award winners <sup>*7</sup>	In Japan	Persons	49	47	41	
	Employee turnover rate <sup>*8</sup>	Global	%	—	5.3	6.0	

Information with this mark is assured by KPMG AZSA Sustainability Co., Ltd.

### Enhancement of Communication with Stakeholders

Aspect	Classification	Item	Scope	Unit	FY2015	FY2016	FY2017
Patients and medical professionals	Evaluation of corporate stance and MR activities	MRs rated (all responding physicians) <sup>*9</sup>	In Japan	Rank	First	First	First
		MRs rated (hospital doctors) <sup>*9</sup>	In Japan	Rank	First	First	First
		MRs rated (private-practice physicians) <sup>*9</sup>	In Japan	Rank	First	First	First
Shareholders	Dividends per share	Number of inquiries received (pharmaceutical products)	In Japan	Cases	118,000	116,000	119,000
		Interim	Non-consolidated	Yen	40	35	35
		Year-end	Non-consolidated	Yen	30	35	35
		Total	Non-consolidated	Yen	70	70	70

### Improving Access to Healthcare

Aspect	Classification	Item	Scope	Unit	FY2015	FY2016	FY2017
Social	Number of mobile healthcare field clinics	Number of activities (January-December)	In Tanzania	Times	408	102	521
			In Japan		5	5	5

### Social Contribution Activities

Aspect	Classification	Item	Scope	Unit	FY2015	FY2016	FY2017
Social	Amount of contributions		Non-consolidated	¥ Million	2,176	2,003	1,671
			In Japan	Persons	1,200	1,200	1,100
			Non-consolidated	Persons	13,674	14,793	22,137
Employees	Acquisition of volunteer leave		In Japan	Persons	15	9	18

## Governance

Aspect	Classification	Item	Scope	Unit	FY2015	FY2016	FY2017
Governance	Structure of Board of Directors	Number of directors	Non-consolidated	Persons	10	10	10
		Number of outside directors	Non-consolidated	Persons	4	4	4
		Number of female directors	Non-consolidated	Persons	0	0	0
	Structure of Audit & Supervisory Board	Number of Audit & Supervisory Board members	Non-consolidated	Persons	4	4	5
		Number of Outside Audit & Supervisory Board members	Non-consolidated	Persons	2	2	3
		Number of Outside Audit & Supervisory Board members (female)	Non-consolidated	Persons	1	1	2
	Remuneration of Directors	Total	Non-consolidated	¥ Million	612	578	609
	Remuneration of Audit & Supervisory Board members	Total	Non-consolidated	¥ Million	105	105	117

- \*1 Water intake – Wastewater
- \*2 Total of training for new hires, newly appointed managerial employees, newly appointed executive candidates, and mid-career hires
- \*3 Training on Daiichi Sankyo Group Individual Conduct Principles in FY2015-FY2016 and Anti-Bribery and Anti-Corruption Policies in FY2017
- \*4 Corporate Integrity Agreement: An agreement regarding legal compliance
- \*5 Good Vigilance Practice: Standard for post-marketing safety control of pharmaceuticals
- \*6 Figures as of the settlement date of each Group company (figures for fiscal 2017 are as of March 31st, 2018). However, the figures exclude people dispatched from outside the Group to DS Group; figures for average years of service are as of April 1 of the following fiscal year
- \*7 Total number of employees who received prize from the culture-building and achievement awards
- \*8 Rate of employees retiring for personal reasons
- \*9 Conducted by ANTERIO Inc. (FY2015-FY2017)
- \*10 Global Health Innovative Technology Fund

### Independent Assurance Report for Social Indicators

**KPMG**  
Independent Assurance Report

To the President and COO of Daiichi Sankyo Co., Ltd.

We were engaged by Daiichi Sankyo Co., Ltd. (the "Company") to undertake a limited assurance engagement of the social performance indicators marked with **SI** (the "Indicators") for the period from April 1, 2017 to March 31, 2018 included in its Value Report 2018 (the "Report") for the fiscal year ended March 31, 2018.

**The Company's Responsibility**  
The Company is responsible for the preparation of the Indicators in accordance with its own reporting criteria (the "Company's reporting criteria"), as described in the Report.

**Our Responsibility**  
Our responsibility is to express a limited assurance conclusion on the Indicators based on the procedures we have performed. We conducted our engagement in accordance with the "International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information" issued by the International Auditing and Assurance Standards Board. The limited assurance engagement consisted of making inquiries, primarily of persons responsible for the preparation of information presented in the Report, and applying analytical and other procedures, and the procedures performed vary in nature, time, and are less in extent than for a reasonable assurance engagement. The level of assurance provided is thus not as high as that provided by a reasonable assurance engagement. Our assurance procedures included:

- Interviewing the Company's responsible personnel to obtain an understanding of its policy for preparing the Report and reviewing the Company's reporting criteria.
- Inquiring about the design of the systems and methods used to collect and process the Indicators.
- Performing analytical procedures on the Indicators.
- Examining, on a test basis, evidence supporting the generation, aggregation and reporting of the Indicators in conformity with the Company's reporting criteria, and recalculating the Indicators.
- Evaluating the overall presentation of the Indicators.

**Conclusion**  
Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that the Indicators in the Report are not prepared, in all material respects, in accordance with the Company's reporting criteria as described in the Report.

**Our Independence and Quality Control**  
We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. In accordance with International Standard on Quality Control 1, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

KPMG AZSA Sustainability Co., Ltd.  
KPMG AZSA Sustainability Co., Ltd.  
Tokyo, Japan  
September 6, 2018

For disclosing ESG data, we referred to the following guidelines.

- IIRC (International Integrated Reporting Council), "International Integrated Reporting Framework"
- ISO 26000 (Guidance on Social Responsibility)
- Japanese Ministry of the Environment, "Environmental Reporting Guidelines, 2012 Edition"
- International norms such as 10 Principles of UN Global Compact