

CSR Management

In this section, we explain Daiichi Sankyo's corporate social responsibility (CSR) activities, which are integrated into its business activities and based on the DAIICHI SANKYO Group Corporate Conduct Charter (see below).

In order to address social, environmental, and other sustainability issues, we have identified and organized CSR issues into six priority areas on which the Group will concentrate its resources. Actual activities are promoted through a system of committees with cross-organizational membership. We will also engage in active communication with our various stakeholders, taking their evaluations of the Group to heart and reflecting these evaluations in CSR activities.

The Principles of Our Corporate Activities to Fulfill Our Mission

DAIICHI SANKYO Group Corporate Conduct Charter

The DAIICHI SANKYO Group fulfills its mission to "To contribute to the enrichment of quality of life around the world through the creation of innovative pharmaceuticals, and through the provision of pharmaceuticals addressing diverse medical needs."

We comply with laws, regulations and rules regarding global corporate activities, and act with the highest ethical standards and a good social conscience appropriate for a company engaged in a business that affects human lives based on the following principles. We fulfill our corporate social responsibility (CSR) by actively responding to an ever-changing society and enacting improvements for corporate value.

- Article 1 We diligently address medical needs by providing beneficial, safe, and reliable pharmaceuticals and services.
- Article 2 We conduct business in an ethical, fair and competitive manner, and maintain a healthy and professional relationship with our stakeholders, which include medical professionals and governments.
- Article 3 We actively communicate with our stakeholders by disclosing corporate information in a timely and appropriate manner in accordance with the principles of corporate accountability. We take appropriate measures to manage and protect personal and customer information and the confidential information of our and other companies.
- Article 4 The globalization of business activities requires that we operate by being compliant with the laws of each country and region, and by being respectful to all international norms including human rights, various cultures and customs. As a result, we contribute to the development of the local economy and society.
- Article 5 We respect diversity in the personal values, qualities and individuality of our employees, and ensure a safe and working environment that does not tolerate inappropriate treatment such as discrimination or harassment. We provide employees the opportunity to develop their skills and abilities for the mutual development of the employee and the corporation.
- Article 6 We responsibly manage the environmental impact of our operations as environmental issues are common challenges for mankind and such concerns are integral to our corporate activities and our very survival.
- Article 7 We actively engage in community activities and philanthropic programs focused on social causes.
- Article 8 We do not support or conduct our business with antisocial forces, prohibited entities or groups that may threaten the order or safety of civil society.
- Article 9 Executives of the DAIICHI SANKYO Group actively build and maintain effective systems to implement this Charter, ensure it is understood by all Group companies and make this Charter known to our business partners.
- Article 10 If the Charter is violated, executives of DAIICHI SANKYO Group Companies ensure that there is a commitment to determine the cause of infringement, take corrective action as necessary and make efforts to prevent similar violations in the future. Executives are accountable for promptly making required disclosures and upon discerning responsibility regarding the infringement, impose appropriate disciplinary action, including upon Executives themselves.

The Daiichi Sankyo Group's CSR Activities

CSR Activities Based on the DAIICHI SANKYO Group Corporate Conduct Charter

Based on the DAIICHI SANKYO Group Corporate Conduct Charter (see page 71), we are conducting CSR activities as part of all of our corporate activities. The DAIICHI SANKYO Group Corporate Conduct Charter defines principles to be practiced in all of the Company's activities in order to fulfill its corporate mission. Taking each of these principles seriously and complying with legal regulations and rules, we act with the highest ethical standards and good social conscience appropriate for a company engaged in a business that affects human lives. Through this commitment, we strive to meet the diverse requirements and expectations of society to improve corporate value and thereby fulfill our corporate social responsibility (CSR).

CSR Activities for Addressing Diverse and Changing Sustainability Issues


We must respond to a diverse range of social, environmental, and other sustainability issues, including those related to human rights, gender equality, corruption prevention, environmental preservation, and global health. In responding to sustainability issues, we have clarified the CSR issues that the Group will focus on based on their medium-to-long-term relationship to our business and arranged these into six priority areas for CSR activities (see steps 1 and 2 below).

Step 1	Step 2
<p>Identify CSR Issues</p> <p>We have identified 36 CSR issues that pharmaceutical companies generally need to address by referencing the inspection criteria of international CSR initiatives (Ten Principles of the United Nations Global Compact^{*1}, ISO 26000^{*2}, etc.) and ESG indices (Dow Jones Sustainability Indices, FTSE4Good Index Series, Access to Medicine Index, etc.) as well as the policies and visions of pharmaceutical company organizations (International Federation of Pharmaceutical Manufacturers & Associations, Japan Pharmaceutical Manufacturers Association, etc.).</p>	<p>Arrange CSR Issues into Priority Areas for CSR Activities</p> <p>The 36 CSR issues related to CSR activities were further organized and arranged into six priority areas for activities:</p> <ol style="list-style-type: none"> Promoting compliance management Mutual growth of employees and the Company Enhancement of communication with stakeholders Promoting environmental management Improving access to healthcare Social contribution activities <p>(See "Issues to Be Addressed as Part of Responsible Corporate Activities" on the right.)</p>

*1 A voluntary initiative in which companies and organizations demonstrate leadership and act as upstanding members of society by participating in the creation of global frameworks aimed at realizing sustainable growth
 *2 An international guidance standard aimed at helping companies and other organizations assess and address the social responsibilities relevant to their business

The Daiichi Sankyo Group's SDGs Initiatives

Sustainable Development Goals (SDGs) are a set of goals for 2030 to address the key issues facing the world and have been adopted by the member states of the United Nations. 17 goals to be accomplished by 2030 have 169 targets. The Group is conducting activities to contribute to "Goal 3: Ensure healthy lives and promote well-being for all at all ages" in particular as a pharmaceutical company. The Group's initiatives with regard to the 17 SDGs have been compiled into a list of the Daiichi Sankyo Group's initiatives related to the SDGs.

 A list of the Daiichi Sankyo Group's initiatives related to the SDGs can be found on its corporate website.
http://www.daiichisankyo.com/about_us/responsibility/csr/gc/index.html



Issues to Be Addressed as Part of Responsible Corporate Activities

<p>Promoting Compliance Management (12 Issues)</p> <ul style="list-style-type: none"> Observe Group-wide codes of conduct Anti-corruption Ensure transparency of corporate activities Conduct clinical trials in accordance with ICH-GCP Ensure product quality and safety Ethical marketing practices Consider bioethics and genetic resources Sustainable procurement Report on critical recalls Report on breach of laws and legal cases Respect human rights in business activities Tax strategy 	<p>Enhancement of Communication with Stakeholders (5 Issues)</p> <ul style="list-style-type: none"> I identify, respond to, and disclose material CSR issues Improve customer satisfaction Respond to complaints Stakeholder engagement External verification for CSR reports
<p>Mutual Growth of Employees and the Company (8 Issues)</p> <ul style="list-style-type: none"> Develop human resources Acquire and retain talented individuals Promote diversity Communication between labor and management Respect human rights in labor practices Pay equal wages to men and women Promote work-life balance Prevent occupational accidents 	<p>Promoting Environmental Management (6 Issues)</p> <ul style="list-style-type: none"> Address climate change Manage chemical substances Control water usage volumes Manage waste Preserve biodiversity Receive ISO 14001 and other environmental management system certifications
	<p>Improving Access to Healthcare (4 Issues)</p> <ul style="list-style-type: none"> Address global health issues Measures to combat counterfeit medicines Addressing cost burden Health outcome contribution
	<p>Social Contribution Activities (1 Issue)</p> <ul style="list-style-type: none"> Conduct social contribution activities suited to a pharmaceutical company

Based on the above CSR issues, we have defined the following priority areas for CSR activities in the 5-year business plan, and are acting accordingly.

CSR Targets (5-Year Business Plan) and Progress

Priority Areas for CSR Activities	Targets	Initiatives and Accomplishments in Fiscal 2016	Pages
Promoting Compliance Management	Dissemination of global compliance policies, such as the Daiichi Sankyo Group Individual Conduct Principles	Established the Global Compliance Advisory Committee Formulated the Global Marketing Code of Conduct	P 76
Mutual Growth of Employees and the Company	Human resources development to realize value creation and secure competitive advantage through our core values of innovation, integrity, accountability, and respect for diversity	Conducted Group talent management Advanced initiatives based on action plan for empowering women employees	P 78
Enhancement of Communication with Stakeholders	Effective disclosure and evaluation improvement related to CSR and ESG	Maintained inclusion in ESG indices Actively communicated with shareholders and investors	P 74 P 81
Promoting Environmental Management	Reducing environmental impacts and risks and addressing climate change (Fiscal 2020 CO ₂ emissions target: 5.6% reduction from fiscal 2015)	Achieved 4.0% reduction in CO ₂ emissions from fiscal 2015 in fiscal 2016 Received an award related to energy conservation	P 82
Improving Access to Healthcare	Promoting R&D for intractable diseases, rare diseases, and global health Mobile healthcare field clinics, healthcare professional development, and health and hygiene training for locals in regions facing a lack of medical infrastructure	Participated in Access Accelerated initiative Moved forward with joint research with the Global Health Innovative Technology (GHIT) Fund	P 84 P 85
Social Contribution Activities	Advance activities based on global and regional needs Provide support for post-Great East Japan Earthquake reconstruction	Dispatched employee volunteers as part of ongoing support for the Coastal Forest Restoration Project Participated in U.S. initiative for ending hunger around the world	P 86 P 87

Promotion of CSR Activities

Initiatives related to compliance management, environmental management, and social contribution activities are promoted by specific committees set up for each area (Corporate Ethics Committee, Environmental Management Committee, and Social Contributions Committee). Relevant Company divisions serve as the secretariat for each of these committees, which are membered by individuals from across the organization. In addition, important matters related to CSR are reported to and discussed by the Management Executive Meeting.

Corporate Ethics Committee (Secretariat: Legal Affairs Department)

The Corporate Ethics Committee promotes management that complies with domestic and international laws and regulations as well as corporate ethics and fulfills our CSR. In fiscal 2016, this committee met twice, in July 2016 and February 2017.

Chairperson: Compliance officer (Head of the Corporate Affairs Division)

Members: The committee consists of 11 members including 10 members internally assigned by the chairperson and an external attorney for ensuring the transparency and reliability of the committee.

Environmental Management Committee (Secretariat: CSR Department)

The Environmental Management Committee promotes environmental management, which elaborates to reduce environmental burden and harmonize with global environment and contributes to building sustainable society through overall corporate activities. In fiscal 2016, this committee met twice, in June 2016 and March 2017.

Chairperson: Chief executive officer of environmental management (Head of the Corporate Affairs Division)

Members: The committee consists of 12 members, including the Environmental Management Officer (Vice president of the CSR Department).

Social Contributions Committee (Secretariat: CSR Department)

The Social Contributions Committee promotes social contribution activities from the perspective of fulfilling CSR as a good corporate citizen. In fiscal 2016, this committee met once each quarter.

Chairperson: Head of the Corporate Affairs Division

Members: The committee consists of 6 members appointed by the chairperson.

The chairperson and members of each committee described above are as of April 1, 2017.

The CSR Department works to identify sustainability issues and, based on the global management structure (see page 54), collaborates with relevant divisions and Group companies to support and promote the Group's CSR activities.

External CSR and ESG Evaluations and CSR Communication

Inclusion in ESG Indices in Reflection of External CSR and ESG Evaluations

We pursue ongoing improvements in corporate value by integrating our CSR activities for addressing sustainability issues into our business activities. These efforts have been highly evaluated, resulting in the Company being included in the following ESG indices: Dow Jones Sustainability Indices (DJSI), FTSE4Good Global Index, Morningstar Socially Responsible Investment Index, and SNAM Sustainability Index.

Overviews of each index and the status of the Company's inclusion are as follows (as of September 30, 2017).

 <p>The DJSI is managed cooperatively by S&P Dow Jones Indices LLC, of the United States, and RobecoSAM AG, of Switzerland. This ESG index evaluates the sustainability of a company and provides important criterion for the selection of investment targets by investors. The Company has been included in DJSI World Index for the first time and DJSI Asia Pacific for eight consecutive years.</p>	 <p>Morningstar Japan K.K. selects 150 companies each year for inclusion in the Morningstar Socially Responsible Investment Index. Chosen from among Japanese listed companies, this index includes those companies that have been assessed from the perspectives of governance, environmental, social, and human resources development. The Company has been included in this index for ten consecutive years beginning with 2008.</p>
 <p>The FTSE4Good Index Series is created by FTSE Russell, a wholly owned subsidiary of London Stock Exchange Group plc. The series is designed to evaluate the companies from the perspective of environmental, social, and governance (ESG) practices. The FTSE4Good indices are an important criterion for the selection of investment targets by investors. The Company has been included in the FTSE4Good Global Index for nine consecutive years.</p>	 <p>The SNAM Sustainability Index is an ESG fund managed by Sampo Japan Nipponkoa Asset Management Co., Ltd., aimed at pension funds and institutional investors that invest in a wide range of companies highly rated in terms of ESG factors. The Company has been included in this index for two consecutive years.</p>

CSR Communication

We engage in active communication with the institutions supporting CSR initiatives, ESG investigation firms, institutional investors that emphasize CSR and ESG, and CSR experts. In addition to explaining the Group's CSR activities (see the "CSR Issues and Initiatives" table below), we use such communications as an opportunity to understand requests and expectations of our various stakeholders for the Group to keep our understanding current and to reflect this understanding in CSR activities.

CSR Issues and Initiatives

	CSR Issues	Topics Covered in Value Report 2017	Page	Topics Covered on Corporate Website	
Promoting Compliance Management	Observe Group-wide codes of conduct	• Continued operation of the compliance system • Establishment of Global Marketing Code of Conduct	76 76	• Dissemination of the ICP • Compliance training and educational activities • Information security	
	Anti-corruption	• Initiatives for anti-corruption	76	• Measures for ensuring the transparency of corporate activities	
	Ensure transparency of corporate activities				
	Conduct clinical trials in accordance with ICH-GCP	• GCP and other development-related training	106		
	Ensure product quality and safety	• Safety-related training (GVP training) • MR accreditation test results	106 56		
	Ethical marketing practices	• Ethical promotional activity	56		
	Consider bioethics and genetic resources	• R&D ethics	77	• Fair utilization of genetic resources	
	Sustainable procurement	• Sustainable procurement promotion	77	• Promotion of compliance in procurement • Sustainable Procurement Guideline	
	Report on critical recalls			• Product recall information	
	Report on breach of laws and legal cases			• Business risks	
Respect human rights in business activities			• Training related to the Ten Principles of the UNGC		
Tax strategy			• Our Approach to Tax		
Mutual Growth of Employees and the Company	Develop human resources	• Group talent management	78	• Human resources development policy • Development of entry- and mid-level employees • Cultivation of line managers (organization heads)	
	Acquire and retain talented individuals	• Efforts to Secure and Retain Human Resources	78	• Promotion of compliance in procurement • Daichi Sankyo Human Resources Management Philosophy	
	Promote diversity	• Support for the career development and work styles of diverse employees • Initiatives based on action plan for empowering women	78 78	• Promotion of Diversity and Inclusion • Support for the career development of women employees (Japan) • Endorsement of The Women's Empowerment Principles (WEPs) • Systems and measures to support diverse work styles (Japan)	
	Communication between labor and management	• Communication with labor unions	79		
	Respect human rights in labor practices	• Initiatives promoting respect for human rights	79	• Policy for respecting human rights	
	Pay equal wages to men and women			• Training related to the Ten Principles of the UN Global Compact	
	Promote work-life balance			• Promotion of the "Work-Life Cycle" (Japan)	
	Prevent occupational accidents	• Promotion of occupational health and safety	79	• Systems and initiatives for supporting occupational health and safety (Japan)	
	Enhancement of Communication with Stakeholders	Identify, respond to, and disclose material CSR issues	• CSR management	71	
		Improve customer satisfaction	• Communication with healthcare professionals and patients	80	
Respond to complaints		• Communication with healthcare professionals and patients	80	• Compliance reporting system	
Stakeholder engagement		• Communication with shareholders and investors • Communication with employees • Communication with local communities	81 81 81	• Provision of valuable information to healthcare professionals • Collection and communication of input from healthcare professionals	
External verification for CSR reports				• External verification of environmental reports	
Promoting Environmental Management		Address climate change	• Conserving Energy • Adapting on Climate Change and Combating Global Warming	82 82	• CO ₂ emissions reduction targets and performance • CO ₂ emissions reduction initiatives
	Manage chemical substances			• Usage reduction and emission and transfer control of chemical substances	
	Control water usage volumes			• Appropriate use of water resources	
	Manage waste	• Auditing Environmental Management	82	• Waste reduction targets and performance • Promotion of compliance for waste management	
	Preserve biodiversity			• Biodiversity initiatives	
Improving Access to Healthcare	Receive ISO 14001 and other environmental management system certification			• ISO 14001 certification acquisition	
	Address global health issues	• Participation in Access Accelerated initiative • Mobile healthcare field clinic services in Tanzania • Cultivation of healthcare workers in China • Participation in the GHIT Fund • Technical cooperation for MR vaccine production	84 84 84 85 85	• Initiatives targeting rare diseases	
	Measures to combat counterfeit medicines			• Measures to combat counterfeit medicines	
	Addressing cost burden			• Patient Assistance Programs (United States)	
	Health outcome contribution			• Expanding access to clinical trial data	
Social Contribution Activities	Conduct social contribution activities suited to a pharmaceutical company	• Support for cancer patients and their families • Reconstruction support following the Great East Japan Earthquake • Participation in U.S. initiative for ending hunger around the world • Walking event for raising heart disease awareness in the United States • CPR training in South Korea	86 86 87 87 87	• Advancement of medicine and pharmacology (scholarships, etc.) • Social welfare (TABLE FOR TWO, etc.) • Environmental preservation activities (cleanup activities around operating sites, etc.) • Disaster relief (disaster relief support, etc.) • Youth development (science and pharmacology seminars for high school students, etc.) • Promotion of culture and the arts (Activities honoring the achievements of Dr. Jokichi Takamine)	

Promoting Compliance Management

No matter how successful or strongly performing a company may be, it will be unable to continue growing within society if it does not practice good compliance. Therefore, as a global pharmaceutical company, the Daiichi Sankyo Group practices management founded on compliance.

Basic Policy

At the Daiichi Sankyo Group, we define integrity as one of our Core Values. We have therefore positioned compliance as the standard we use in making decisions and value judgments. In conducting our global business operations, we remain compliant with all relevant laws and regulations and conduct compliance management with a strong focus on ensuring the highest level of ethics and social consciousness, which is essential for a life science-oriented company.

To guide us in these efforts, we have established the DAIICHI SANKYO Group Corporate Conduct Charter and the Daiichi Sankyo Group Individual Conduct Principles (ICP), which are applied throughout our operations. Based on the essence of the Charter and the ICP, the Company and other Group companies have developed compliance conduct standards appropriate to their respective regions and social requirements. Awareness regarding these standards is being entrenched among all executive officers and employees.

Directives for Initiatives

- Appropriate operation of the global compliance system
- Enhance compliance education and conduct effective monitoring at domestic Group companies
- Steadily implement measures for ensuring transparency of corporate activities

Examples of Initiatives

Continued Operation of the Compliance System

The vice president of the Legal Affairs Department of the Company plays a central role in promoting compliance throughout the Daiichi Sankyo Group and the Compliance Group positioned within this department is responsible for advancing concrete activities (See "Voice" on page 77.).

In Japan, the head of the Corporate Affairs Division serves as the compliance officer, a position that entails managing our entire compliance program, which includes the Daiichi Sankyo Code of Conduct for Compliance and related rules and annual objectives. The compliance officer also serves as the chairperson of the Company's Corporate Ethics Committee in Japan. This committee is a deliberation and decision-making body for compliance that meets twice per year, in principle, and is made up of 11 members,

including the chairperson and nine other internal representatives as well as an appointed external attorney, who ensures that the committee operates in a transparent and reliable manner.

In addition, a compliance officer is appointed at each Group company in Japan and overseas to promote and oversee compliance programs at their respective company.

In April 2016, we established the Global Compliance Advisory Committee as an advisory organ to the Corporate Ethics Committee to further evolve our global compliance system. Full-time members of the new committee include compliance officers from subsidiaries in Europe and the United States, and the committee is responsible for examining the global policies and annual targets of the Group.

Establishment of Global Marketing Code of Conduct

In the past, the Company and other Group companies have implemented internal codes inspired by the IFPMA Code of Practice of the International Federation of Pharmaceutical Manufacturers and Associations as well as the industry codes based on the IFPMA Code of Practice in various countries and regions. We took another step forward with the establishment of the Global Marketing Code of Conduct on October 1, 2016. This shared, Group-wide code is designed to ensure even higher levels of ethics in the Group's interactions with healthcare professionals, medical institutions, and patient groups and in pharmaceutical promotions. This code was introduced to all domestic and overseas Group companies during fiscal 2016 and is now being put into practice.

Initiatives for Anti-Corruption

Daiichi Sankyo is committed to preventing bribery and corruption, and does not provide, promise, or offer any money, gifts, or other advantages to domestic or foreign public officials or other third parties for the purpose of illicitly gaining or securing business advantages. The laws and regulations against bribery and other forms of corruption in countries around the world are growing stricter with each coming year. Thus, it is becoming increasingly important for companies developing their operations on a global scale to implement initiatives for preventing bribery and other forms of corruption.

One of the Individual Norms defined in the ICP states our commitment to preventing corruption and bribery. To uphold this commitment, we continue efforts to actively incorporate such topics into compliance training programs.

In addition, we are currently preparing for the launch of a more detailed global anti-bribery and anti-corruption policy in October 2017 to further enhance our efforts on this front.

Sustainable Procurement Promotion

To further promote sustainable procurement practices, particularly with regard to procurement of raw materials, initiatives centered on the Supply Chain Unit are implemented on a three-year cycle. During fiscal 2016, the second year of the current cycle, we provided feedback to the 194 suppliers asked to fill out CSR Self-Assessment Questionnaires (of which 170, or 87.6%, responded). We worked together with the seven companies that scored the lowest on these self-assessments to help them implement improvements. These assessments evaluated suppliers based on the six perspectives of how they (1) comply with laws and enhance socially responsible activities (promotion of voluntary employment, prevention of child labor, payment of appropriate wages, guarantee of reasonable work hours, management of safety, etc.), (2) promote fair trade and ethics (free competition, information disclosure, etc.), (3) consider the environment (resource conservation, waste reduction, biodiversity preservation, etc.), (4) secure optimal quality and costs (quality assurance, safety evaluation, etc.), (5) ensure stable supply (raw material management, system construction, etc.), and (6) keep information security (personal information protection, etc.). In fiscal 2017, the third year of the cycle, we plan to confirm the progress of these improvements.

Going forward, we will continue our initiatives to practice socially responsible procurement activities together with

partners (suppliers). This concept will guide us in promoting sustainable procurement activities as part of our efforts to ensure sustainability in our corporate activities while securing superior quality, steady supplies, and low costs.

R&D Ethics

Maintaining social trust is crucial to our company's business activities. In life science-oriented industries, in particular, higher ethical standards are required because of the impact of our work on patients. In fiscal 2016, Daiichi Sankyo's R&D Division defined "ethics and patient safety first" (a statement that encapsulates our commitment to prioritizing ethics and patient safety above scientific or business interests) as its global R&D unit core value. We are committed to improving patients' lives including our responsibilities for drug safety, and we therefore emphasize values based on bioethics.

Other Initiatives



The Company updates its corporate website with information on the following initiatives.

http://www.daiichisankyo.com/about_us/responsibility/csr/business/fair/index.html

- Compliance training and educational activities
- Dissemination of the ICP
- Exhaustive information security

VOICE

Efforts to Put a Face on Compliance Promotion

The Compliance Group of the Legal Affairs Department is responsible for promoting compliance on a Group-wide basis.

In fiscal 2016, we deployed a program of activities based on the concept of "putting a face on the Compliance Group." Compliance training is conducted individually by each organization at domestic Group companies. Through this program, members of the Compliance Group sat in on the trainings of 276 out of the 493 organizations in the Group during fiscal 2016. Moreover, members in attendance offered guidance based on concrete examples of compliance violations and took part in discussion-oriented trainings at each organization. Having Compliance Group members sit in on the trainings of various organizations in this manner had palpable benefits in helping employees realize their individual responsibilities with regard to compliance, which was accomplished through the use of examples, and in improving understanding of ethical standards, which was fostered through more active discussion.

In fiscal 2017, we will continue to implement initiatives of this manner. At the same time, we will contribute to the establishment of more detailed global anti-bribery and anti-corruption policies in order to help foster even higher levels of compliance awareness.



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Mutual Growth of Employees and the Company

The Daiichi Sankyo Group considers its people to be its most important asset, and pursues long-term growth by practicing innovation, integrity and accountability as described in its Core Values.

Basic Policy

At Daiichi Sankyo, we believe that employees, through their embodiment of the Daiichi Sankyo Group's Core Values and their diligent daily efforts to carry out our Commitments in and outside the Company, will be a strong driving force behind realizing our vision and fulfilling our mission.

The Daiichi Sankyo Human Resources Management Philosophy was designed to support the development, empowerment, and fair treatment of employees that, irrespective of their location in the world, share in the principles of innovation, integrity, and accountability. At the same time, we expect employees to uphold the ethics and standards we have defined and to work toward the realization of our corporate vision.

To improve the speed and quality of the Daiichi Sankyo Group's global operations, it is essential that businesses in different regions coordinate and collaborate closely with one another. We are further expanding our global business by providing rotational opportunities for our employees among our locations in different countries and regions, thus enabling employees to experience different cultures and ways of thinking and creating an environment in which diversity is respected.

Directives for Initiatives

- Cultivate employees with highly competitive skills based on workforce strategies
- Promote diversity and inclusion (D&I) to foster creativity within the organization and increase success
- Develop a corporate culture and organizational atmosphere based on our Core Values

Examples of Initiatives

Group Talent Management

At the Daiichi Sankyo Group, human resources representatives from Japan, Europe, the United States, and Asia & South and Central America (ASCA) meet regularly to exchange information on the progress of shared global initiatives for cultivating future leaders along with information on initiatives and their progress in each region.

In fiscal 2012, we introduced the Daiichi Sankyo Core Competency Model to facilitate efforts for realizing the Daiichi Sankyo Human Resources Management Philosophy. This model has been incorporated into human resources

systems in each country of operation, heralding the start of our Group talent management initiatives for furthering human resources development.

Since fiscal 2015, we have been using standardized tools in shared Group-wide practices and enhancing talent review and development plans in certain regions.

Efforts to Secure and Retain Human Resources

Daiichi Sankyo identifies positions that are key to the accomplishment of its corporate vision and the goals of its medium-term management plan on a global basis. We clearly designate the individuals that are potential successors to these key positions and provide them with opportunities and roles that allow them to tackle new challenges in order to further their growth. We thereby seek to secure and retain human resources.

Support for the Career Development and Work Styles of Diverse Employees

In Japan, when it comes to the career development of our employees, we have put in place an evaluation system that contributes to their growth, while at the same time providing opportunities for placement and development based on their individual aptitudes and capabilities, regardless of nationality, age, gender, disability, or other personal characteristics. Moreover, instead of having to leave their job, we endeavor to ensure that employees can continue to do meaningful work during or after a major life event, such as getting married, having and raising a child, or caring for a family member. To this end, we have established flexible work and leave systems, hold seminars on balancing child-rearing or care provision with one's work, and are implementing other measures on an ongoing basis to build a workplace environment where a diverse range of employees can readily work.

Initiatives Based on Action Plan for Empowering Women

In Japan, to further empower the women in its workforce, the Daiichi Sankyo Group seeks to address three main tasks: (1) supporting work-life balance, (2) encouraging the professional development of women employees, and (3) fostering a positive workplace culture. We are implementing a wide range of initiatives to address these tasks including providing various training programs and enhancing systems for supporting work-life balance.

Furthermore, in February 2017 we established the Shining Women's Advancement Network (SWAN), a network for women managers, and held a forum for discussing with senior management for members of this

network. We plan to continue holding such forums in order to give management an opportunity to express its support for the contributions of women managers and to provide a venue for network members to share their concerns and contribute to each other's growth and development in addition to their own (See "Voice" below).



Discussion forum between members of senior management and women line managers

Initiatives Promoting Respect for Human Rights

The Daiichi Sankyo Group is promoting the development of a workplace environment in which a diverse range of employees can readily and respectfully work with one another. In Japan, we conduct ongoing training related to human rights for all employee groups—from newly hired employees to management. In addition to implementing daily awareness raising activities, we have implemented training that uses case studies and is designed to improve the counseling skills of the Harassment Call Center staff. This staff is stationed at each work location within Japan and at the labor union. Each and every alleged violation is treated seriously; we emphasize appropriate behavior and seek the opinions of external individuals, including legal counsel, and put necessary preventative measures in place to avoid a recurrence. In addition, we have made hotlines available on an individual country and global basis as venues for consultation and reports on human rights and labor issues. These hotlines can be accessed 24 hours a day and are available to individuals both inside and outside of the various member companies of the Daiichi Sankyo Group, and assistance is provided as needed. We have also created tools to help facilitate understanding with regard to the Ten Principles in four areas of the United Nations Global Compact (UNGC), and these tools are deployed at domestic and overseas Group companies.

VOICE

Creation of a Company Where All Women Can Shine

Japan has long been criticized for being behind the times when it comes to empowering women in the workplace, and the pharmaceutical industry is no exception. However, the government of Japan has been active in recent years, laying out policies to promote the empowerment of women. Amid these positive steps, I was named as Daiichi Sankyo's first woman branch head in April 2017. Seeing the opportunities created by these trends, we were able to establish the SWAN women's network with the support of many individuals. The goal of our various initiatives for empowering women employees is to make Daiichi Sankyo into a company where all women can shine. In the future, I aim to create a network that is not just for women line managers, but rather will allow for networking between women of all generations, from new employees to department heads. I hope that, through such a network, we can further the development of the empowered and capable women employees that will drive the future development of Daiichi Sankyo.



Shigeko Okumura

Head of Kobe Branch, Sales & Marketing Division
Daiichi Sankyo Co., Ltd.

Communication with Labor Unions

In Japan, we value trusting relationships with labor unions, and we protect the rights of our employees by engaging in dialogue between labor and management, through which we constructively discuss resolutions to problems and disclose information in a highly transparent manner.

We have established the Labor Management Committee to handle matters related to occupational health and safety and work-hour management in Japan. Matters discussed at this committee are shared with all employees through the Company intranet, and we are faithfully implementing labor management practices based on a plan-do-check-act (PDCA) cycle.

Promotion of Occupational Health and Safety

In Japan, while collaborating with occupational physicians, we advance occupational health and safety programs that are focused on preventing occupational accidents and ensuring employees are in good physical and mental health. In addition, we coordinate with the Daiichi Sankyo Group Health Insurance Association and an external Employee Assistance Program (EAP) to provide health management and counseling systems for employees of the company in Japan and their families.

Other Initiatives



The Company updates its corporate website with information on the following initiatives.

http://www.daiichisankyo.com/about_us/responsibility/csr/business/human/index.html

- Support for The Women's Empowerment Principles (WEPIs)
- Promotion of the "Work-Life Cycle" (Japan)
- Support for the career development of women employees in Japan
- Systems and initiatives for supporting occupational health and safety in Japan

Enhancement of Communication with Stakeholders

Responding to the social demands and expectations for the Daiichi Sankyo Group is crucial to the sustainability of corporate activities. We therefore communicate with our various stakeholders to foster mutual understanding, while pursuing cooperation.

Basic Policy

We believe that sustainable growth and the medium-to-long-term growth of corporate value are made possible by the resources and support we obtain from various stakeholders such as patients, their families, healthcare professionals, shareholders, investors, employees, business partners, and communities. By communicating with these various stakeholders, we are able to learn about their demands and expectations for us. Moreover, by explaining the Group's initiatives, we will foster mutual understanding and facilitate cooperation for realizing a sustainable society.

Directives for Initiatives

- Become a trusted medical partner to healthcare professionals and patients
- Step up investor relations (IR) activities based on interactive communication with market players
- Promote changes to employee attitudes and behaviors based on the key message of "Transformation"
- Understand requirements from ESG rating agencies and improve evaluations

Examples of Initiatives

Communication with Healthcare Professionals and Patients

Medical representatives (MRs) play a particularly important role in providing, gathering, and disseminating information to healthcare professionals. Daiichi Sankyo's MRs strive to be capable at accurately communicating the value of the Company's products to healthcare professionals in order to contribute to improved quality of life for the greatest possible range of patients.

In Japan, surveys^{*1} of physicians are conducted to encourage ongoing improvement in the MR activities of pharmaceutical companies. In fiscal 2016, Daiichi Sankyo was ranked No. 1 in Japan in an overall assessment on MR activities by surveyed physicians in the entire market, hospital, and private practice market categories.

Our Medical Information Center strives to serve patients and healthcare professionals respectfully and empathetically by delivering accurate information in response to inquiries regarding Daiichi Sankyo pharmaceuticals. The Center puts into practice its four

commitments: providing highly specialized information, making consistent and high-quality responses, addressing customers cordially, and utilizing customer feedback. In fiscal 2016, the customer's perspective was adopted in implementing initiatives for allowing for quicker connection to an operator, ensuring explanations are easy to understand, and improving response speeds. As a result of these efforts, in fiscal 2016 Daiichi Sankyo's Medical Information Center was ranked No. 1 among several pharmaceutical companies in terms of overall customer satisfaction based on a questionnaire survey^{*2} of Japanese pharmacies for the second consecutive year. Moreover, the Center ranked No. 1 in all items in the fiscal 2016 survey (See "Voice" on page 81).

^{*1} Survey conducted by ANTERIO Inc.

^{*2} Survey we conducted through an outside private research company

• Incorporation of Input from Overseas Healthcare Professionals into Formulation Development

Daiichi Sankyo seeks to develop formulations that provide value in the forms of ease of use, satisfaction, and peace of mind through attentiveness to the true needs seen in the medical field. Part of our approach to accomplishing this goal is communication with patients and healthcare professionals. As one facet of these activities, researchers involved in formulation development visit overseas pharmacies and hospitals in order to solicit direct feedback from the healthcare professionals working therein and develop an understanding of customer needs from a global as well as Japanese perspective. Through coordination with overseas Group companies, we were able to expand the scope of these visits. Continuing the tradition started by visits to the United States and Brazil in fiscal 2014, researchers visited medical institutions in South Korea and China in fiscal 2016.

These activities have also had a positive side effect in the form of increased desire to contribute to society among researchers.

• Receipt of Award for Patient-Accommodating Package Design

In October 2016, Daiichi Sankyo Europe GmbH received an award for a package design that contributed to increased ease of use for patients. We employ various techniques for improving medical adherence among patients. In addition to designing packages that are easy to open for elderly patients and patients with movement restrictions, we also utilize displays of dates on which medicine was taken in order to prevent patients from forgetting to take or mistakenly taking their medicine as well as QR codes that have access to the product information online.

Communication with Shareholders and Investors

The Company engages in timely and proactive disclosure of information for shareholders, investors, and other market players based on the principles of transparency, impartiality, and continuity and in compliance with disclosure regulations.

In fiscal 2016, our IR activities included the General Meeting of Shareholders as well as a briefing session for shareholders held in Osaka. We also conducted quarterly financial results presentations and conference calls by the president and CEO, R&D Day, and the Daiichi Sankyo Seminar for institutional investors. In addition, we participated in conferences held by securities companies and visited and held teleconferences with institutional investors. These activities were conducted on approximately 300 occasions both in and outside of Japan.

In addition, we issued an IR e-mail magazine containing recent topics related to the Group to investors twice per month, and a video message from the president and CEO was distributed three times during the year. Thirteen briefings for individual investors were held at locations across Japan, with roughly 900 participants in total.

Communication with Employees

In fiscal 2016, Daiichi Sankyo implemented the Management Caravan program in which the president and CEO and other directors visited 40 operating bases located across Japan. These management representatives spoke directly with line managers to facilitate understanding regarding the 2025 Vision and the 5-year business plan. The visits also provided an opportunity to share information on issues faced with those on the frontline of operations. In addition, discussion forums were held at work sites across Japan around the same time as the Management Caravan in order to gather questions and input from employees and share the information gained from the Management through Caravan visits. These initiatives were designed to help employees better realize their role as proponents of the 5-year business plan.

Communication with Local Communities

• Operation of the Daiichi Sankyo Kusuri Museum^{*1}

We opened the doors of the Daiichi Sankyo Kusuri Museum in 2012. This facility is entering its sixth year of operation, and an aggregate total of 74,000 people^{*2} have visited over the years. Museum exhibits include those that provide easy-to-understand explanations of the activities of pharmaceutical companies and the proper usage of medicine. Located in the Nihonbashi district of Tokyo, which has historically been associated with medicine, the facility welcomes visitors of all ages, and is even used for company training, school trips, and industry research by job hunters as well as by parents aimed at fostering a sense of curiosity in their children.

In 2017, the Museum began exhibiting videos in its theater that enable viewers to learn about the mechanisms behind cancer, a primary focus area for the Company's R&D activities, and about state-of-the-art treatment methods. In addition, public relations (PR) videos using the Museum's original characters are distributed via media outlets and social networking sites in order to spread understanding with regard to Daiichi Sankyo's activities.

^{*1} A venue which offers an entertaining, "experienced-based" learning opportunity to visitors, introducing medicine in an accessible, easy-to-understand way
^{*2} As of April 2017



Inside the Daiichi Sankyo Kusuri Museum

Other Initiatives

The Company updates its corporate website with information on the following initiatives.

http://www.daiichisankyo.com/about_us/responsibility/csr/business/communication/index.html

- Provision of valuable information to healthcare professionals
- Communication with stakeholders with regard to the environment

VOICE

Contribution to Medicine through Cordial and High-Quality Responses

The Medical Information Center receives around 500 inquiries from healthcare professionals and patients every day. Inquiries can be incredibly varied as they relate to Daiichi Sankyo's approximately 200 products.

My colleagues and I endeavor to acquire knowledge related to Daiichi Sankyo's products and the diseases they treat so that we can provide swift and accurate responses to a wide range of customer responses.

Inquiries from customers arise from various circumstances and needs. This fact, as well as the inability to see the other party's facial expressions when speaking via the telephone, means that responses require a high degree of skill. We always endeavor to speak in an easy-to-discern tone and to develop an understanding of the circumstances and needs from which the inquiries of each individual customer arise. For inquiries that require a high degree of specialized knowledge, we coordinate with product representatives in order to supply quick and accurate responses.

Based on the slogan of "Trust built with every word of thanks," the entire Medical Information Center team is working toward our shared goal of providing earnest responses that leave customers with inquiries satisfied.



Miyuki Tanaka

Medical Information Center Group |
Medical Information Department,
Medical Affairs Division
Daiichi Sankyo Co., Ltd.

Promoting Environmental Management

As the impact of various environmental factors increases, we will need to help realize a sustainable society if we are to continue our corporate activities. Accordingly, we are promoting environmental management in order to reduce our environmental impact, manage environment risks and address climate change issues across the entirety of our business operations.

Basic Policy

Environmental issues such as global warming and extreme weather could be seen as very closely related to our lifestyles and work. We are practicing environmental management on a global scale in accordance with the DAIICHI SANKYO Group Corporate Conduct Charter and the Basic Environmental Management Policy, which sets forth rules for these management practices. We thereby aim to address such environmental issues through responsible corporate activities.

Basic Environmental Management Policy

Safeguarding the environment is the foundation of all Group operational management. We pursue environmental management that contributes to a sustainable society and enhances our good corporate citizenship.

Directives for Initiatives

- Conserve energy and resource usage, and reduce greenhouse gas and waste emissions
- Ensure stringent environmental compliance and continue improving environmental management systems
- Manage external risks that have the potential to generate changes to business operations, such as climate change and water risks
- Preserve biodiversity and practice sustainable use of ecosystem services
- Improve reliability of environmental information disclosure and enhance environmental communication

Examples of Initiatives

Enhancing Environmental Management System

The head of the General Affairs Division of Daiichi Sankyo serves as the chief executive officer of environmental management and oversees environmental management on a Group basis, while the vice president of the CSR Department promotes environmental management as the Environmental Management Officer. As for the Group's environmental management promotion system, we have set up environmental management units based on the

corporations and internal companies that manage businesses. Each environmental management unit defines environmental management sites as necessary out of consideration for their region and function.

In addition, we have established an Environmental Management Committee chaired by the chief executive officer of environmental management as part of our corporate governance structure (see page 89). This committee discusses the formulation of environmental management policies and other important matters.

Auditing Environmental Management

In fiscal 2016, environmental audits were conducted at Asubio Pharma Co., Ltd.; the Hiratsuka site of Daiichi Sankyo Propharma Co., Ltd.; the Tohoku Branch; the Yokohama Branch; the Osaka Branch; the Pfaffenhofen Plant in Germany; and the Altkirch Plant in France. The audits confirmed that good compliance was being practiced and that there were no concerns with the potential of leading to major environmental risks.



Environmental audit at the Pfaffenhofen Plant in Germany

Conserving Energy

Daiichi Sankyo has developed an energy management system that entails setting energy consumption and other targets for all Group operating sites, including those overseas, monitoring progress toward these targets, and conducting periodic audits. This system has earned external recognition, resulting in the Company receiving the FY2016 Kanto Bureau of Economy, Trade and Industry Award for Businesses Practicing Superior Energy Management.

Adapting on Climate Change and Combating Global Warming

The Fourth Medium-Term Environmental Management Policy states that we should “Lower the environmental impact of all operations by conserving energy and resources, or reducing greenhouse gas emissions and

waste.” Acting in accordance with this policy, we are working to use resources and energy more efficiently.

To facilitate responsible corporate activities that address climate change, we have set a CO₂ emissions target for fiscal 2020—the final year of the 5-year business plan—of pursuing a 5.6% reduction from fiscal 2015 based on our long-term CO₂ emissions target for fiscal 2030 and the approach of the Science Based Targets (SBT)* initiative. This target led to Daiichi Sankyo being the second Japanese company certified by the SBT initiative, and the Company's SBT-minded initiatives are used as an example by the Ministry of the Environment as it attempts to promote the activities of SBT.

In fiscal 2016, CO₂ emissions were 4.0% lower than in fiscal 2015.

* Science Based Targets (SBT): An international initiative that encourages companies to set CO₂ reduction targets based on scientific evidence in order to help accomplish the goal of the Paris Agreement of keeping the average increase in global temperature below 2°C

Improving Environmental Performance Data Reliability

Aiming to improve the reliability of the information it discloses to stakeholders, Daiichi Sankyo receives third-party verification for its environmental performance data.

In fiscal 2016, we expanded the scope of data for which this verification is sought to additionally include data on CO₂ emissions, water use, and wastewater emissions at two plants in China. In Japan, third-party verification is received for waste discharge as well as for biochemical oxygen demand (BOD) and chemical oxygen demand (COD), both of which are indicators of water pollution, of emissions into public water areas from production and research facilities. Through these efforts, we strive to improve the reliability of environmental performance data (See “External Voice” below).

External Voice

Improvement of Information Disclosure Reliability through Third-Party Verification

In 2015, the Government Pension Investment Fund became a signatory to the Principles for Responsible Investment, indicating a rise in interest in investment that is mindful of ESG concerns in Japan.

In conjunction with this trend, companies are increasingly being expected to disclose non-financial information and to ensure the transparency and accuracy of this information.

SGS Japan Inc. provides services for verifying the accuracy of information disclosed by companies from an independent, third-party perspective. For companies, these services enable them to increase the reliability and transparency of the information they disclose by receiving verification.

The Daiichi Sankyo Group has been receiving third-party verification for its CO₂ emissions data since fiscal 2015 with the aim of improving transparency and better fulfilling its responsibility to society. Beginning with fiscal 2016, the Group will be receiving verification for a greater number of items and a wider range of locations. I see this move as demonstrating the Daiichi Sankyo Group's integrity in its quest to respond to society's expectations by improving the reliability of the information it discloses.

I hope that the Group will continue to exercise high levels of ethics and improve transparency, further expanding the scope of verification in order to ensure even greater degrees of reliability in the information it discloses.



Yuji Takeuchi
Certification and Business Enhancement
Business Manager
SGS Japan Inc.

Improving Awareness of the Need to Combat Global Warming

The three-month period from December to February is designated as a period for improving awareness of the need to combat global warming. Every year, we create a poster using the award-winning works from the Environmental Art Contest to raise environmental awareness. Copies of the poster are exhibited at Group companies and operating sites.



Poster for raising environmental awareness

Other Initiatives

The Company updates its corporate website with information on the following initiatives.

http://www.daiichisankyo.com/about_us/responsibility/csr/business/environment/index.html

- ISO 14001 certification
- Initiatives for biodiversity conservation
- Promotion of compliance for waste management

Improving Access to Healthcare

Improving access to healthcare is an important mission as a pharmaceutical company. We are effectively utilizing Daiichi Sankyo's resources to contribute to the resolution of social issues related to health and medicine, such as global health issues in developing countries and limited access to medicine for difficult-to-treat and rare diseases in developed countries.

Basic Policy

The member states of the United Nations have adopted 17 Sustainable Development Goals (SDGs) in relation to issues needing to be addressed on a global scale. Of these, "Goal 3: Ensure healthy lives and promote well-being for all at all ages," is particularly applicable to the healthcare field. With the aim of contributing to the accomplishment of this goal, the Daiichi Sankyo Group is advancing in-house development and partnering with external research institutions in order to create new pharmaceuticals and improve access to healthcare in developing countries.

In April 2017, the Global Health Team was established within the CSR Department in order to clarify the directives for the Group's global health initiatives under the 5-year business plan. With this new team in place, we will position the issues seen in regard to R&D, pharmaceutical technology, supply chain, marketing & sales, quality & safety management, medical affairs, and other areas of operation as tasks to be addressed throughout our entire business in order to promote global health initiatives in an integrated manner with our business.

Various issues impede access to medical products in developing countries, including insufficient healthcare systems and medical infrastructure, a lack of people capable of manufacturing and managing the quality of medical products, and a shortage of healthcare professionals. By addressing these issues, we will strive to fulfill our mission, which is "To contribute to the enrichment of quality of life around the world through the creation of innovative pharmaceuticals, and through the provision of pharmaceuticals addressing diverse medical needs."

Directives for Initiatives

- Provide mobile healthcare field clinic services, cultivate healthcare workers, and educate local residents about healthcare and hygiene in regions lacking sufficient medical infrastructure
- Promote R&D activities for addressing difficult-to-treat diseases, rare diseases, and global health issues

Examples of Initiatives

Participation in Access Accelerated Initiative

Daiichi Sankyo participates in Access Accelerated, an initiative through which 22 pharmaceutical companies from Japan, the United States, and Europe work together with The World Bank Group and the Union for International Cancer Control to improve prevention, diagnosis, and treatment options for non-communicable diseases* in low-income and lower-middle income countries.

Access Accelerated is working toward achieving one of the targets under Goal 3 of the SDGs, specifically "By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being."

* Non-communicable diseases include cancer, cardiovascular diseases, chronic respiratory disease, and diabetes

Mobile Healthcare Field Clinic Services in Tanzania

In Tanzania, we have been operating mobile healthcare field clinics in cooperation with non-governmental organizations (NGOs), local governments, and local communities since fiscal 2011 in order to contribute to regions where medical infrastructure, doctors, and transportation to hospitals are all in insufficient supply. In fiscal 2016, it was decided that these services would continue to be offered, but in a different region, and a kickoff ceremony was held for this new chapter of the project in February 2017. With a focus on contributing to the accomplishment of SDG Goal 3, we will seek to increase the immunization ratio among infants along with the ratio of women who receive antenatal care.



Mobile healthcare field clinics

Cultivation of Healthcare Workers in China

In July 2015, the Company commenced a project targeting approximately 60,000 households in six townships in Guangnan County, in the Yunnan Province of China. This area has a particularly high number of children suffering from developmental disorders. Daiichi Sankyo is supporting activities in the aforementioned regions for cultivating healthcare workers capable of contributing to better healthcare for children and mothers and for providing healthcare education to local residents. The Company is focusing on improving the health and nutrition among children aged five and under in this impoverished area. Over the project's five-year period, we will work to cultivate healthcare professionals through a series of Integrated Management of Childhood Illness (IMCI) strategy training sessions while also establishing community centers to offer education for improving the ability of local residents to address pediatric diseases.

To date, approximately 260 healthcare professionals (village doctors) have taken part in IMCI training sessions through which they have learned about how to respond to pediatric diseases and provide care to infants. Furthermore, we have established community centers in all six townships, through which programs for educating parents are conducted. Over the past two years, approximately 6,200 local residents have taken part in these programs. We look forward to the start of activities by village doctors that have undergone IMCI training as well as the expanded efforts of local residents.

Participation in the Global Health Innovative Technology Fund

The Daiichi Sankyo Group has funding the Global Health Innovative Technology (GHIT) Fund since its establishment in April 2013. The GHIT Fund is a public-private partnership originating in Japan supported by the government of Japan, six Japanese pharmaceutical companies, and the Bill & Melinda Gates Foundation that was created to promote the development of drugs for combating infectious diseases in developing countries.

Daiichi Sankyo is participating in joint development with the Fund by utilizing its compound library (consisting of small molecules and natural substances) in a screening program through the Fund for exploring candidate compounds to treat tuberculosis, malaria, and neglected tropical diseases, namely leishmaniasis and Chagas disease. This program is at the lead compound optimization stage for malaria and the lead compound creation stage for tuberculosis, leishmaniasis, and Chagas disease (See "Voice" below).

Technical Cooperation for MR Vaccine Production

Kitasato Daiichi Sankyo Vaccine Co., Ltd.(KDSV) has been conducting the Measles-Rubella combined vaccine production technology transfer under a five-year contract started in May 2013, following the Project for Strengthening Capacity for Measles Vaccine Production as part of international cooperation between the Japanese and Vietnamese governments. The project provided the production technology for measles vaccine to POLYVAC*, in Hanoi, Vietnam.

Sales approval for MR vaccine was applied during fiscal 2016 and was approved in March 2017.

KDSV makes a significant contribution to Vietnam in the prevention of measles and rubella infections by establishing a system for stable production of MR vaccine in the country.

* Center for Research and Production of Vaccines and Biologicals in Vietnam

Other Initiatives



The Company updates its corporate website with information on the following initiatives.

http://www.daiichisankyo.com/about_us/responsibility/csr/business/medical/index.html

- Measures to combat counterfeit medicines
- Patient support programs in the United States
- Disclosure of clinical data
- Initiatives targeting rare diseases

VOICE

Quest to Create Global Health Benefits that Are Recognized Both Inside and Outside of Daiichi Sankyo

Since the GHIT Fund was established in 2013, Daiichi Sankyo has been taking part in its project for exploring treatments related to global health. In this project, we began with screening the Company's unique compounds and then moved on to research in a phased manner, and we are currently engaged in exploratory research on treatments for malaria, tuberculosis, and the neglected tropical diseases leishmaniasis and Chagas disease. Research in all of these areas is still in the initial phases. Those of us on Daiichi Sankyo's research team are working together with research partners as we forge ahead with research with the aim of fully utilizing the Company's drug discovery expertise to save patients.

These efforts are still relatively unknown outside of the Company. For this reason, I see it as my quest to create results that are recognized both inside and outside of the Company as an indication of Daiichi Sankyo's dedicated efforts to aid various stakeholders around the world.



Tsuyoshi Watanabe
Medical Chemistry Management Group, Research Function R&D Division Daiichi Sankyo Co., Ltd.

Social Contribution Activities

We will not only contribute to society through our business activities but also voluntarily seek to help resolve the various issues that we face in ensuring the sound development of society.

Basic Policy

The Daiichi Sankyo Group has established the Basic Group Social Contribution Policy, which guide various initiatives for contributing to other organizations and society as a whole. These initiatives aid in the advancement of medicine and pharmacology. We view our activities as inherently representing social contributions as our responsibility to society, and continue to identify the areas on which we should focus from among relevant social issues and challenges. In advancing initiatives, we emphasize collaborating with a wide range of stakeholders, such as NPOs, NGOs, local volunteer groups, government organizations, and public-sector institutions.

Furthermore, we view employees' participation in volunteer activities as a chance for them to step away from their day-to-day work and experience a completely new perspective, with the goal of fostering concern for society. We believe that this broadening of one's horizons helps link the healthy development of society with the sound development of the Company. We therefore are working to cultivate an environment and provide opportunities that support employees' participation in volunteer activities.

Basic Group Social Contribution Policy

- We will help create a sustainable society engaging in activities to contribute to society.
- We will particularly prioritize progress in medicine and pharmacology, social welfare, and environmental conservation. We will assist with disaster restoration, youth education, and promote culture and arts.
- We will foster healthy social development by participating in and supporting voluntary activities.
- We will engage with and prosper with communities.

Directives for Initiatives

- Advance activities based on global and regional needs
- Provide support for post-Great East Japan Earthquake reconstruction

Examples of Initiatives

Support for Cancer Patients and their Families

Daiichi Sankyo has been holding the "Daiichi Sankyo Presents Family Tie Theater" program in cooperation with the Shiki Theatre Company and NPO Cancer Support Community Japan every year since fiscal 2010. Through this program, we invite cancer patients and their family members to enjoy musicals by the Shiki Theatre Company out of our desire to help underscore the importance of family ties in supporting one another and to give them the strength to continue their fight against cancer.

In fiscal 2016, eight employees volunteered from the Group to carry out this event. One comment received from a patient was "Please make new medicine that will allow cancer patients to have a more positive outlook." Taking these sentiments to heart, Daiichi Sankyo will continue to forge ahead with drug discovery (See "Voice" on page 87).

Reconstruction Support Following the Great East Japan Earthquake

Daiichi Sankyo endorses the ideals of the Coastal Forest Restoration Project, a long-term post-Great East Japan Earthquake reconstruction support program conducted by Natori City, in Miyagi Prefecture, and has been supporting this initiative since 2012. This project was commenced in 2011, with the aim of restoring the coastal forests that were lost to the tsunamis that followed the earthquake. Initiatives for accomplishing this goal include raising 500,000 seedlings of tree varieties, including Japanese black pine (*Pinus thunbergii*), and planting and caring for these trees and conducting other afforestation activities over an area of approximately 100 hectares by the time of the Tokyo 2020 Olympic and Paralympic Games.

In September 2016, 23 employee volunteers from the Daiichi Sankyo Group assisted in planting and caring for these trees. Specific tasks included clearing away wild soybean (*Glycine soja*), kudzu (*Pueraria montana var. lobata*), and other weeds around the Japanese black pine trees. Some volunteers participating in this project stated how it provided a good opportunity to reflect on the Great



Employee volunteers after conducting afforestation activities

East Japan Earthquake with others commenting on how meaningful the project was and how important they felt ongoing support would be.

Participation in U.S. Initiative for Ending Hunger around the World

Daiichi Sankyo, Inc., is participating in the activities of Rise Against Hunger, an organization that aims to end hunger around the world. In fiscal 2016, 250 employees volunteered, packaging roughly 50,000 nutritious meals. These meals were delivered to starving children in Africa.



Employee volunteers packaging nutritious meals

Heart Walk Event for Raising Heart Disease Prevention Awareness in the United States

Luitpold Pharmaceuticals, Inc., of the United States, has been holding a Heart Walk event since fiscal 2012 with the aim of supporting the American Heart Association and raising awareness about the risk of heart disease. Luitpold held this event for the fifth time in 2016, and 65 employees participated by measuring people's blood pressure for free and soliciting donations. These activities have succeeded in raising approximately US\$87,000 in donations to date. This event is both a contribution to the local community and a valuable opportunity for employees.



Heart Walk event

CPR Training in South Korea

At Daiichi Sankyo Korea Co., Ltd., all employees have acquired cardiopulmonary resuscitation (CPR) instructor certificates, and employees are currently engaged in CPR training programs targeting elementary school students. In fiscal 2016, approximately 530 elementary school students took part in these training programs in which they were given a hands-on opportunity to learn about how to use automated external defibrillators (AEDs) and to practice CPR on mannequins. The programs thereby helped endow children with the skill necessary to respond in the case of an emergency. For employees, these training programs are an opportunity to learn about the preciousness of life as members of a pharmaceutical company.



CPR training program

Other Initiatives

The Company updates its corporate website with information on the following initiatives.

http://www.daiichisankyo.com/about_us/responsibility/philanthropy/index.html

- Advancement of medicine and pharmacology (scholarships, etc.)
- Environmental preservation activities (cleanup activities around operating sites, etc.)
- Developmental support for youths (community contributions through drug education for junior high school and high school students)

VOICE

Activities as an Employee Volunteer

I once found myself questioning if I was truly fulfilling my mission of contributing to patients' lives through the development of pharmaceuticals. This period of doubt coincided with the application period to volunteer for the "Daiichi Sankyo Presents Family Tie Theater" program. I applied and was placed in charge of the reception desk on the day of the event. Witnessing the conversations between patients and their families, their facial expressions, and the atmosphere of the event, I could feel their strong desire to be healthy and to live a fulfilling life even in the face of illness. This experience also sparked within me a commitment to doing my part in transforming the Daiichi Sankyo Group into a conglomerate boosting strength in terms of cancer so that we can help such individuals.



Tomoko Yokosaka
Administration and Quality Control Group, Clinical Development Department
Daiichi Sankyo RD Novare Co., Ltd.