

# Kyowa Kirin Supplier Briefing 2023

~Toward a Sustainable Society~

 **KYOWA KIRIN**

# **Kyowa Kirin's initiatives**

**for realizing a sustainable society and its business**

*This document contains certain forward-looking statements relating to such items as the company's (including its domestic and overseas subsidiaries) forecasts, targets and plans. These forward-looking statements are based upon information available to the company at the present time and upon reasonable assumptions made by the company in making its forecasts, but the actual results in practice may differ substantially due to uncertain factors.*

*These uncertain factors include, but are not limited to, potential risks of the business activities in the pharmaceutical industry in Japan and overseas, intellectual property risks, risk of side effects, regulatory risks, product defect risks, risks of changes to the prices for raw materials, risks of changes to market prices, as well as risks of changes to foreign exchange rates and financial markets.*

*This document is used only for the purpose of providing the information to investors. Though it may contain the information concerning pharmaceutical products (including products under development), it is not for the purpose of promotion, advertising, or medical advice.*

Kyowa Kirin's initiatives for realizing a sustainable society and its business

# Kyowa Kirin's value creation story

Kyowa Kirin's value creation story

# Our Philosophy and Core Values

## OUR PHILOSOPHY

The Kyowa Kirin Group companies strive to contribute to the health and wellbeing of people around the world by creating new value through the pursuit of advances in life sciences and technologies.



## Innovation

Transform lives with passion and excitement.  
Challenge the status quo in all of our work.

## CORE VALUES



## Commitment to Life

Work for the most precious presence on this planet.  
Create value for patients, caregivers, healthcare professionals, and customer.



## Teamwork/Wa

One for all, all for one.  
Work in diverse teams and respect each other.  
Go beyond boundaries and collaborate with stakeholders.



## Integrity

Do the right things.  
Be sincere and ethical consistently.  
Make a better world through good business practices.

# Our Vision toward 2030

## Our Vision toward 2030

Kyowa Kirin will realize the successful creation and delivery of life-changing value\* that ultimately makes people smile, as a Japan-based Global Specialty Pharmaceutical company built on the diverse team of experts with shared passion for innovation.

### Provide pharmaceuticals for unmet medical needs

We are focused on developing medicines for diseases where there is a clear patient need for new options. We make full use of multiple therapeutic modalities, including biotechnology such as antibody technology, and beyond, building on our Kyowa Kirin established strengths.

### Address patient-centric healthcare needs

We will meet the needs of patients and society by providing value across the entire patient care pathway, delivering cutting-edge science and technology, grounded in our in-depth pharmaceutical knowledge and expertise.

### Retain the trust of society

We pursue world-class product quality and operational excellence to grow our business in ways which build long-term trust with our stakeholders.



\* Make patients smile through dramatic improvements in quality of life by identifying the unmet medical needs of people battling with medical conditions and by creating and supplying new drugs or services that help them overcome those challenges.

# Value Creation Story

## Sources of our competitiveness

### Human capital

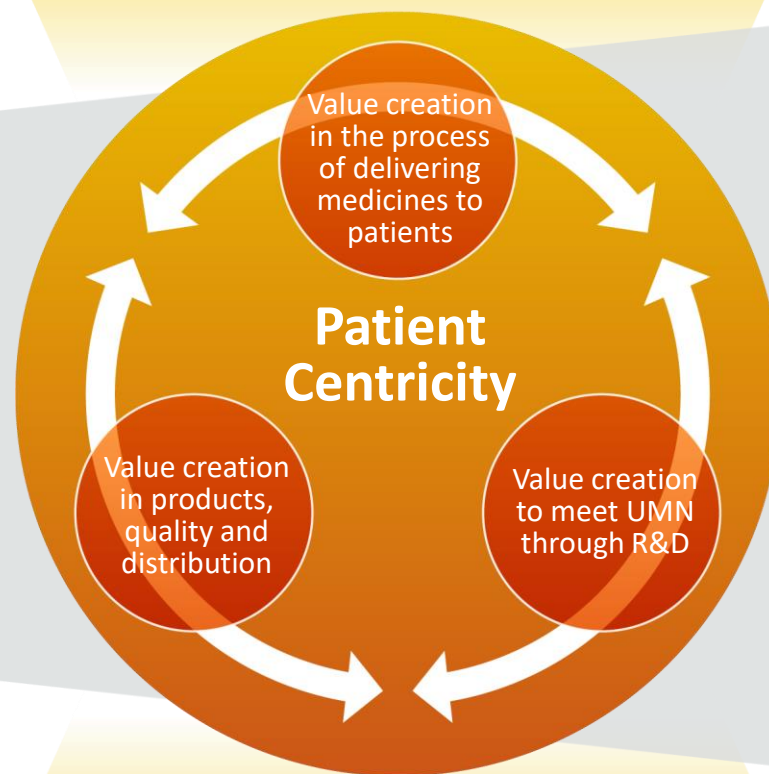
- Employees who share Kyowa Kirin's vision and values
- A strong, diverse team
- KABEGOE\* corporate culture

### Intellectual capital

- Advances in antibody technology and incorporation of various modalities
- Breakthroughs and expertise in disease science
- Integration of internal and external innovations

\* Reforms to the Group's corporate culture launched in 2019

## CSV Management



## Management Philosophy / Core Values

## Output

### Social value

Continuously create and provide life-changing value

- Provide new and better treatment options that meet patient expectations
- Deliver essential medicines to more patients
- Ensure stable supplies of pharmaceuticals

### Economic value

- Revenue
- Revenue growth rate
- Core operating profit
- Core operating profit ratio
- ROE

## Outcome

# Achieving our vision for 2030

Achieving our 2030 Vision will make people facing illness smile and make our employees smile as well.



Provide pharmaceuticals for unmet medical needs

Address patient-centric healthcare needs

Retain the trust of society



Kyowa Kirin's initiatives for realizing a sustainable society and its business

# Kyowa Kirin's Materiality



# Materiality

Kyowa Kirin has selected materiality (key management issues) to realize its vision for 2030. As we move into 2023, the mid-point of our Medium Term Business Plan, we have reviewed the Group's materiality in light of changes in the external environment, creating a clearer link between our vision and business strategy. Going forward, the whole Group will continue to work as one to achieve our vision for 2030.

## Topics for value creation

Core strategies	Materiality	Related SDGs
	Creation of innovative drugs	  
	Maximize product value	
	Pipeline expansion	
	Patient advocacy	 
	Access to medicine	
	DE&I	
	Talent portfolio	
	Corporate culture	
	Digital transformation	

## Topics for value enhancement

Core strategies	Materiality	Related SDGs
	Quality assurance and a stable supply of products	 
	Reducing environmental impact	
	Corporate governance	   
	Ethics and transparency	
	Reinforce risk management	

# Co-creating Value with Stakeholders

We create both social and economic value to realize Kyowa Kirin's Vision. An essential part of this process is cooperating and collaborating with stakeholders in the value chain. We are committed to deepening relationships and co-creating value with stakeholders by engaging with them in various ways.



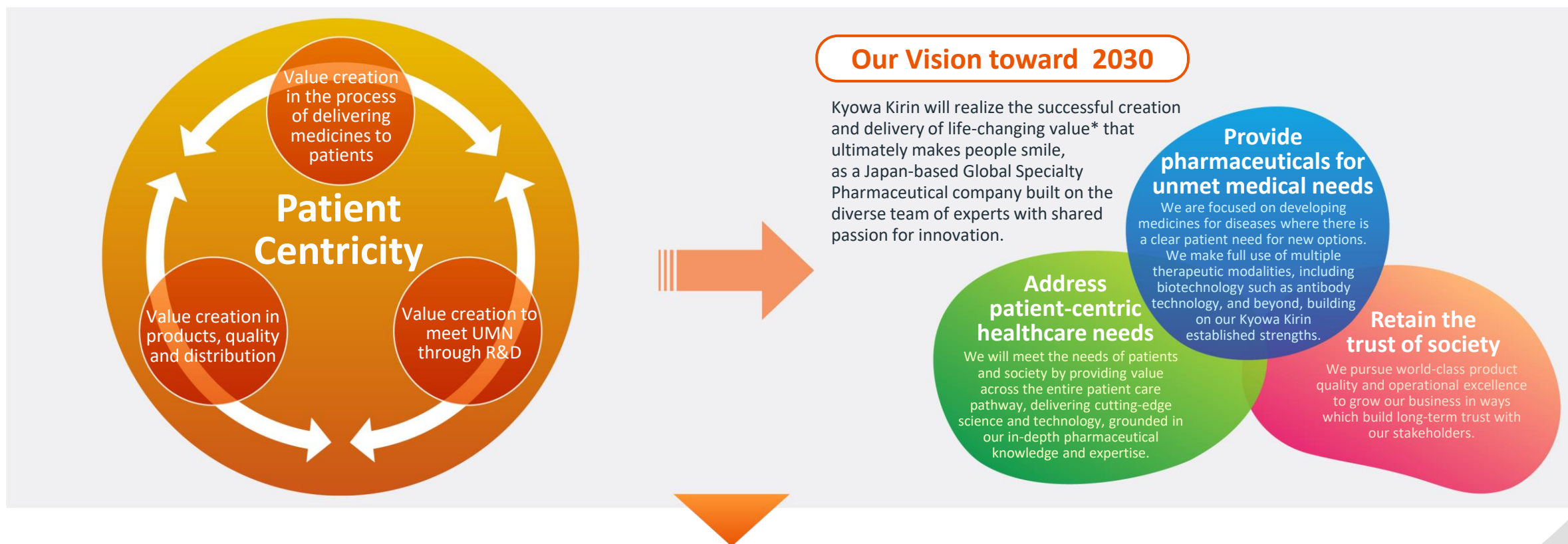
# Cooperation and collaboration with business partners

Cooperation and collaboration with business partners

# Strengthen the supply chain through cooperation and collaboration with business partners

**Our Approach**

Kyowa Kirin will continuously create and deliver "Life-changing value" by cooperating and collaborating with business partners in all processes of value creation.



**Today, we will introduce our environmental and human rights initiatives**

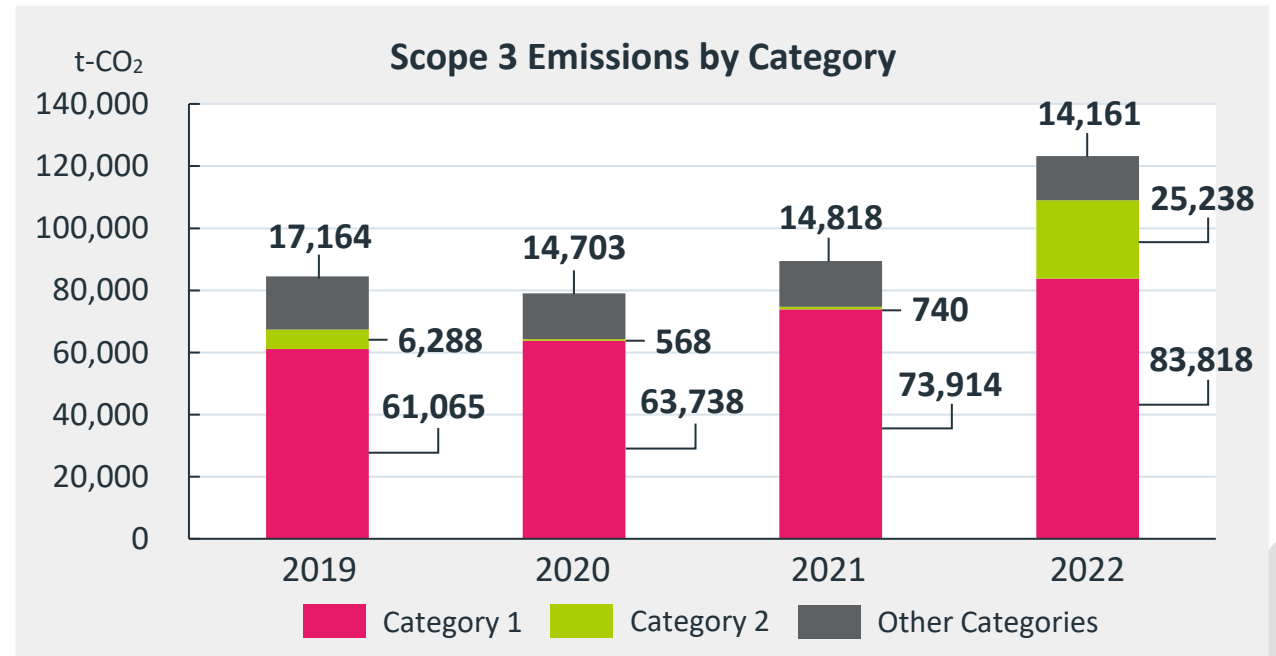
# Measures for Scope 3

Kyowa Kirin's vision is to continuously create and deliver life-changing value, and to make people smile. We have set "Reducing the Impact on the Global Environment" as one of the materialities to realize this vision, and based on our commitment to the environment, we are actively working to realize a decarbonized society in cooperation with all our stakeholders.

- Develop initial hypothesis and roadmap (initial draft) for reduction measures

## Future actions

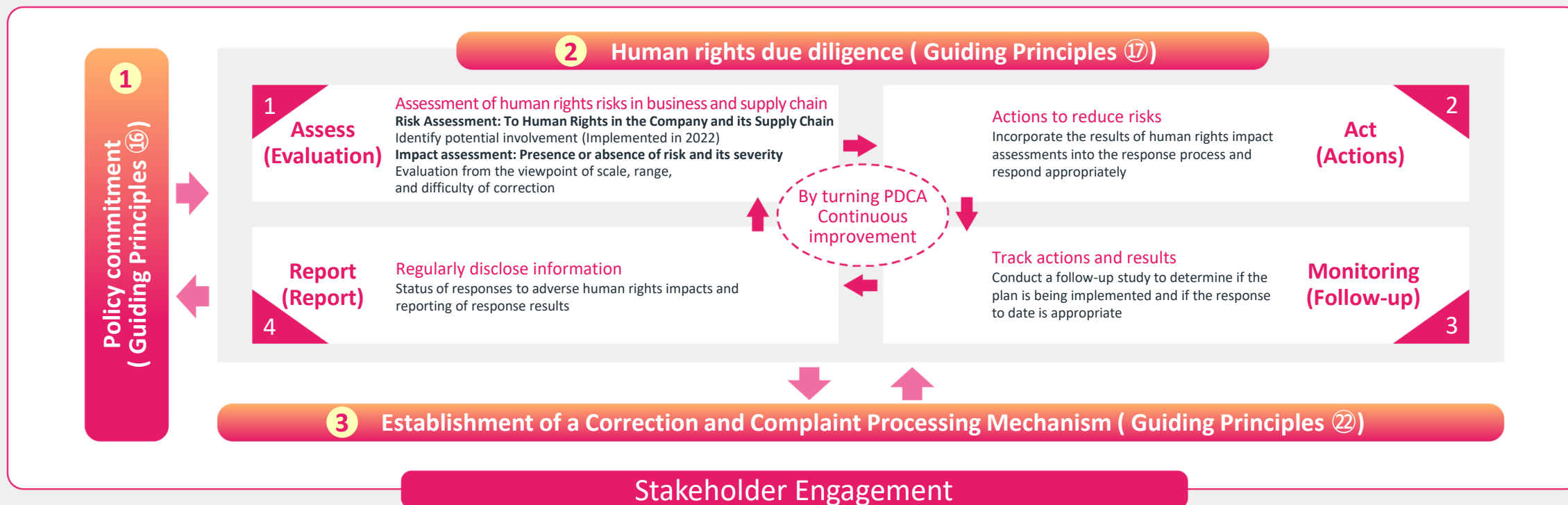
- Mid-and long-term target setting
- Identify emissions throughout the supply chain and develop measures to reduce emissions
  - Briefings for suppliers
  - Request for cooperation in initiatives
  - Identification and analysis of current status, identification of issues, and feedback
  - Development of reduction measures



# Initiatives for Human Rights that a Company Should Take

- In order to fulfill the "responsibility for respect for human rights" required of companies by the Guiding Principles on Business and Human Rights (United Nations Human Rights Council), the initiatives shown in the chart below will be appropriately promoted with transparency by the internal working team with the cooperation of the Caux Round Table – Japan (CRT – Japan), a third-party organization.

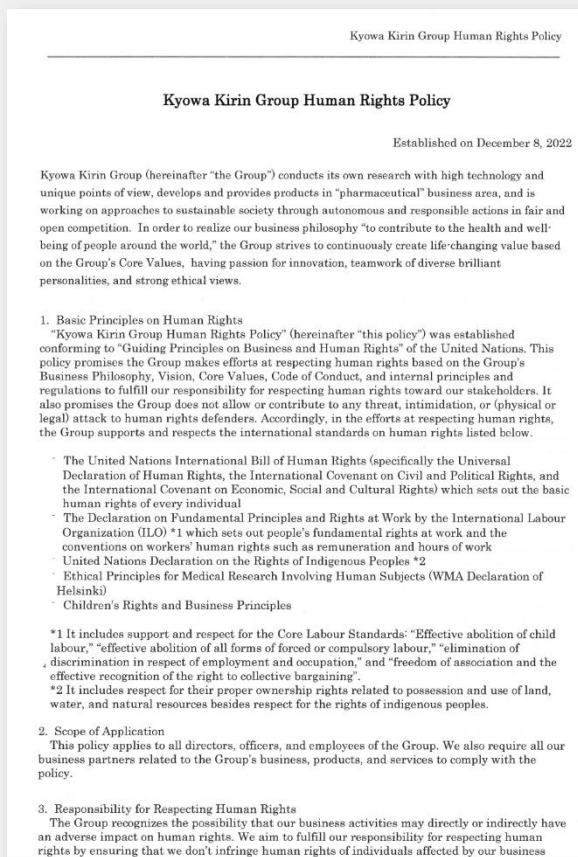
Major items that enterprises should do under the Guiding Principles on Business and Human Rights (UN Approval 2011)



# Kyowa Kirin's Business and Human Rights Initiatives ①

## 1 Policy commitment

Formulated the company's basic human rights policy as a pharmaceutical company (December 2022)



- Compliance with the United Nations Guiding Principles on Business and Human Rights.
- As a pharmaceutical company, we expressed our intention to respect the "Helsinki Declaration" in the same manner as other international norms.
- Describes the basic philosophy on human rights, the commitment to respect human rights based on internal policies and regulations, and support for various international norms.
- Describes the scope and responsibilities of the policy, dialogue and internal education for human rights due diligence, and remedies.
- The scope of application covers all directors, employees and all business associates of our group.
- Approved by the Board of Directors and signed by Representative Director.

# Kyowa Kirin's Business and Human Rights Initiatives ②

## 2 Human rights due diligence

- Holding cross-divisional workshops to identify human rights issues that are prerequisites for human rights due diligence
- Understanding and analyzing the status of human rights issues identified at the workshops and implementing responses





## Further Business and Human Rights Initiatives at Kyowa Kirin

### 3 Establishment of a Correction and Complaint Processing Mechanism

- Planning to join Business and Human Rights Dialogue and Relief Organization (JaCER) in collaboration with Kirin Holdings to establish a remediation mechanism.
- JaCER is targeted at all stakeholders, including those working in the supply chain and in local communities, who are adversely affected by, or may be adversely affected by, human rights concerns.
- By accepting complaints via third parties, we will endeavor to ensure fairness and transparency in the processing of complaints, and respond appropriately to complaints and reports. In this way, we will endeavor to resolve essential issues in human rights. The anonymity of the whistleblower and the confidentiality of the content of the whistleblowing report are ensured at the reporting reception.
- Reports via JaCER are disclosed anonymously on JaCER website regularly.

# Promotion of Sustainable Procurement

~Examples of Kyowa Kirin Group's Initiatives~

# Introduction

**The Kyowa Kirin Group's materiality** is related to the SDGs (Sustainable Development Goals), which have been proposed as an international framework for social issues. We are committed to making a greater contribution to the achievement of the SDGs by accelerating and expanding our business operations.\*<sup>1</sup>

To ensure a stable supply of high-quality products, the Kyowa Kirin Group has long been committed to conducting **open and fair CSR Procurement**, but recent social demands have prompted us to promote **Sustainable Procurement** throughout our supply chain.

Some parts of our Group have already **launched** sustainable procurement initiatives.\*<sup>2</sup>

Today, we will introduce **the examples of Kyowa Kirin Group's initiatives** as an opportunity for our suppliers attending this briefing to gain a better understanding of **Sustainable Procurement**.

\*<sup>1</sup> Quoted from the "[Materiality | Our Impact](#)" page on KKC's public website.

\*<sup>2</sup> Quoted from the "[Sustainable Procurement | Retain the trust of society](#)" page on KKC's public website.

# From CSR Procurement to Sustainable Procurement

# From CSR Procurement to Sustainable Procurement

## Practice of CSV management by the Kyowa Kirin Group

- The Kyowa Kirin Group has been practicing Creating Shared Value (CSV) management.
- CSV is defined as the creation of shared value through the realization of “both social value and economic value” by addressing social needs, solving social issues and thereby utilizing them as further growth drivers.
- The Kyowa Kirin Group aims to realize the enhancement of cooperate value by achieving both “creation of social value” and “creation of economic value”.

## Expectations from society

- Sustainable procurement is an important effort to achieve the SDGs, which contributes greatly to the realization of sustainable society and economy.

## Efforts of the Kyowa Kirin Group to date

- The Kyowa Kirin Group’s CSR procurement is practiced from a perspective of corporate social responsibility.
- As a pharmaceutical company, our responsibility is to develop medicines required by patients and ensure a stable supply of products. As sustainability of the supply chain is essential, the Kyowa Kirin Group has established the Supplier Code of Conduct, which the Kyowa Kirin Group itself should also comply with in its activities. Human rights due diligence and environmental protection have already been implemented.
- In addition, supplies have been assessed from the viewpoint of sustainability at the start of new transactions as well as for continued transactions.

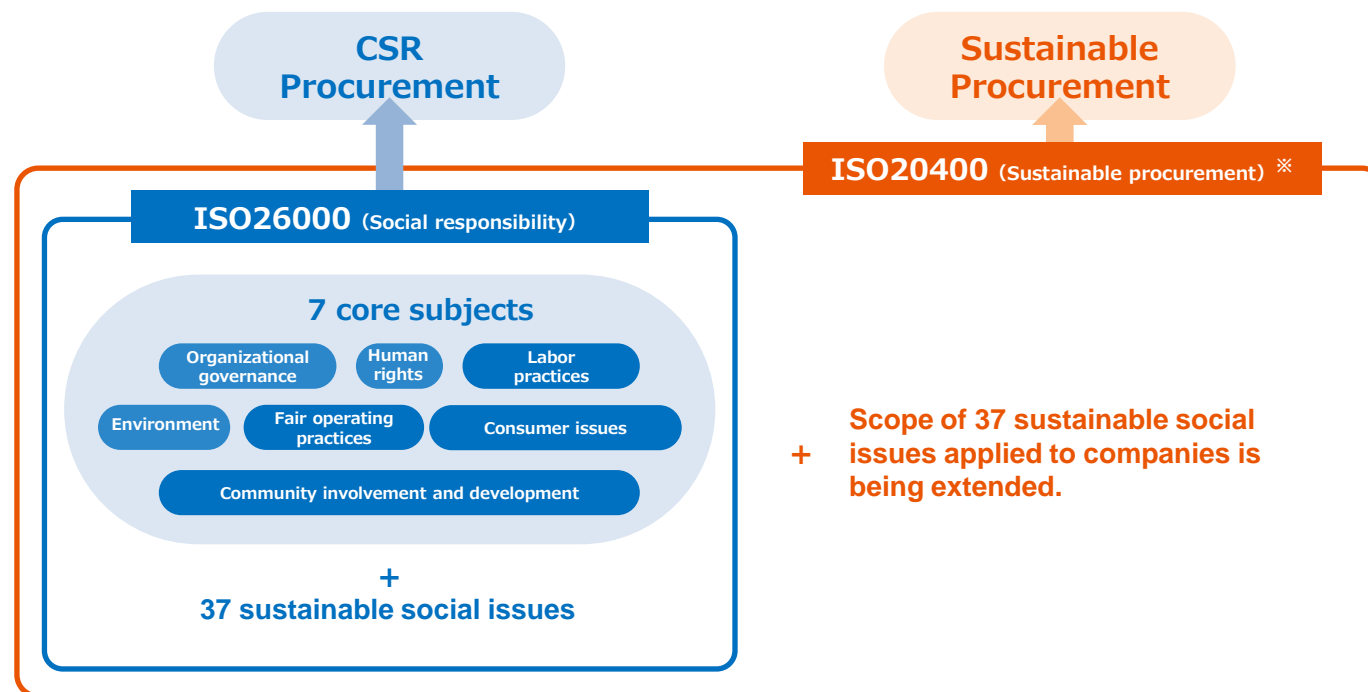
# From CSR Procurement to Sustainable Procurement



What is the difference between CSR procurement and Sustainable Procurement?

**CSR procurement** requires prospective suppliers to comply with CSR and to fulfill their social responsibilities, when selecting suppliers or setting procurement conditions.  
(Internal definition of the Kyowa Kirin Group)

**Sustainable procurement** is procurement that has the most positive environmental, social, and economic impacts possible over the entire life cycle and that strives to minimize adverse impacts.  
(Source: ISO20400-2017 Sustainable Procurement – Guidance)



**ISO20400 "Sustainable Procurement"**, which complements **ISO26000 "Guidance on Social Responsibility"**, provides guidance to companies and organizations on how to contribute to sustainable development through procurement.

# Now, why Sustainable Procurement?

## The Kyowa Kirin Group practices CSV (Creating Shared Value).

- CSV represents the creation of shared values, aimed to realize “the creation of social and economic values” by working to solve social needs and problems, and to make them the next driving force for growth.
- Our Group practices CSV management aimed at realizing enhanced corporate value through the “creation of social values” and the “creation of economic values.”

## Why is "sustainable procurement" needed now?

- To enable further evolution of CSV management that realizes enhanced corporate value by achieving both “creation of social value” and “creation of economic value”
- Due to the increasing social need and expectations for corporate efforts in sustainability.
- Sustainable procurement is an important activity to achieve SDGs and contributes to realization of sustainable society and economics. Efforts throughout the supply chain are critical to its implementation.

# Kyowa Kirin Group's Initiatives



# Revision of the Kyowa Kirin Group Procurement Policy

**We have revised the Kyowa Kirin Group Procurement Policy.**

With the goal of contributing to the health and prosperity of people around the world as the Group's management philosophy, the Kyowa Kirin Group will **promote Sustainable Procurement activities in cooperation with its suppliers** and contribute to the **development of a sustainable society** in order to **create new value** by leveraging its **strengths** in life science and technology.

## Kyowa Kirin Group Procurement Policy

Established on November 29, 2012  
Revised on December 1, 2023

### I. PURPOSE

To make contributions to the health and affluence of the people in the world according to its management philosophy, the Kyowa Kirin Group will continue contributing to the development of sustainable society by promoting the Sustainable Procurement activity in collaboration with suppliers, to realize creation of new value on the strength of the life science and the technology.

### II. SCOPE

The Kyowa Kirin Group Procurement Policy shall apply to all the members working for the Group, without regard to regions, countries, position or post (officers, employees or dispatched staff members, etc.), or full-time or part-time workers.

### III. DEFINITIONS

1. The Sustainable Procurement shall mean the procurement activity that has most positive influence environmentally, socially and economically that occurs in the entire lifecycles, which aims at minimizing unfavorable effects.

### IV. GUIDING PRINCIPLES

1. Quality first
  - (1) In procurement practices, we place a high priority on pursuing safety and quality in accordance with the "Kyowa Kirin Group Quality Assurance Policy," while also taking costs into account.
  - (2) We welcome new ideas and technical solutions for increasing customer value from suppliers.
2. Fair and open business dealings
  - (1) We select suppliers based on their performance in quality (Q), cost (C), delivery (D), sustainability (S), reliable supply, technological expertise, and ability to propose innovative ideas, etc.
  - (2) We use a competitive bidding and selection process for procurement to ensure fairness to all suppliers.
3. Compliance
  - (1) We observe social norms as well as the letter and spirit of laws and regulations, and conduct business in a sensible and socially responsible manner.
  - (2) Employees engaged in procurement practices shall not have personal conflicts of interest with any supplier. They shall not receive from any supplier rewards or gifts which deviate from social norms. They shall not force any supplier to make donations to the Group nor to buy products and services from the Group. They shall not impose a reciprocal business arrangement on any supplier.
4. Environmental considerations
  - (1) We observe environmental laws, regulations, and ordinances, voluntary industry standards for the environment, and our own voluntary standards, to help society maintain a harmonious coexistence with nature.
  - (2) We conduct environmentally sensible, nonpolluting procurement practices in accordance with the "Kyowa Kirin Group Environmental Policy".
5. Coevolving relationships of mutual trust with suppliers
  - (1) We strive to establish long-term, coevolving relationships of trust with suppliers. We work with suppliers to manage and avoid risks so as to minimize their impacts on society and the Kyowa Kirin Group's business.
  - (2) We take the utmost care when managing personal information and confidential business information provided to us by suppliers, and do not disclose them to internal or external parties without the explicit approval of the original suppliers of such information.

### V. SUPPLEMENTARY PROVISIONS

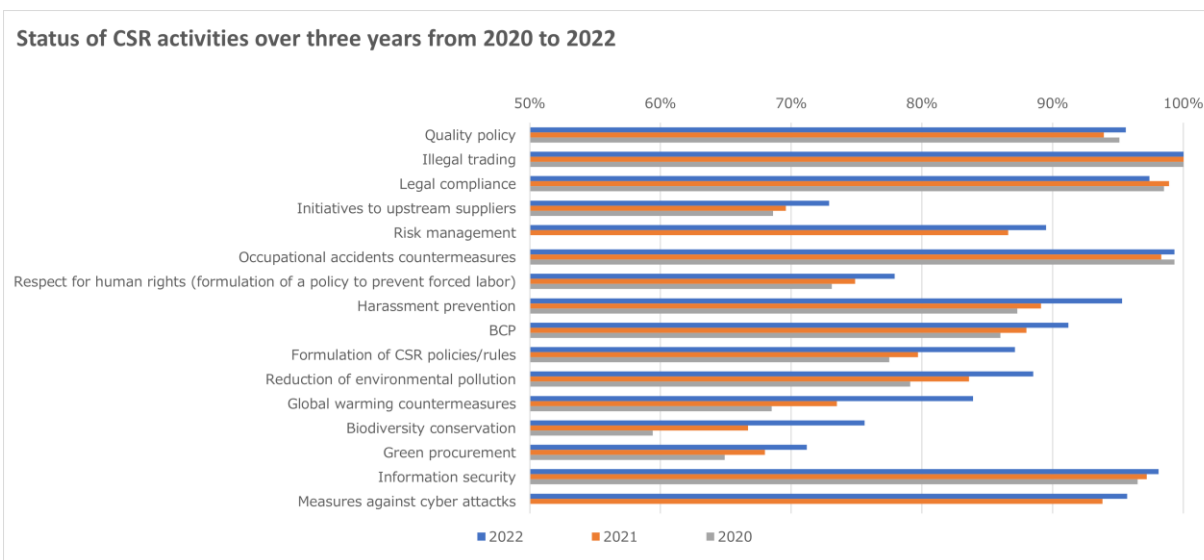
Section responsible for the Kyowa Kirin Group Procurement Policy: Procurement Department.

(To be posted soon on KKC's public website)

# Conducting CSR Questionnaire Surveys

**Conduct annual questionnaire surveys to identify issues in the supply chain**

The Kyowa Kirin Group conducts a CSR questionnaire survey every year to identify issues in our supply chain through responses collected from our suppliers. The graph on the left shows the results of the **2022** Survey.



The survey showed that the following areas had relatively low scores:

- ✓ Respect for human rights (formulation of policies prohibiting discrimination, forced labor, and child labor)
- ✓ Environmental preservation
- ✓ Workers' rights and the freedom of association
- ✓ Degree of BCP formulation

Looking at the business environment, we also found issues on human rights violations, environmental problems, information leakage, and legal violations.

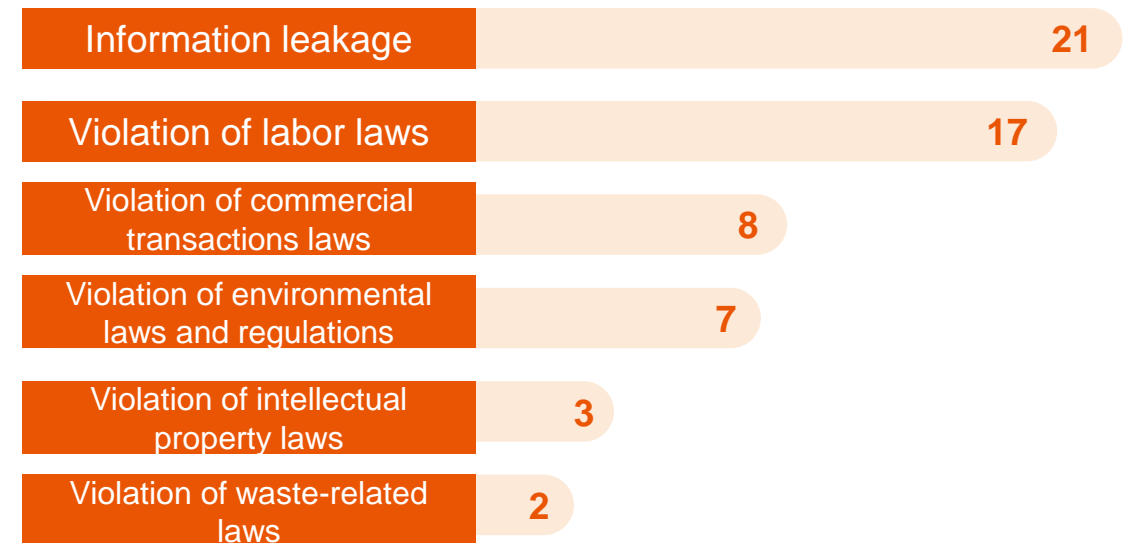
**Each of these issues affects all of you here today and the entire supply chain.**

## Checking the Status of Cases of Concerns

The CSR Questionnaire Survey includes **questions that ask whether certain systems and controls are in place, as well as questions that ask whether any cases of concern have occurred.**

In the latter questions, if the respondent answers that there has been any occurrence of a case, they are further requested to explain **the outlines of the most recent case and the status of recurrence prevention measures.**

In the 2022 Survey,  
**58 cases** of concern were reported.



**We have checked all of the reported cases of concern and verified that actions have been taken to prevent recurrences.**

Note that there were no serious violations of laws or regulations that could affect the supply chain.

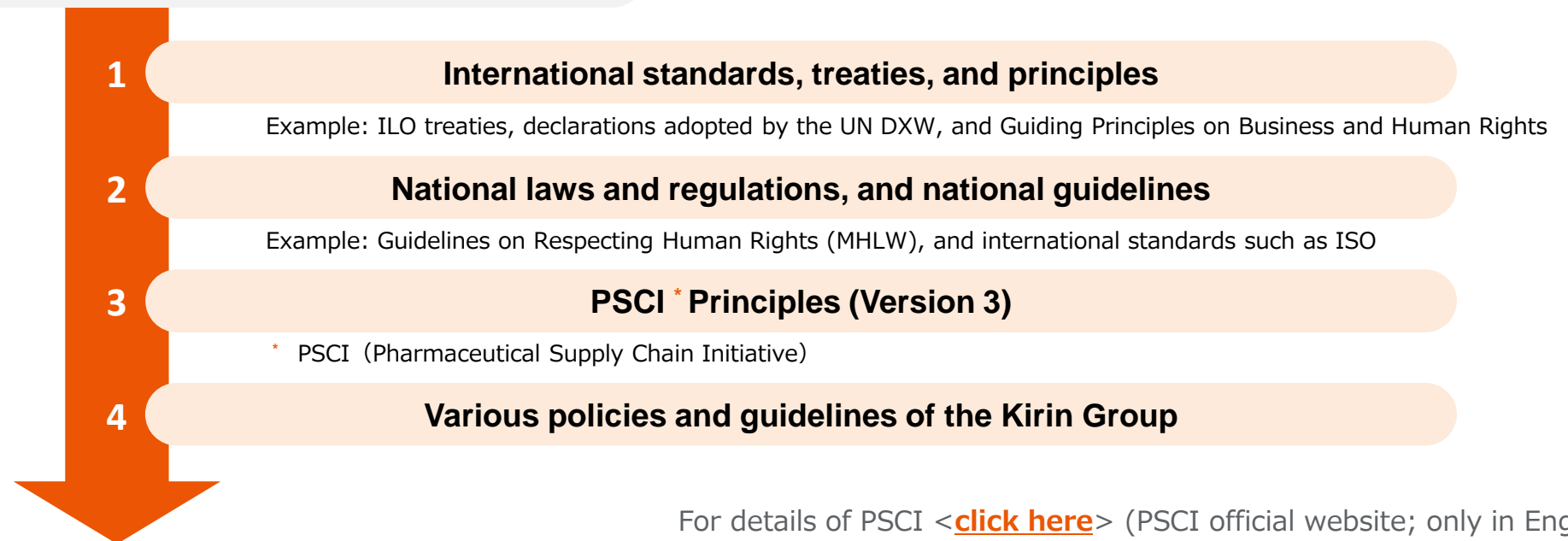
# Addressing the Issues

# Kyowa Kirin Group Supplier Code of Conduct

The Kyowa Kirin Group Supplier Code of Conduct has been revised in response to the need for sustainability. All suppliers in the entire supply chain are expected to comply with the Code, and the Kyowa Kirin Group itself will also comply with it.

The Kyowa Kirin Group will continue to make contributions to society in cooperation with suppliers.

The Kyowa Kirin Group Supplier Code of Conduct was established based on the Kyowa Kirin Group Code of Conduct and in accordance with the regulations shown below considering the global nature of our suppliers.



For details of PSCI <[click here](#)> (PSCI official website; only in English).

# Revision of the Kyowa Kirin Group Supplier Code of Conduct

The Kyowa Kirin Group Supplier Code of Conduct consists of **7 perspectives** as is the case for the Kyowa Kirin Group Code of Conduct. In the current revision, **5 perspectives** were changed.

} Changed	<div style="display: flex; align-items: center; justify-content: center;"> <div style="background-color: #e67e22; border-radius: 50%; width: 30px; height: 30px; display: flex; align-items: center; justify-content: center; margin-right: 10px;">1</div> <div style="text-align: left;"> <h2 style="margin: 0; color: #e67e22;">Relationship with Society</h2> </div> </div>	<p>Suppliers, as good members of society, should strive for sustainable economic growth and solutions to social issues. To achieve this, suppliers should build friendly and ethical relationships with all stakeholders.</p>
	<div style="display: flex; align-items: center; justify-content: center;"> <div style="background-color: #e67e22; border-radius: 50%; width: 30px; height: 30px; display: flex; align-items: center; justify-content: center; margin-right: 10px;">2</div> <div style="text-align: left;"> <h2 style="margin: 0; color: #e67e22;">Relationship with Employees</h2> </div> </div>	<p>Suppliers should respect each individual's humanity and strive to maintain an employee-friendly environment at workplace.</p>
	<div style="display: flex; align-items: center; justify-content: center;"> <div style="background-color: #e67e22; border-radius: 50%; width: 30px; height: 30px; display: flex; align-items: center; justify-content: center; margin-right: 10px;">3</div> <div style="text-align: left;"> <h2 style="margin: 0; color: #e67e22;">Compliance with Rules</h2> </div> </div>	<p>Suppliers should abide by social rules and act in good faith with high ethical standards.</p>
	<div style="display: flex; align-items: center; justify-content: center;"> <div style="background-color: #e67e22; border-radius: 50%; width: 30px; height: 30px; display: flex; align-items: center; justify-content: center; margin-right: 10px;">4</div> <div style="text-align: left;"> <h2 style="margin: 0; color: #e67e22;">Respect for Human Rights</h2> </div> </div>	<p>Suppliers should respect <b>the human rights and character of all internal and external stakeholders.</b></p>
	<div style="display: flex; align-items: center; justify-content: center;"> <div style="background-color: #e67e22; border-radius: 50%; width: 30px; height: 30px; display: flex; align-items: center; justify-content: center; margin-right: 10px;">5</div> <div style="text-align: left;"> <h2 style="margin: 0; color: #e67e22;">Environmental Preservation</h2> </div> </div>	<p>Suppliers should take proactive steps toward environmental preservation with the awareness that efforts toward environmental problems are a common challenge for the entire human race and an essential requirement for the activities and survival of the company.</p>
	<div style="display: flex; align-items: center; justify-content: center;"> <div style="background-color: #e67e22; border-radius: 50%; width: 30px; height: 30px; display: flex; align-items: center; justify-content: center; margin-right: 10px;">6</div> <div style="text-align: left;"> <h2 style="margin: 0;">Information management</h2> </div> </div>	<p>Suppliers should properly manage information on our business.</p>
	<div style="display: flex; align-items: center; justify-content: center;"> <div style="background-color: #e67e22; border-radius: 50%; width: 30px; height: 30px; display: flex; align-items: center; justify-content: center; margin-right: 10px;">7</div> <div style="text-align: left;"> <h2 style="margin: 0;">Risk Management</h2> </div> </div>	<p>Suppliers should manage risks and crises pertaining to our operations appropriately.</p>

# Revision of the Kyowa Kirin Group Supplier Code of Conduct

## — Request to our suppliers —



It is important for **the entire supply chain** to understand this Kyowa Kirin Group Supplier Code of Conduct and act accordingly to realize sustainable procurement. We ask suppliers who have received this Kyowa Kirin Group Supplier Code of Conduct to communicate the Code to the people not only in their own company but **also to their suppliers**, to implement appropriate resource allocation and to organize appropriate systems, procedures, and processes.

Suppliers shall properly investigate concerns relating to this Kyowa Kirin Group Supplier Code of Conduct and take corrective actions, as appropriate.

In addition, we also ask suppliers to cooperate with promoting activities to realize a sustainable society **throughout the supply chain** by managing each initiative through their management systems.



# Respect for Human Rights

The Kyowa Kirin Group has established a **“grievance mechanism”** to receive reports of **human rights abuses** suffered by **stakeholders including those in the supply chain** and take actions to correct and improve such cases.

This mechanism is also applied to all employees of suppliers in the supply chain of the Kyowa Kirin Group.

We ask our suppliers to consider implementing a **grievance mechanism.**

In September 2022, the Government of Japan released **the Guidelines on Respecting Human Rights in Responsible Supply Chains**. The Guideline states that **“business enterprises should enable a remedy that is an important element of the responsibility to respect human rights by establishing a grievance mechanism or through participation in a grievance mechanism established by an industry organization and others”**.



# Respect for Human Rights

The Kyowa Kirin Group conducts  
**“human rights due diligence”**.

In 2023, we conducted a **“Survey on the employment/working environment of technical intern trainees at suppliers in Japan”**

**Human rights due diligence** is a series of actions taken by companies for the purpose of identification and assessment of adverse human rights impacts in their own company and group companies as well as in suppliers and others, to prevent and mitigate such adverse impacts, to monitor the effectiveness of activities, and to communicate and disclose information.

Due to its nature, human rights due diligence does not guarantee the absence of human rights abuses but is an ongoing process to prevent and mitigate adverse human rights impacts while holding dialogue with stakeholders. \*

※ [Guidelines on Respecting Human Rights in Responsible Supply Chains](#) on the MHLW website

# Environmental Preservation

The Kyowa Kirin Group is engaged in business activities in accordance with the **Kyowa Kirin Group Environmental Policy**

Aiming to realize the decarbonized society, we promote the protection of the global environment for the sake of the next generation; our environmental policies are in line with the Kirin Group Environmental Vision 2050 and we will work with Kirin Holdings to realize this vision.

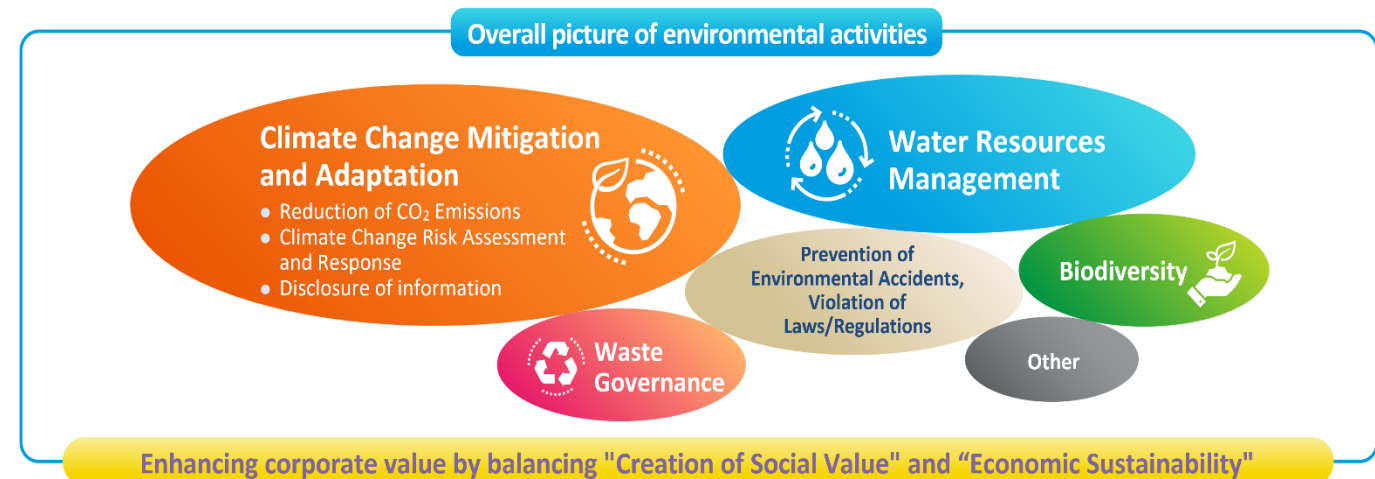
## Climate change mitigation/adaptation

- ● Kirin Group 2050 target : Achieve Net-zero GHG emission from the entire value chain (Scopes 1, 2, and 3)

A policy/strategy to reduce **Scope 3** (Category 1: purchased goods and services) is now under formulation.



**We will seek the cooperation of our suppliers.**



# Environmental Preservation Initiatives

## Kyowa Kirin's Stance on Scope 3 Reduction

Our vision at the Kyowa Kirin Group is to **realize the successful creation and delivery of life-changing value that ultimately makes people smile.** Based on our commitment to the environment by upholding the theme of “Reducing global environmental impact” as one of the materiality to realize our vision, we are actively working to achieve a decarbonized society in cooperation with a wide range of stakeholders.

As the international rules on information disclosure become stricter, we are required to conduct timely and appropriate information disclosure and response actions.

In addition, the Kyowa Kirin Group Procurement Policy expressly states that we are committed to environmental friendliness and prevention of pollution in accordance with the Kyowa Kirin Group Environmental Policy and that we will practice procurement activities caring for the global environment in cooperation with our suppliers.



We will **cooperate and collaborate with our suppliers** to solve social issues (Scope 3 reduction), **build a sustainable supply chain**, and respond to social demands.

### < Future Prospects >

We plan to explain to our suppliers and request their cooperation in providing environmental data (CO2 emission data), etc.

# Formulation of Business Continuity Plan (BCP)

The Kyowa Kirin Group has established a **Business Continuity Plan (BCP)** in place.

One of the greatest threats to the Kyowa Kirin Group is the occurrence of a major earthquake, but we have decided that is also important to have a response plan to major floods and infectious diseases. As a result, we **changed our BCP to an all-hazards type and revised our BCP Action Plan.**

## 1 Revision of BCP Action Plan

To formulate an all-hazards BCP, only resource-based considerations are sufficient. However, we have added complementary event-based considerations to the BCP where necessary. According to this policy, we have revised the BCP Action Plan.

## 3 Conducting BCP training

In addition to the company-wide BCP training that has already been conducted, we plan to conduct department-based training (including learning to understand roles, training for key members of each department, etc.).

## 2 Conducting BCP Questionnaire Survey

The 2023 survey started in November, sequentially from suppliers who play an important role in the stable supply of our drug products.

# Information security

There is still a high-level of information security risk in the business environment.

Under such a situation, the Kyowa Kirin Group conducts **periodic information security checks**.



In order to reduce information security risk in the supply chain, the Kyowa Kirin Group asks suppliers to complete the Third-Party Risk Assessment (TPRA) Check Sheet before starting transactions. This Check Sheet is used to ensure a certain level of information security.

The level of cybercrimes is increasing day by day.

The Kyowa Kirin Group will continue to counteract cybercrimes.

## Health Management Initiatives

The Kyowa Kirin Group **monitors the occupational safety and health conditions of its suppliers** by collecting their responses through CSR Questionnaire Surveys.

The survey covers the status of (1) compliance with laws and regulations related to occupational safety and health and (2) occupational accidents and illnesses, with the aim of verifying whether or not there are any cases of violations of labor laws in terms of employees' working hours, wages, etc.

The Kyowa Kirin Group is committed to health management with the primary objective of **realizing the enriched lives** of our employees and people around them **by reducing physical and mental health risks**, aiming to resolve business issues and make a positive impact on society through these efforts.

- Under the theme of Wellness Action (behavior change), our employees are trying to "make efforts excitedly with colleagues to improve habits that are difficult to change on their own." Specifically, their goals include "taking an average of 16 or more vacation days per year" and "achieving an 80% participation rate in the Walking Campaign", which is a company event aimed at improving employees' exercise habits.
- As a company engaged in the pharmaceutical business, we uphold a goal of "keeping our employees' smoking rate below 5%" and have been maintaining this level. We ask our suppliers who enter our plants and laboratories to refrain from smoking on the premises.

## Initiatives Related to Legal Issues

We always strive to keep **the latest information** regarding laws and regulations.

### Conducting inspections

- We conduct inspections of our subcontractors and subcontracted properties.
- In 2022, we conducted an inspection of the types of business of our suppliers and the details of transactions with them to check whether or not there were subcontracted properties. In consultation with our attorney, we also reconfirmed the suppliers engaged in subcontracting.
- We also review our suppliers' capital annually.
- Suppliers who subcontract manufacturing, creation of information deliverables, or services to a third party are regarded as subcontracting suppliers and subject to our monitoring as such.

### Regular learning

- We conduct continuous learning along with the latest topics.

# Supplier management

## Promote understanding of and compliance with the Kyowa Kirin Group Supplier Code of Conduct

- We have started to include a compliance commitment in transaction agreements.

## Monitoring Suppliers

- We monitor press reports of misconduct cases.
- We regularly conduct a survey (sustainable procurement questionnaire) to assess suppliers' compliance with the Kyowa Kirin Group Supplier Code of Conduct.

The Kyowa Kirin Group conducts supplier management and advances related efforts.  
 Now, a **sustainable procurement questionnaire survey** for suppliers is ongoing.





# What will be helpful for sustainability?

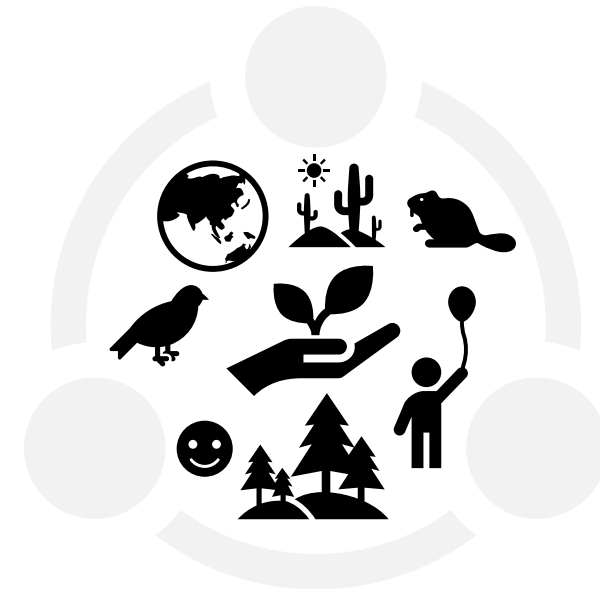
Two aspects should be considered for sustainability:  
**supply chain** and **goods or services**.

## Aspect of supply chain

- Goods and services produced in an environment free from human rights abuses, forced labor, or child labor
- Goods and services produced in the processes with consideration for global environment
- Corporate activities with consideration for biodiversity

## Aspect of goods or services

- Universal design
- Goods with consideration for global environment or biodiversity, for example, green purchasing/eco label, and FSC certification
- Comparison of goods in terms of life-cycle costs



# Summary

**The Kyowa Kirin Group will promote sustainable procurement.  
We have revised the Kyowa Kirin Group Supplier Code of Conduct  
in accordance with sustainable procurement.**

This Code of Conduct is a very high-level code taking into account international standards and laws and regulations of different countries.

This Code applies to suppliers, and the Kyowa Kirin Group itself will also comply with it. We asked all employees to understand the Code and to cooperate in complying with it.

**It is impossible to achieve sustainable procurement by efforts of  
the Kyowa Kirin Group alone, combined efforts of the entire supply  
chain are essential.**

Sustainable procurement activities are required throughout the supply chain, upstream suppliers are also asked to act in accordance with the Code. Therefore, all employees are expected to encourage suppliers to make efforts to achieve sustainable procurement.



**Thank you.**