

## **Daiichi Sankyo Slavery and Human Trafficking Statement (Fiscal Year 2019)**

This statement is made in accordance with Section 54(1) of the United Kingdom Modern Slavery Act 2015. This statement covers the fiscal year from 1 April 2019 to 31 March 2020.

The Daiichi Sankyo Group (hereinafter “The Group”) strongly recognizes the need to promote respect for human rights in our business activities and is committed to acting with respect for human rights. Our commitments include the prohibition of modern slavery and human trafficking.

### **1. The Group’s Business and Supply Chain**

The Group operates in 24 countries with a mission “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”.

Daiichi Sankyo Co., Ltd. is the headquarters of the Group, established in Japan and listed on the Tokyo Stock Exchange. Daiichi Sankyo UK Ltd. is a private limited company of the Group, established in the United Kingdom with “wholesale of pharmaceutical goods” as principal business activity.

The Group's supply chain consists of suppliers of raw materials (such as active pharmaceutical ingredients, sub-materials and packaging materials), formulations, products and equipment related to our products, as well as suppliers of services related to our business activities (including contract research organizations (CROs) and professional services such as research and management, and sales agents), and we promote responsible supply chain management, which is important to our business.

### **2. Policy Regarding Modern Slavery and Human Trafficking**

- The Group has declared its commitments to respect human rights in the [Daiichi Sankyo Group Corporate Conduct Charter](#) that specifies the corporate principles of conduct, as well as in the [Daiichi Sankyo Group Employee Code of Conduct](#) that specifies the principles by

which all Executives and Employees are expected to conduct their work.

- The [Daiichi Sankyo Group Human Rights Policy](#) outlines our approach to human rights and further describes our commitments to respect for international norms and principles, such as the Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights. Daiichi Sankyo Co., Ltd. is also a signatory to the United Nations Global Compact and supports the 10 principles covering the 4 areas of human rights, labour, the environment and anti-corruption. In the “human rights in our supply chain” section of our [Group Human Rights Policy](#), we have expressed our commitment to enhance respect for human rights in accordance with the [Business Partner Code of Conduct](#), which requires business partners to prohibit modern slavery including forced labour and child labour. Likewise, we have committed to address the issue of forced labour and child labour within our responsibility to create a safe and comfortable working environment for our staff.

### **3. Risk Assessment and Human Rights Due Diligence Process**

The Group is committed to conducting human rights due diligence based on risk assessment in order to prevent modern slavery and human trafficking in line with our [Group Human Rights Policy](#).

In detail, we first identified our potential human rights risks connected to our business operations, and then assessed human rights risks for each type of business partners.

The following were our key initiatives in fiscal year 2019.

- The Group conducted human rights risk assessment associated with our business in fiscal year 2019 to examine our efforts in five areas (wages, discrimination/inhumane treatment, human rights in our supply chain, human rights of participants of clinical trials and access to healthcare). With regard to human rights in our supply chain, we have conducted significant work in this area by assessing the human rights risks of our business partners by industry and country. We will seek to integrate the results of the above assessment for future

business partner management.

- Since fiscal year 2017, we have been requesting our major business partners to complete a “CSR Self-Assessment Questionnaire Survey” every three years to seek their understanding of our approach to sustainable procurement, and to strengthen communication. The “CSR Self-Assessment Questionnaire Survey” also includes questions regarding forced labour and child labour. Responses were collected from 355 out of 381 target companies over the three years, from fiscal year 2017 to fiscal year 2019. In fiscal year 2019, we conducted individual interviews with 20 companies. As a result, no incidences of forced labour or child labour were identified in these companies.
- In addition, to promote socially responsible procurement practices, in Europe, a new supplier management system was introduced in fiscal year 2019, in which periodical assessments of our suppliers through standardized questionnaire surveys are conducted. The inherent risk of significant suppliers for direct materials, indirect services and other suppliers identified as critical were assessed based on the answers they provided. Information collected includes, but is not limited to, Anti-Bribery/Anti-Corruption, Human Rights & Labour, Health & Safety, etc. If we obtain evidence that a supplier deviates from their CSR commitment, the case is analyzed and escalated to the appropriate instance in order to define the appropriate actions to mitigate the risk. Since the launch of this process in fiscal year 2019, a total of 57 have been assessed and monitored with no adverse findings.
- The Group has established and operates whistle-blowing systems for our group companies according to the circumstances in specific countries and regions. Allegations of non-compliance, including but not limited to forced labour regarding procurement, can be raised through these systems. The reporting systems also include counselling on harassment and are designed for reporting and discussing human rights issues in the workplace.

#### 4. Evaluation of Effectiveness

The Group implements the following activities to monitor the effectiveness of measures taken to prevent modern slavery in our business and supply chain.

- Review of the “CSR Self-Assessment Questionnaire Survey” collected from our business partners
- Monitor modern slavery related concerns raised through the whistle-blowing systems

#### 5. Training

- In response to the revision of the [Group Corporate Conduct Charter](#) in April 2019, an e-learning program was conducted for all group companies, which included content on our commitment to respect human rights.
- In fiscal year 2019, Daiichi Sankyo Co., Ltd. held a training session for employees in charge of procurement operations, including employees of group companies in Japan, with the purpose of ensuring procurement compliance.
- Procurement Trainings have also been conducted within Europe, in particular during the onboarding sessions with new employees and for particular affiliates.

This statement was approved by the Board of Directors of Daiichi Sankyo UK Ltd. on 28 August 2020 and the Board of Directors of Daiichi Sankyo Co., Ltd. on 31 August 2020.

Daiichi Sankyo UK Ltd. has delegated its signature on this statement to Daiichi Sankyo Co., Ltd.

31 August 2020



Sunao Manabe

Daiichi Sankyo Co., Ltd.

Representative Director, Member of the Board, President and CEO