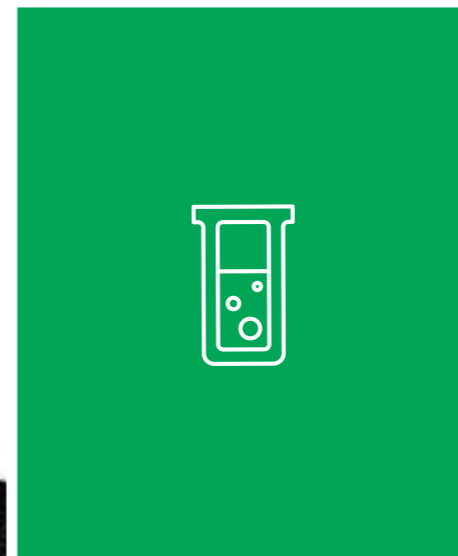
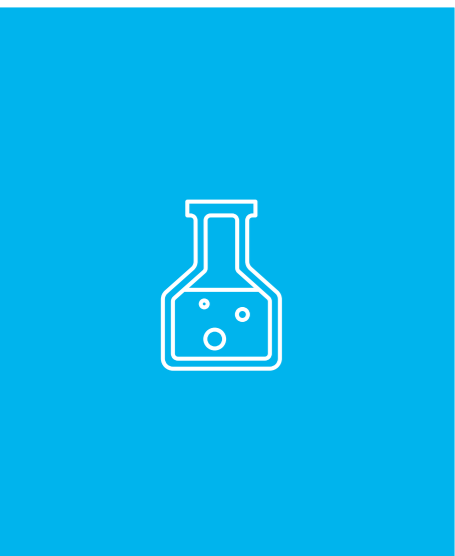


Daiichi-Sankyo

Sustainability  
Report  
**2016/2017**

Base year - April 2016 to March 2017





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**Welcome**





# Welcome [GRI G4-3](#) | [G4-7](#) | [G4-19](#) | [G4-28](#) | [G4-31](#)

This is the 2016/2017 Daiichi Sankyo Brasil's Sustainability Report. It aims to provide the organization's stakeholders with comprehensive and transparent information about its management, performance, strategies, commitments and actions throughout the fiscal year from 04/01/2016 to 03/31/2017.

For the ninth consecutive year, the report follows the guidelines proposed by the Global Reporting Initiative (GRI), an international organization that establishes a standard for reporting sustainability indicators, good practice recognized and voluntarily adopted by thousands of companies around the world.

Throughout the document, the main operational aspects for environmental, social and financial sustainability of Daiichi Sankyo Brasil are covered. So that the information reported is the most relevant for the business development in the short, medium and long term, the company held a consultation with the main stakeholders, in the previous fiscal year, revalidated with the executives in the process for defining the report content, presenting the following material themes:

## Daiichi Sankyo Brasil Material Themes

	<b>1</b>	<b>Medicines and Environment Impacts</b>		<b>5</b>	<b>Training and Education</b>
	<b>2</b>	<b>Market Share</b>		<b>6</b>	<b>Water</b>
	<b>3</b>	<b>Compliance to Laws and Regulations</b>		<b>7</b>	<b>Effluents and Residues</b>
	<b>4</b>	<b>Client's Health and Safety</b>		<b>8</b>	<b>Anti-Corruption</b>

The themes selection process is described in more detail in the chapter About the Report on page 43.

For each material theme, GRI indicators are reported, in their G4 version, managed by Daiichi Sankyo, which can be located by the acronym "GRI-G4" along the content and in the chapter GRI Index, on page 45.



### Contact

To submit questions, suggestions or request more information about the report, contact us at [responsabilidadesocial@dsbr.com.br](mailto:responsabilidadesocial@dsbr.com.br)



# Message from the CEO





## Message from the CEO GRI G4-1

Daiichi Sankyo Brasil has a clear and deep commitment to transparency in its relationship with all its stakeholders - internal or external. For this reason, we are very proud to publish this 2016/2017 Sustainability Report, in which we present the most important information for our business in the period. Here, different aspects of our management and operation that lead us to sustainable development and value creation in the short, medium and long term will be addressed in order to continue fulfilling the mission of contributing to people's quality of life by creating and supplying innovative medicines.

During the last fiscal year, even facing an adverse macroeconomic scenario, we reached our goals and expected results and continued to promote an intense evolution process in our management. While Brazil was experiencing an economic and political crisis, which led to a decline in GDP and industrial activity itself, we focused on improving processes and internal planning, with particular attention to ethical conduct engagement and awareness and team training, while ensuring sustainable growth in the period.

From the internal planning perspective, an important step was the change in our Global Positioning. Based on discussions held at our headquarters in Japan, the CEO announced a new guideline increasingly focused on innovative medicines, especially in the oncology area. That led to the development of a new 5-year business plan (2016-2020) and a shift in our vision for 2025: "To become a global pharma innovator company with competitive advantage in oncology."

With this change, we have strengthened our new products development strategy, especially in new medical specialties, and we remain to work efficiently on therapeutic areas and medicines that are already on the market, guaranteeing the improvement of the quality of life for thousands of people. In other words, we are thinking about the future, but without losing focus on the present.

This new Vision shows that our concern about the medical and scientific quality of our activities is even more important. In line with the global strategy, in 2016 we've restructured the Medical Affairs Division, giving even more relevance to the structure responsible for the technical precision of our activities by raising it to the company's maximum hierarchy. It acts both in the research of new medicines and also in the dissemination of scientific information, playing an important role in the company's relationship with researchers and physicians.

We also need to highlight the performance of our Sales Force team with healthcare professionals. They travel the country, visiting doctors' offices, clinics, hospitals and pharmacies on a daily basis, bringing reliable information about our products. That is why we have invested heavily in 2016/2017, with a new and modern support system, a new promotional cycle and changes at University of Daiichi Sankyo (UDS), an online distance learning platform.





## Message from the CEO

Over the past year, our new business and regulatory affairs areas have also played a major role in the development and approval of new medicines in the country. With these efforts and through partnerships, we were able to launch two new products: the analgesic Daisan (tramadol hydrochloride + paracetamol) and Dainitre (propatyl nitrate). Therefore, we have expanded our portfolio and ensured the improvement in people's quality of life.

In addition to the focus on innovation, the year 2016/2017 was marked by deep internal discussions on the Ethics and Corruption topics. Amid the turbulent period experienced by Brazil, in which these issues are a concern for the whole society, we discussed ways to strengthen even further our internal controls and our compliance area.

As a result, we relaunched our Code of Ethical Conduct, pointing out the ethical and moral principles guiding the actions of our employees, and launched the Anti-Corruption Policy, addressing the major risks and key measures to prevent corruption within the company. All employees underwent training related to both themes mentioned above. We also started the Integrity Program, which intends, over the next few years, to increasingly engage employees on these topics.

The focus on fighting corruption also strengthens our adherence to the Global Compact, of which we have been a signatory since 2010. Through this commitment, we demonstrate that we are aware of our role as promoters of sustainable development.

In addition to training in ethics, we train our employees on a variety of other topics, such as Quality, Leadership, Environment, Safety and we generate opportunities for self-knowledge. In all, there were 22,928 hours of training, expressing our understanding that strengthening our team and valuing employees are the main way to ensure our sustainable growth. Receiving the Great Place To Work® Award (GPTW) Barueri and Region 2016 is recognition of this effort.

In 2016/2017, we also focused on improving our production processes, particularly our Environmental Management. We have been able to substantially reduce energy and water consumption, CO<sub>2</sub> emissions and generation of waste. Backed by the excellence in this management, we achieved the maintenance of ISO 14001 certification, receiving the highest grade in the audit process, reaching level 5.

Stemming from all these reflection, planning and internal arrangement efforts, we strengthen Daiichi Sankyo Brasil and prepare for the continuity of our long-term growth. Thus, we believe we can guarantee to our patients continuous and increasing access to our medicines, improving the quality of life of the population, and to our employees, suppliers and partners, a sustainable business that shares its development and value generation with all.

Good reading,

**Eloi Bosio**  
**CEO**  
**Daiichi Sankyo Brasil**







**“To contribute to patients’ quality of life through innovative products is our mission.”**

**Alessandra Rolim - Regulatory Affairs**

# Highlights





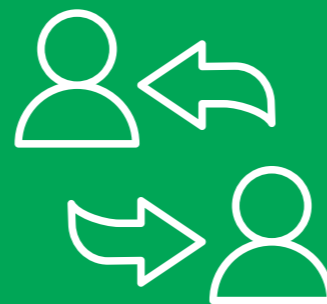
# Highlights



New organization's Global Positioning, with the change of its vision until 2025

Re-launching of the Code of Ethical Conduct and launching of the Anti-Corruption Policy and Integrity Program, with the objective of reinforcing ethical culture and engaging employees.

# Launch of 2 medicines



**New Medical Affairs Division structure**, guaranteeing the scientific accuracy of the Company's activities.

**Awarded as one of the "Best Companies to Work For"** according to the Great Place To Work® (GPTW) Barueri and Region 2016 survey.

# ↑ 17%

**increase in sales**, increasing the population's access to medicines that improve their quality of life.



## Reduction of

- 23% in energy consumption
- 26% in water consumption
- 27% in waste generation



**22,928 training hours** offered to all levels of the organization.



# Mission, Vision and Core Values

**“I am very proud to say that I work  
in a company that gets off the  
ground and puts values such as  
innovation, respect and integrity  
into practice.”**

---

Regis Teixeira - Marketing





## Mission, Vision and Core Values GRI G4-56



### 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.



### 2025 Vision

Be a global pharma innovator company with competitive advantage in Oncology.



## Core Values and Commitments

### Innovation

It is our essence as well as a fundamental requirement aimed at creating innovative medicines that stand out at global level. Each and every employee at Daiichi Sankyo shares this innovation spirit.

#### Commitments:

1. To create innovative medicines changing the standard of care: universally applied best treatment practice in today's medical science;
2. To take a global perspective, and respect regional values;
3. To foster intellectual curiosity and strategic insight.

### Integrity

It is our strength and a fundamental feature of our character. We always work so that our activities are done correctly and transparently, in order to improve the patients' health and well-being.

#### Commitments:

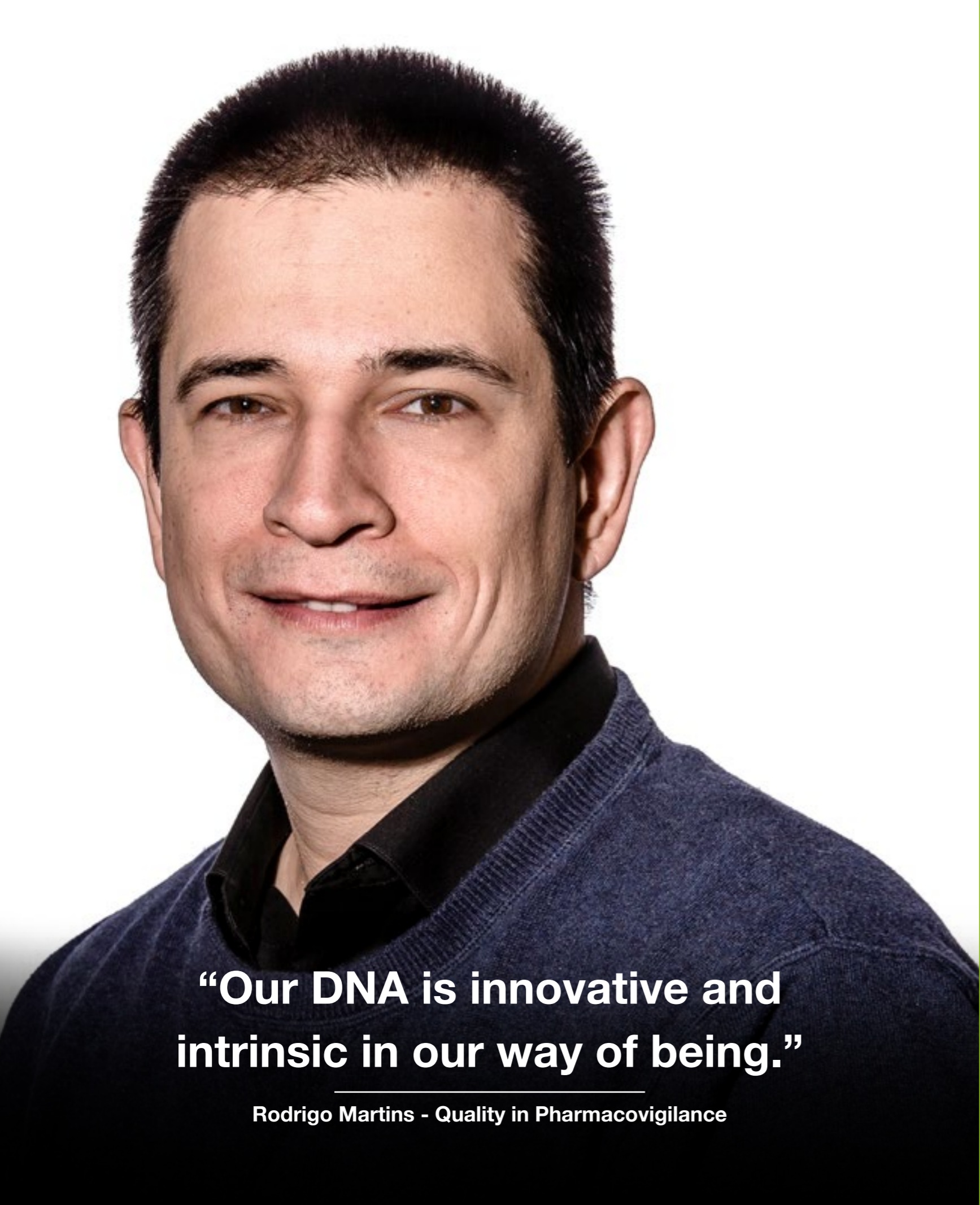
4. To provide the highest quality medical information;
5. To provide a stable supply of top-quality pharmaceutical;
6. To be an ethical, trusted, and respectful partner.

### Accountability

It is our culture. We eagerly accept our duties and honor our commitments with all those who depend on us so that we can provide innovative medicines for patients all over the world.

#### Commitments:

7. To be accountable for achieving our goals;
8. To demonstrate professionalism, respect for others and teamwork.



**“Our DNA is innovative and  
intrinsic in our way of being.”**

**Rodrigo Martins - Quality in Pharmacovigilance**

# Profile





## Profile

### Who We Are

Daiichi Sankyo is a global pharmaceutical company, with origin in Japan, established in 2005, through the merger of two large Japanese pharmaceutical companies, with more than one hundred years of history: Daiichi and Sankyo.

Today, the company has more than 10,000 employees in 20 countries around the world dedicated to the creation and supply of pharmaceuticals to meet various medical needs.

In 2006, Daiichi Sankyo was consolidated in Brazil and, since then, has maintained a line of products focused on specialties such as cardiology, psychiatry, neurology, gastroenterology, orthopedics and pain, marketed in all regions of the country and also exported to other countries in Latin America.



#### Meaning

**Daiichi Sankyo** was born from the merger of two Japanese pharmaceutical companies. The name **Daiichi** means “first”.

**Sankyo** comes from the word san (three, in Japanese) and kyo (working together), referring to the fact that the company was founded by three friends.

### Products GRI G4-4

Innovation is an essential part of Daiichi Sankyo’s values. Its employees are committed to developing medicines that bring the hope of a healthy life to the patients, with better quality of life.

The main products of Daiichi Sankyo Brasil are:



#### Cardiology

- Benicar® (olmesartan medoxomil)
- Benicar HCT® (olmesartan medoxomil + hydrochlorothiazide)
- BenicarAnlo® (olmesartan medoxomil + amlodipine)
- Effient® (prasugrel hydrochloride)
- Dainitre (propatylnitrate)



#### Psychiatry and Neurology

- Scitalax (escitalopram oxalate)



#### Gastroenterology

- Lactulona® (lactulose)
- Ezobloc (esomeprazole magnesium)



#### Orthopedics and Pain

- Loxonin® (sodium loxoprofen)
- Hirudoid® (mucopolysaccharide polysulfate)
- Euflexxa® (sodium hyaluronate)
- Daisan (tramadol hydrochloride + paracetamol)



#### New Products

In 2016, the New Business Department was responsible for establishing two partnerships leading to the launch of two medicines. Both were approved based on legislation concerning clone medicines, which came into force in 2015. They are:

**Daisan:** launched in partnership with Aché, is part of the pain line;

**Dainitre:** launched in partnership with FMQ, strengthens the cardiology line.



# Profile

## Market Share GRI G4-5 | G4-6 | G4-8 | G4-9

Daiichi Sankyo Brasil produces approximately 15 million packaging units, serving domestic and foreign markets. They are widely used by physicians and patients in clinics, public and private hospitals and physician offices.

The company is headquartered in São Paulo, and has a plant in Barueri (SP), which produces the medicines: Benicar®, Benicar HCT®, BenicarAnlo®, Loxonin® and Hirudoid®. In addition to these, the company markets the following imported products: Lactulona®, Effient®, Euflexxa, Ezobloc® and Scitalax and, through local partnerships, the products Daisan and Dainitre.

The promotion of medicines in Brazil is carried out by the Sales Force, and its commercialization is done by distributors and pharmaceutical networks in all Brazilian states.

Today, 23% of all production in Brazil is exported and is marketed in 17 Latin American countries. In fiscal year 2016/2017, Daiichi Sankyo Brasil made direct exports to Mexico, Panama, Argentina, Peru, Venezuela, Guatemala and Chile. The countries that received only indirect exports by licensed companies were Colombia, Ecuador, Costa Rica, Chile, Bolivia, Paraguay, Uruguay, the Dominican Republic, El Salvador, Honduras, and Nicaragua.

## Locations where Daiichi Sankyo Brasil has operations



Production of **15 million** medication packaging units

Export to **17 countries** in Latin America

- Host country
- Direct export
- Indirect export only





## Profile

### Economic Performance

The year 2016 was marked by continued economic and political crisis in Brazil, with a fall of 3.6% in the GDP. The pharmaceutical industry didn't come out unscathed by the domestic scenario, but because it deals with basic necessities of the population, it was less affected than other sectors. In 2016, it showed a growth of 13%, according to data from the American company IMS Health, representing a decrease in growth compared to what had been recorded in previous years.

Despite this scenario, Daiichi Sankyo Brasil managed to overcome the difficulties imposed by the domestic context and reach its sales targets for the year, with a growth of 17%, according to the IMS.

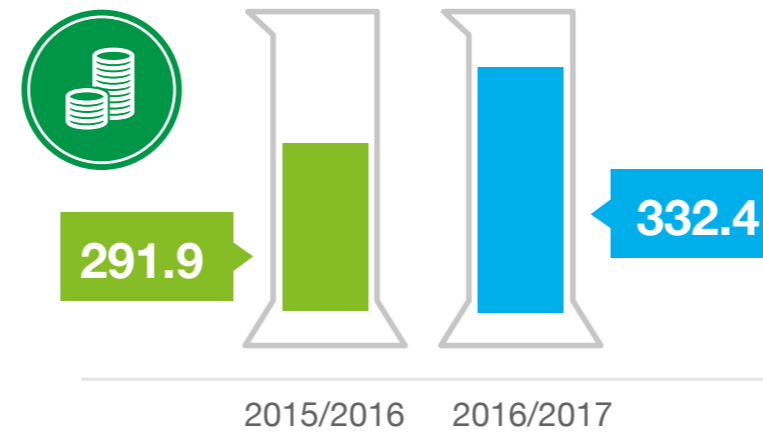
The company maintained strict cost and operating expenses control, allowing continued solid investments in the development of new products as well as in the expansion of its activities. Profitability, however, was impacted by the exchange variation on imported raw materials and declined by 8% over the previous year.

The medicines of the Benicar® family (which maintained their commercial performance even after the entry of generics medicines in the market), Loxonin e Euflexxa, were the main products responsible for the good performance of the company.

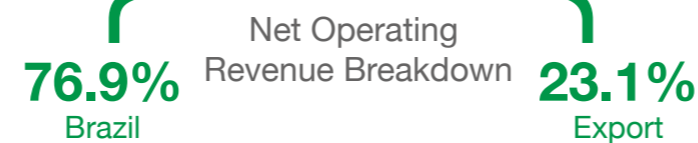
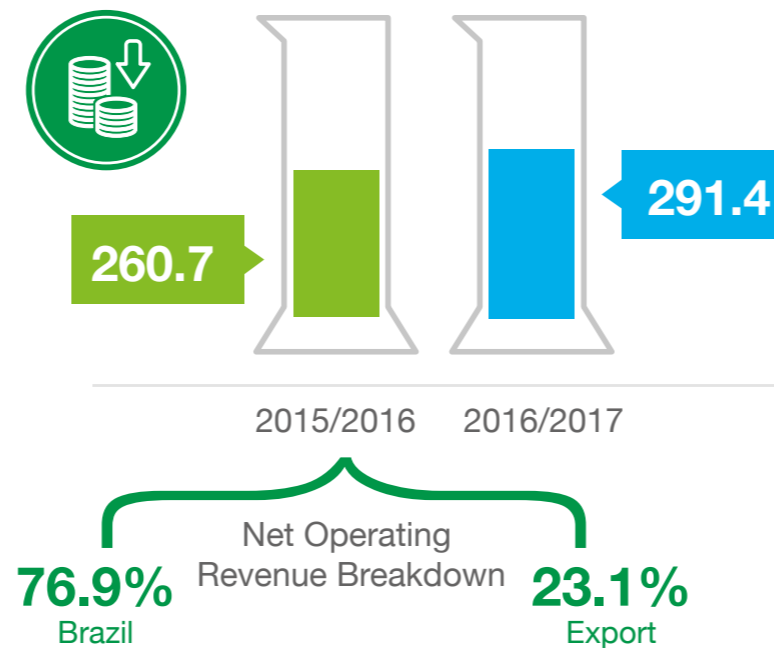
Another advantage that favored Daiichi Sankyo Brasil sustainable growth amid a context of national recession was the exports to Latin America. In 2016, exports were impacted by the poor economic performance of some Latin American countries, such as Venezuela, which was mitigated by the increase in sales to other regions, such as Mexico and Central America.

### Economic Indicators

#### Gross Operating Revenue (in millions):



#### Net Operating Revenue (in millions):



Sales growth

reached  
**17%**





**“The respect among teams  
and the harmony of people  
contribute to our success.”**

---

Emanoelle Nishimura - Financial

# Governance





# Governance

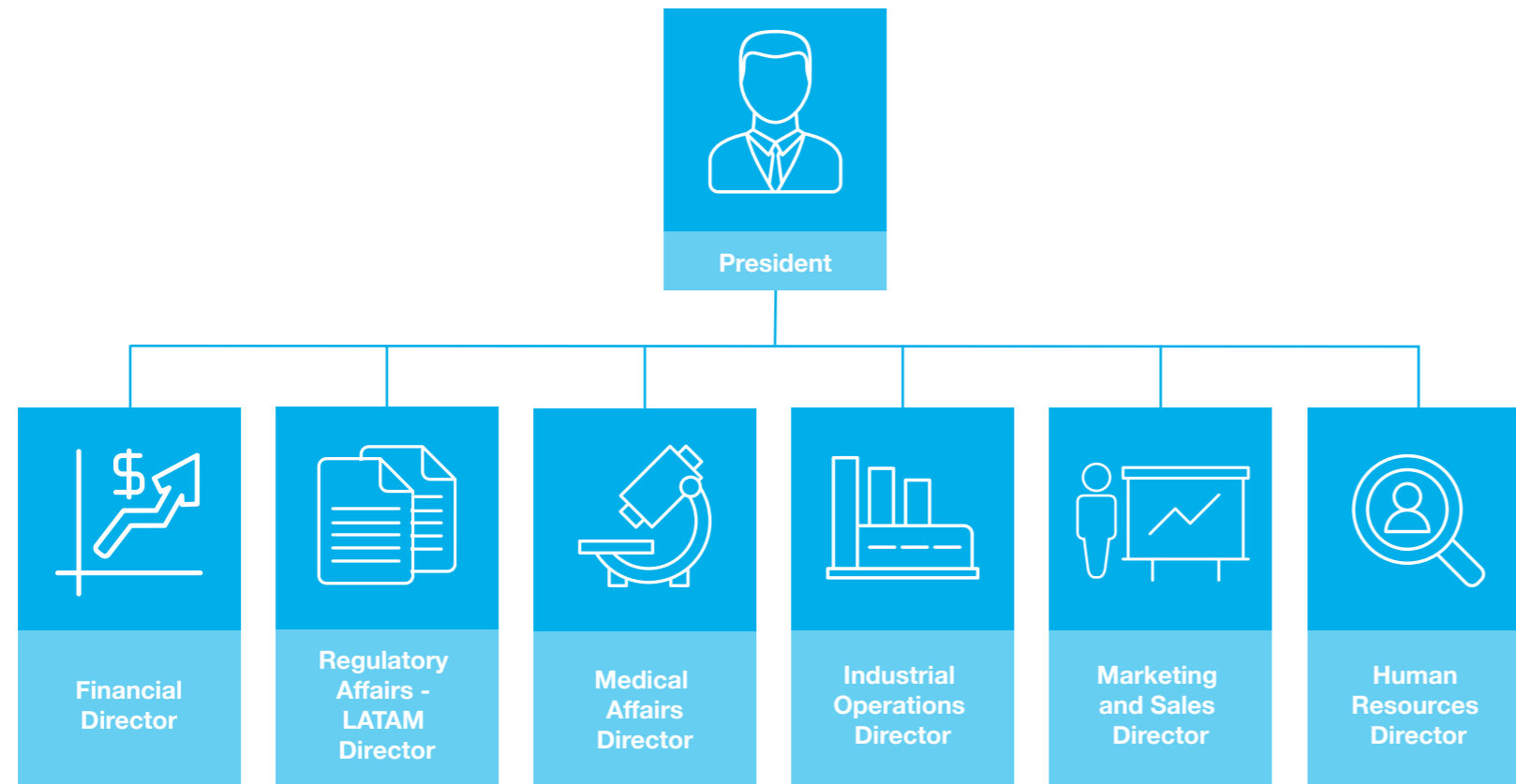
## Structure [GRI G4-34](#) | [G4-38](#) | [G4-39](#)

The Corporate Governance of Daiichi Sankyo Brasil reflects a transparent and ethical stance in the relationship with all stakeholders, promoting business sustainability and generating long-term value.

The company governance structure is formed by the Board of Directors, the organization's highest body, and by the Executive Committee. The President is the professional who represents the company legally and is member of both: the Board and the Committee.

In addition to the President, the Board of Directors includes two other employees of the organization, who hold executive position in Japan.

The Executive Committee is composed of the President plus six directors, organized according to the organization chart:



In addition to the Executive Committee, the company has a governance model structured in committees, responsible for defining the strategy and actions in order to ensure a smooth operation and performance, aligned with the best corporate practices. They are: New Business Committee, LRR Committee (Launch Readiness Review), Labor Committee, S&OP Committee, Crisis Management Committee and Ethical Conduct Committee.



### New Global Positioning

On March 31<sup>st</sup>, 2016, the CEO of Daiichi Sankyo announced changes in the organization's Global Positioning.

Following the sale of its stake in Ranbaxy - an Indian generic pharmaceutical company - to Sun Pharma, the organization decided to move away from the hybrid model and focus on innovative business. After that, a five year Business Plan and a new **Vision** was elaborated, proposing that by 2025 the Daiichi Sankyo group should **"be a global pharma innovator company with competitive advantage in oncology"**.

To achieve this goal, an intense and planned cultural transformation in the business structure will be necessary, focusing on the development of new lines of medicines, without leaving aside current lines and company's products.



## Governance

### Close management and open dialogue **GRI G4-49**

The company seeks to maintain and strengthen a culture of alignment of all employees with its strategy, goal, governance and principles. In this sense, the Daiichi Sankyo Brasil employees have some contact channels with the organization's top management. They are:



**DOAR Group (Objectives and Results Analysis Disseminators Team):** meeting of leaders from different areas with the President and senior management, in order to analyze and share the results, strategies and objectives of Daiichi Sankyo Brasil and at the same time, collect comments and suggestions;



**Dialogue with the President:** once every six months, the President and Executive Committee managers present the company's results to all employees, in order to ensure the transparency of management;



**Coffee with the President:** held twice a year, the event aims to bring the President and employees closer together. At each meeting, 15 employees are invited to a conversation about various topics such as day-to-day routine and company strategy.

## Ethics and Transparency

Daiichi Sankyo Brasil conducts its business in an ethical and socially responsible manner, always attentive to the transparency of its actions and the fulfillment of their legal obligations. During fiscal year 2016/2017, one of the organization's focus was to further strengthen the issues of Compliance, Ethics and Anti-Corruption among its employees.

The main body to deliberate on these topics is the Ethical Conduct Committee, composed of three members of the Executive Committee: Presidency, HR Department and Financial Department. The Committee is responsible for analyzing and judging complaints and reports of suspicious behavior, made through the official communication channels, and promoting awareness and engagement initiatives for the internal public on the subject, so that each employee become a multiplier of an ethical, fair and responsible culture.

### Code of Conduct

**GRI G4-56**

In September 2016, Daiichi Sankyo Brasil relaunched its Code of Ethical Conduct, a formalization of ethical and moral principles that guide decision-making and actions taken by employees.

The Code of Ethical Conduct is delivered on the admission day of each new employee, who undertakes to follow the principles, norms and standards of behavior established in the document. It's also disclosed to employees who already belong to the company and is available online, so that it can be used as a source for consultation and reference on the topics covered.

The document follows the principles of the Global Code of Conduct and the Company's Principles of Individual Conduct. Among the topics covered we mention: compliance with legislation, respect for diversity, conflict of interest prevention, promotion of good practices in relationships with colleagues, company property, suppliers, government, patients, among many other stakeholders with which business representatives interact in their daily routine.

The Compliance area, together with the Ethics Committee and the Executive Committee, is responsible for monitoring the implementation of the Code of Ethical Conduct. The lack of adherence to any Code guideline is sent to the Ethical Conduct Committee, which analyzes the case and applies the disciplinary actions provided by law, which may vary from verbal warning to fair dismissal.





# Governance

## Conflict of Interests GRI G4-41

Daiichi Sankyo Brasil's Code of Ethical Conduct points out the main situations in which conflicts of interest may occur and describes what should be the direction to be taken in each one of them. They are:

	Parallel Activities		Gifts and Presents
	Relatives of Employees		Business Meals
	Affective relationship between employees		Events and Hospitality
			Free Samples and Test Products

Upon hiring, all employees must inform the organization if there is any conflict of interest, which will be evaluated by the Compliance department.

After re-launching the Code, 100% of the employees went through face-to-face training on the subject, including different stakeholders from the administrative office, the plant and the sales force.

The company's leadership also went through lectures for awareness-raising and engagement on ethical dilemmas such as: corruption, moral and sexual harassment.

Also, in September 2016, the Global Marketing Code was launched, developed by the parent company with guidelines to orient the actions of the subsidiaries when interacting with healthcare professionals. And in March 2017, the new version of the Interfarma Code of Conduct - revision 2016 — , which goes deeper into relations between industry, physicians and other healthcare professionals, came into force.

Based on these two new documents, the Promotion Practice Guide was updated, which guides all areas of business and interaction with healthcare professionals. All of them underwent training on the changes related to the theme.

## Communication Channels GRI G4-58

Daiichi Sankyo Brasil's Code of Ethical Conduct states that all employees must report practices that are contrary to what is proposed in the document. To do so, they rely on the following communication channels:



**Direct Contact:** employees may contact their immediate superior to report situations that should be analyzed by the Compliance area;



**Confidential Channel:** complaints can be made confidentially by calling 0800-741-0023 or through the website [www.canalconfidencial.com.br/daiichisankyo](http://www.canalconfidencial.com.br/daiichisankyo). The information is received by an independent company and transmitted directly to the Presidency and the Compliance area, who call the Ethics Committee to investigate the case report;



**Compliance Department email:** in case of doubt, employees can also use the email [compliance@dsbr.com.br](mailto:compliance@dsbr.com.br)



# Governance

## Anti-Corruption

GRI G4-SO4

In addition to the new Code of Ethical Conduct, Daiichi Sankyo Brasil also prepared in 2016 a new Anti-Corruption Policy and a new Integrity Program, to be implemented throughout fiscal year 2017/2018. Both reinforce the company's compliance with Law No. 12.846 / 2013, also known as the Anti-Corruption Law or Clean Company Law, which came into force in 2014.

The Policy was approved on December 2016 and establishes Anti-Corruption guidelines within the company, clarifying concepts related to the topic, pointing out areas that represent greater risks, presenting measures to prevent corruption, defending integrity and instructing on how to report violations of those kinds. Until March 2017, 100% of the employees went through in-person training on the subject.

The Integrity Program was created based on the Anti-Corruption Policy and Code of Ethical Conduct. It defines a robust plan communication and engagement of employees based on five pillars, whose implementation will be the responsibility of the Compliance area:



## Commitments

GRI G4-15

The continued focus on ethics and anti-corruption are reflected in the commitments of which the organization is a signatory:

- Since 2010, the company is a signatory to the Global Compact, an initiative of the United Nations (UN) to mobilize the business community to adopt principles that reflect core values in the areas of human rights, labor relations, environment and anti-corruption;
- As a member of the Pharmaceutical Research & Development Companies Association (Interfarma), Daiichi Sankyo Brasil follows the Interfarma Code of Conduct, a document that governs the daily practice of the pharmaceutical industry. This document underwent a review during 2015 and 2016, being re-launched in March 2017.





# Governance

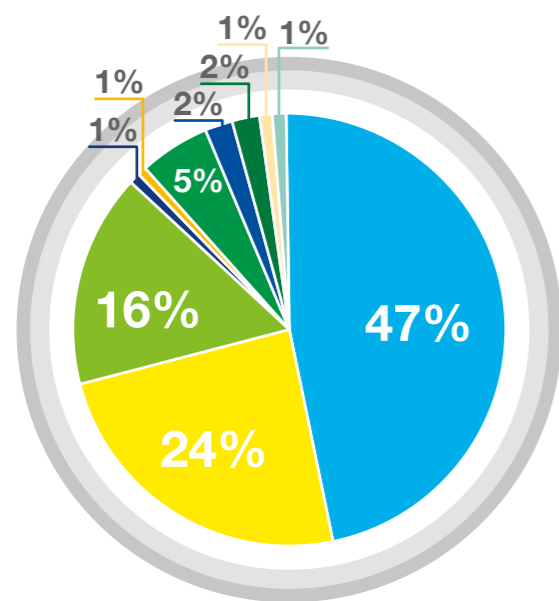
## Relationship with Suppliers

GRI G4-12

Daiichi Sankyo Brasil maintains a continuous focus on the ethical conduct of suppliers that relate to the company, seeking to ensure the extension of its values, principles and commitments on the subject to its chain. Therefore, it prioritizes local suppliers, selected according to their technical quality, values and social and environmental responsibility.

Today, the company has 8,430 suppliers, of which 3,942 are service providers. During fiscal year 2016/2017, R\$ 134.4 million were spent with these suppliers.

### Suppliers by type



- Service Provider
- Freelance
- Other
- Raw material
- Packaging material
- Consumables
- Marketing material
- Maintenance equipment
- Fixed assets
- Laboratory Supplies

The main tool to ensure that suppliers and service providers follow the legal and commercial guidelines and practices required by Daiichi Sankyo Brasil is the contract. After reformulating its Code of Ethical Conduct, the organization has adapted a new clause describing its commitment to ethical and anti-corruption conduct, pointing out the key points of the Code that impact the suppliers and requiring their prior knowledge of these obligations.

The contractor also needs to be aware of the organization's commitment to the Global Compact, recognizing its commitment to the defense of citizenship and the principles proposed in the document (described on page 20).



The company has **8,430** suppliers

The changes to the clauses of the document took place in the second half of 2016. Since then, it has been presented to every new supplier, as well as to the old ones when the contract is renewed. The organization believes that, in addition to guaranteeing the understanding of the practices that are not accepted by Daiichi Sankyo Brasil, the document also acts as a way to present the best practices of the market, helping to raise awareness of its productive chain.

In addition to the clauses added to the contract, the company also evaluates the registration information of all suppliers, in search of possible risks of corruption.







**“Investment in planning allows employees to have a better quality of life and well-being.”**

**Marcelo Neves - Operational Effectiveness**

# Goals



## Goals

### 2016 goals

Commitments made in 2016	What was done	Commitment Status
Expand the product portfolio through partnerships, licenses, extension of lines and acquisition of new products	The company launched two products through partnerships	
Create and implement an Integrity Program	The Integrity Program was developed throughout 2016 and was implemented in 2017	
Disseminate the Ten Principles of the United Nations Global Compact	The organization focused on environmental change and anti-corruption principle	
Elaborate a program for development and improvement of competences of the organization leaderships	Leadership has gone through a series of trainings, as can be seen on page 33	
<b>Recycling:</b> maintain or reduce to 0.2357 (kg) waste / thousand units produced	The company reduced its waste generation to 0.2028 (kg) / thousand units produced	
<b>Incineration / coprocessing:</b> maintain or reduce to 0.0716 (kg) waste / thousand units produced	Despite efforts to reduce waste generated in the production process, the value reached 0.0787 (kg) waste / thousand units produced	
<b>Water:</b> maintain or reduce to 0.0531 m³ / thousand units produced	The company reduced its water consumption to 0.0412 m³ / thousand units produced	
<b>Energy:</b> maintain or reduce to 0.0291 MWh / thousand units produced	The company reduced its energy consumption to 0.0265 MWh / thousand units produced	

### 2017 goals

Commitments made in 2017	
Expand the product portfolio through partnerships, licenses, expansion of distribution and acquisition of new products	
To continue the leadership development plan in order to support them in managing teams (Leader Coach and Mentoring)	
<b>Global Compact</b>	
Support a precautionary approach to environmental challenges	<b>Water:</b> keep consumption below 0.0467 m³ / thousand units produced
	<b>Energy:</b> keep consumption below 0.0269 MWh / thousand units produced
Anti-Corruption	Implement the training plan for the year 2017 through the Integrity Program





# The Pharmaceutical Industry

**“Daiichi Sankyo values innovation  
and the health sector needs  
this innovation.”**

---

Danilo Lopes - Medical Affairs



# The Pharmaceutical Industry

## Regulatory Agencies [GRI G4-PR2](#) | [G4-PR4](#) | [G4-PR9](#)

Daiichi Sankyo Brasil considers essential to maintain a quality, effectiveness and safety assurance system of its products, in accordance with the laws and regulations of the countries where it operates. Therefore, the careful evaluation of regulations and the technical planning of how to best serve them are fundamental to the organization's growth strategy in Latin America.

### Registration of 2 new medicines in Colombia

One of the company's challenges is the diversity of regulations among the various countries for which it exports, each one requiring different technical standards for the approval of new medicines. In order to deal with this diversity, Daiichi Sankyo has local consultants in some countries, who provide support to the submission of new medicines in accordance with local legislation. In other countries, the organization operates through partner companies.

In 2016, these efforts led to the approval of the registration of two new medicines in Colombia, for the first time.

In Brazil, Daiichi Sankyo interacts directly with the National Sanitary Surveillance Agency (Anvisa). In 2016, the agency was accepted as a member of the International Conference on Harmonization of Technical Requirements for Registration of Pharmaceuticals for Human Use – ICH, an organization that brings together the world's leading regulatory agencies seeking to create common technical guides. The trend is for Anvisa to harmonize its rules with the main international agencies, which brings benefits to Brazilian companies. Daiichi Sankyo already follows these guides in other countries.

A quality audit, conducted in 2016 by a specialized consulting firm, found that the Daiichi Sankyo Brasil plant in Barueri already adheres to the standards proposed by the main international authorities, such as the American (FDA) and the European (EMA).

This result is a reflection of the operational quality of the company, which follows the strictest global manufacturing practices and is prepared for regulatory advances in search of greater international standardization.

As a consequence of its commitment to local laws in the last fiscal year, the organization has not been fined for noncompliance with laws and regulations regarding information, labeling, use and supply of its products, nor regarding the impact of products on patient's health and safety.



Daiichi Sankyo Brasil submits its operations to the rules of the regulatory agencies of the countries in which it operates, such as:



### Brazil

National Sanitary Surveillance Agency (ANVISA)



### Colombia

Instituto Nacional de Vigilancia de Medicamentos y Alimentos (INVIMA)



### Mexico

Comisión Federal para la Protección contra Riesgos Sanitarios (COFEPRIS)





# The Pharmaceutical Industry

## Brazilian Legislation

In 2016, some changes in Brazilian legislation and Anvisa regulations affected Daiichi Sankyo's operations in the country. They are:

- In April 2016, Anvisa published a Resolution changing the requirements for post-registration changes to synthetic drugs (RDC 73/2016), which are those made after it was released in the market. The main change is greater corporate accountability, requiring more rigorous presentation of risk analysis and critical analysis to support the proposed changes;
- The Agency has also revised the Marketing Authorization Transfer of Ownership (TO) of medicinal products. TO is an administrative procedure to change the registration holder of a product in which it is not necessary to present again all the evidence that assures its quality, effectiveness and safety. From the changes, TO applications must be simultaneously filed by successor and predecessor companies, within 180 days;
- In December 2016, Law No. 13411 was published, which changes Anvisa's deadlines for the issuance of its final opinion on the market authorizations and establishes penalties if they are not complied with. The new deadlines are 120 days for the approval of registration of priority medicines and 365 days for ordinary medicines. The changes should bring greater predictability to the approval of new products and to the business of Daiichi Sankyo Brasil.

## Membership in Associations **GRI G4-16**

Daiichi Sankyo actively participates in the discussion and proposal of public policies that contribute to the development of the pharmaceutical sector.

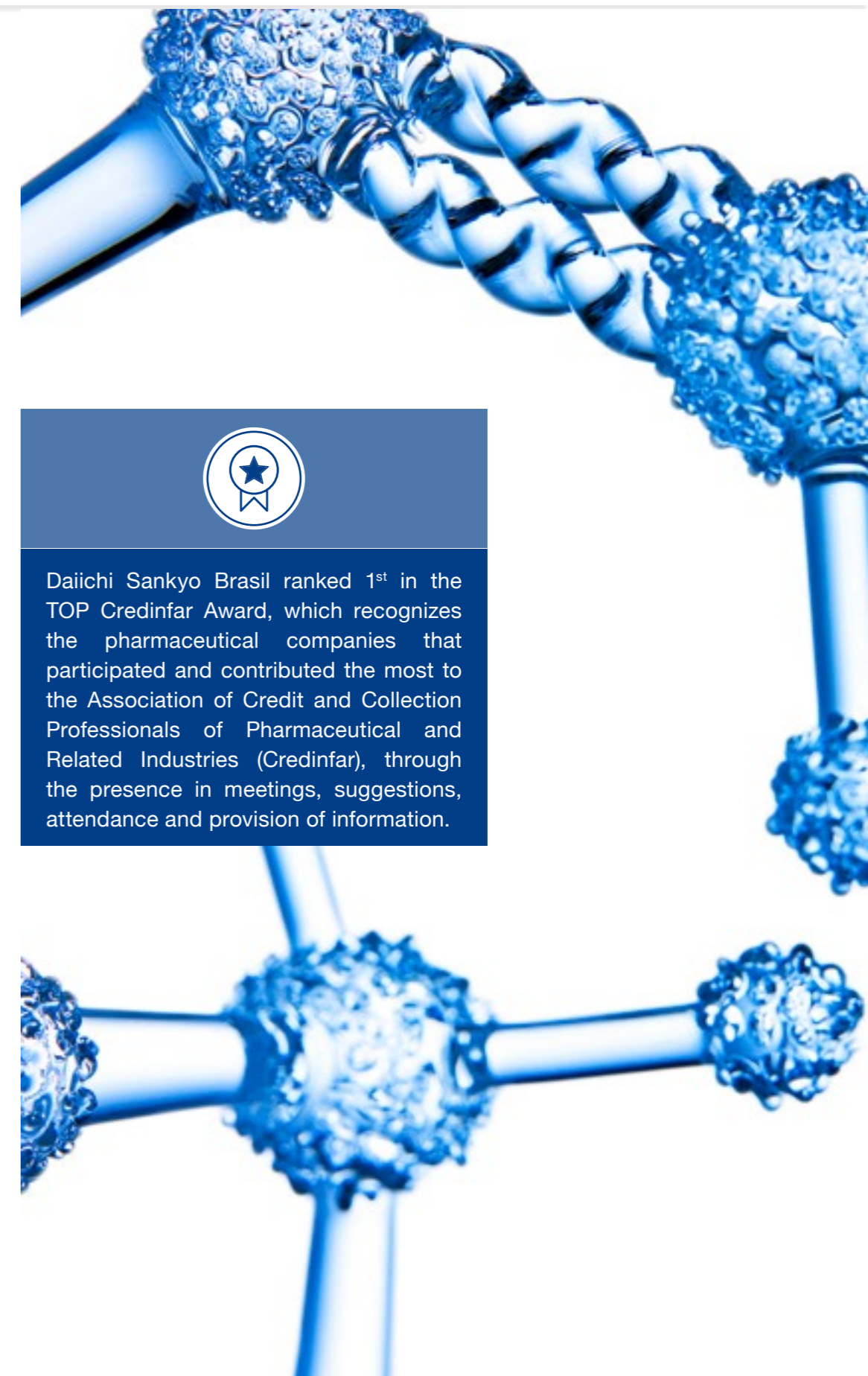


To this end, the company is a member of Interfarma, an association that represents Brazilian and foreign companies and researchers responsible for promoting the development of the scientific and technological research industry in Brazil, especially for the production of pharmaceutical inputs, raw materials, medicines and related.

One of the Association's main activities is to establish a constant channel of communication among the society, the pharmaceutical sector and federal, state and municipal governments. Daiichi Sankyo participates in 11 Interfarma committees with the aim of discussing industry issues.



The company also maintains a partnership with Sindusfarma, the Pharmaceutical Industry Union, whose role is to defend the causes of this industry in the State of São Paulo, providing services to its associates.



Daiichi Sankyo Brasil ranked 1<sup>st</sup> in the TOP Credinfar Award, which recognizes the pharmaceutical companies that participated and contributed the most to the Association of Credit and Collection Professionals of Pharmaceutical and Related Industries (Credinfar), through the presence in meetings, suggestions, attendance and provision of information.





# The Pharmaceutical Industry

## Relations with Healthcare Professionals

Daiichi Sankyo Brasil recognizes the importance of disseminating scientifically proven information about its products to healthcare professionals: that is, those who are qualified to prescribe or dispense medicines, including doctors, dentists and pharmacists.

Thus, when presenting its products to healthcare professionals, the company plays an important role of disseminating knowledge to the medical community. Therefore, it promotes the Continued Medical Education Program, bringing knowledge about diseases, innovative medicines and different types of treatments to these professionals. The three pillars that guide this relationship are:

- Expansion of Daiichi Sankyo's medicines promotion;
- Expansion of Daiichi Sankyo's institutional knowledge;
- Expansion of relationships and sharing of scientific information to healthcare professionals.

The Promotional Practice Guide — created from the Global Marketing Code and the Interfarma Code of Conduct - revision 2016 — establishes the principles and guidelines that must be followed by employees who interact with healthcare professionals, medical institutions and patient organizations. This relationship must be conducted in an ethical, responsible and integral manner, always prioritizing the interest in bringing the safest and most efficient treatments to the patients.

The company's representatives are committed to establish relationships that are free of guidance, guaranteeing autonomy to the professional in the prescription of medicines.

### Medical Affairs Division

During the fiscal year 2016/2017, the Medical Affairs Division was restructured, with the objective of ensuring technical-scientific accuracy and quality of the organizational activities with the external public (physicians and other healthcare professionals) and internal (marketing, commercial, new business and regulatory).

The change follows the Daiichi Sankyo's global strategy, strengthening its image as a benchmark company to the scientific and medical community. The activities of the Medical Affairs Division include three main areas:



**Medical Information:** ensures that the information provided to physicians in promotional materials or in demand to requests for information is scientifically accurate, with clear bibliographical references and complying with Brazilian standards. It also contributes to the new business area in the scientific validation of new products and medicines opportunities. In 2016, more than 1,500 requests for scientific information were addressed, over 100 promotional materials were analyzed and 42 new business opportunities were evaluated;



**Medical Scientific Liaison (MSL):** masters and doctors in medical science make up the team of consultants and medical managers who work in relationships with researchers, professors and other opinion leaders in the medical field, discussing and sharing scientific and therapeutic updates in a reactive way. They have deep knowledge about the molecules, the diseases they fight against, and the treatment areas involved. During fiscal year 2016/2017, the department conducted more than 600 interactions with opinion leaders in cardiology, neurology, vascular surgery, angiology and psychiatry, as well as participating in more than 15 continued medical education events;



**Clinical Research:** works in the execution of scientific studies carried out with new or established molecules of Daiichi Sankyo in Brazil, seeking partnerships with universities, laboratories and service providers, in order to guarantee good practices in clinical research. In 2016, it sought to consolidate its structure, ensured the implementation and execution of clinical trials in progress, as well as assisted in the regulatory activities of the international multi-center studies to be initiated in Brazil.



# The Pharmaceutical Industry

## Sales Force

The daily relation with the Brazilian medical profession is responsibility of the Sales Force, formed by trainee sales promoters, sales representatives and hospital consultants who visit doctors' offices, hospitals, clinics and pharmacies to bring updated scientific information about Daiichi Sankyo Brasil products.

To do so, they have materials developed by the Marketing area, with the support of the Medical Affairs and Regulatory Affairs areas and a guideline outlined for each product of the company. The relation with the health care professional must be based on ethics and transparency, limited to imparting knowledge about the product and its therapeutic area, leaving to the doctor the final decision on which product to prescribe to patients.

As of October 2016, Daiichi Sankyo Brasil changed its Sales Force strategy. The promotional cycle, which was only one month, now lasts three months, allowing for an expansion in the medical register and the implementation of more effective targeting and segmentation actions.

At the same time, the sales representatives are offered a new system of support, administration and management of their visits. Installed in a tablet, the new tool has a database of professionals to be visited, making communication with other areas of the company easier while supporting the efficiency of its day-to-day operation.

The deep knowledge about the diseases, the treatments and the Daiichi Sankyo's products are essential to the good performance of sales representatives. Therefore, the company conducts periodic training through the University of Daiichi Sankyo (UDS Brazil). In 2016, the University has gone through a reformulation, receiving a new layout, a more convenient way to be used by the sales representatives.

Also, the Sales Force area has the Talent Pool, developed in partnership with HR intended to the development of internal talents and the formation of new leaders.

In 2016, the Field Trip project began, in which the Executive Committee and managers of Daiichi Sankyo Brasil were able to follow the work of sales representatives *in loco*. The objective was to learn the day-to-day of the team and observe, in practice, how the work of their area impacts the relation with the doctors, watching the relations between the field work and the internal activities of the other areas, aiming at process improvement and increased productivity. The project will continue throughout 2017, with the inclusion of other employees.



The **Field Trip** project led managers to follow the Sales Force work visiting doctors' offices, hospitals, clinics and pharmacies.



# The Pharmaceutical Industry

## Events

As part of its relationship with healthcare professionals, Daiichi Sankyo Brasil pays special attention to its participation in medical events and to the Continued Medical Education Program. This program was built by the company based on meetings between physicians and specialists from different areas, with the support of different medical societies, to promote knowledge on various topics related to the day to day of specialists.

In 2016, the company participated in 110 events, 90 of which were domestic and 20 international, including Congresses, Sponsorships, Launches and Daiichi Sankyo Brasil Events.

The main domestic and foreign congresses in which the organization was present were:

- **Congresso Brasileiro de Cardiologia – CBC (Brazilian Congress of Cardiology)**
- **Congresso Paulista de Cardiologia – SOCESP (São Paulo Congress of Cardiology)**
- **Congresso Europeu de Cardiologia – (ESC - European Congress of Cardiology)**
- **Congresso Americano de Cardiologia (American College of Cardiology – ACC – and American Heart Association – AHA)**
- **Congresso da Sociedade de Cardiologia do Rio Grande do Sul – SOCERGS (Congress of Rio Grande do Sul Cardiology Society)**
- **Congresso da Sociedade de Cardiologia do Rio de Janeiro – SOCERJ (Congress of Rio de Janeiro Cardiology Society)**
- **Congresso Brasileiro de Psiquiatria – CBP (Brazilian Congress of Psychiatry)**
- **Congresso Americano de Psiquiatria (American Psychiatric Association – APA)**
- **Congresso Semana Brasileira do Aparelho Digestivo – SBAD (Congress of the Brazilian Digestive System Week)**
- **Congresso Americano de Gastreenterologia (Digestive Disease Week – DDW)**
- **Congresso Brasileiro de Ortopedia – CBOT (Brazilian Congress of Orthopedics)**



### Participation in 110 medical events



During fiscal year 2016/2017, Daiichi Sankyo Brasil received two awards result of its partnership with medical societies:

- Prêmio Empresarial da Sociedade Brasileira de Cardiologia (Brazilian Congress of Cardiology Business Award), in the category: Traditional Satellite Symposiums, Special Activities and Debate Guidelines;
- Certificado de Apoio Científico da Associação Brasileira de Psiquiatria (Brazilian Association of Psychiatry Supporter Certificate), which recognizes its main sponsors and partners.





**“I am very happy to be  
part of this family.”**

**Belarmina Martins - Quality Control**

**Employees**



# Employees

## Profile GRI G4-10

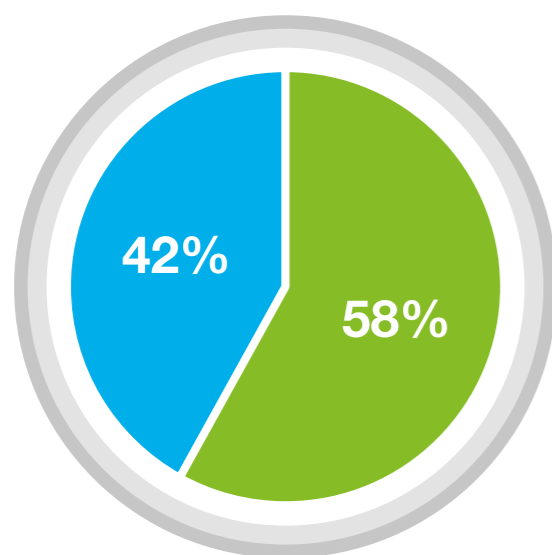
Each Daiichi Sankyo Brasil employee is considered an important resource for sustainable business growth in the short, medium and long term. Therefore, the company seeks to offer an attractive work environment where everyone is able to demonstrate their talent and develop themselves as professionals.

The organization values the diversity of its employees, considering the differences as a source of learning and also a competitive advantage. On March 31<sup>st</sup>, 2017, the company had 389 employees, distributed as follows:

Plant and headquarters employees are located in the State of São Paulo, but the sales force is distributed throughout the country:

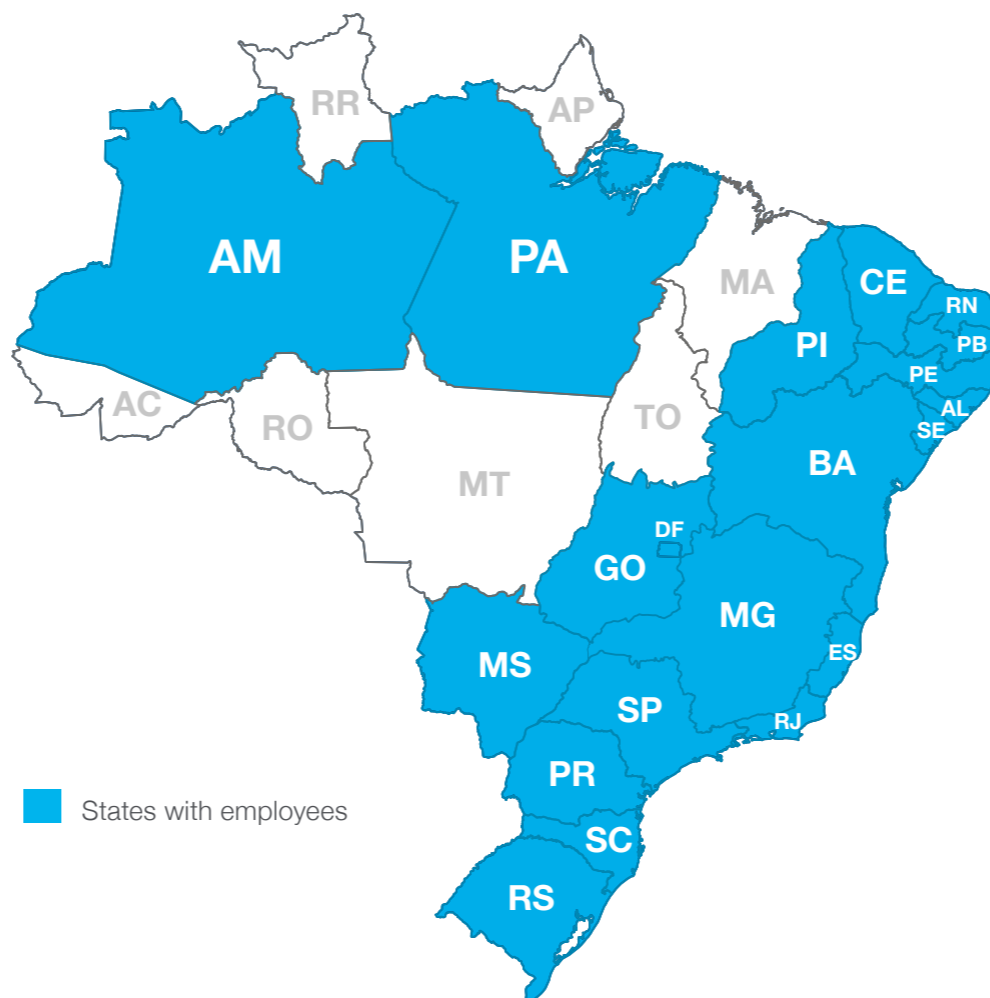
In addition to its own employees, which include those with an indefinite full-time contract and trainees, Daiichi Sankyo Brasil also has 74 outsourced employees. Thus, the total number of Daiichi Sankyo Brasil employees can be broken down as follows:

Employees by gender

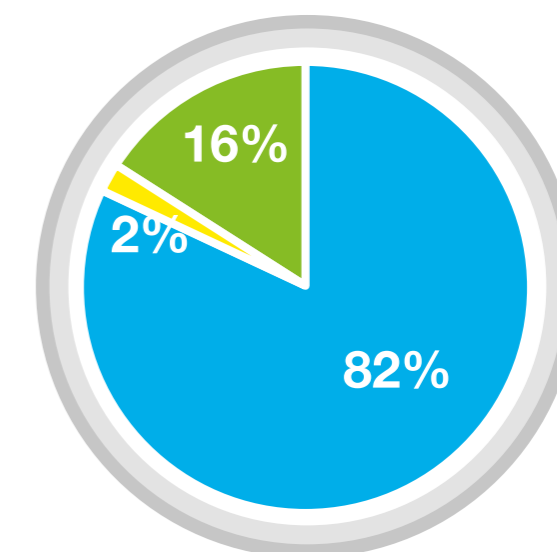


Male Female

Employees in the country



Employees by type of contract



Full Time Intern Third-Party





# Employees

## Career **GRI G4-EC5 | G4-LA11**

Daiichi Sankyo Brasil recognizes that the dedication of employees is key for the excellence of their products, so it seeks to engage them through respect for their ideals, recognition for their performance and successive training.

In view of the valuation of employees, the organization's salaries are substantially higher than the local minimum wage, and the lowest compensation paid by Daiichi Sankyo Brasil is 65% higher than the minimum wage.

From the compensation point of view, the company seeks to recognize employees' dedication, rewarding individual merit when evaluating their behaviors and results.

The performance evaluation is done according to goals related to the organization objectives, while the competencies assessment follows Daiichi Sankyo global model. In the period covered by the Report, 100% of employees received this type of evaluation.

The company is attentive to the development of skills necessary for its success in the long term, besides prioritizing the formation of future leaders able to guide the teams in the execution of its strategic objectives, reinforcing the high performance culture.

To this end, it has the following programs:

**Leadership School:** aims to develop and enhance the essential management and leadership skills in hired and newly promoted managers;

**Dinergic Employee:** seeks to improve the communication of the Daiichi Sankyo employees with their superiors, peers and customers;

**Building and Developing Careers:** covers the entire leadership of the organization for development and training in the following aspects - career concept, identification of the responsibilities of those involved (managers and employees) in the training and preparation process of Individual Development Plan (PDI) for company employees;

**Internship Program:** aims at cultural integration and learning the organizational context, facilitating the professional development of each trainee;

**Re-launch of the Integration Program:** the Institutional Integration encompasses the new employees with the objective of receiving them, providing a smooth adaptation and understanding of the processes, HR management philosophy and organizational culture.

 **100%**  
**of employees**  
received performance evaluation



Daiichi Sankyo Brasil was recognized as one of the “**Best Places to Work**”, according to the Great Place To Work® (GPTW) - Barueri and Region 2016 research. In the 2<sup>nd</sup> edition of the Award, the company ranked 6<sup>th</sup> in the medium-sized category, among 67 enrolled companies. From the result, the HR department held conversations with each board, setting up an action plan in order to improve the points raised, focusing on communication, management and career plan.





# Employees

## Training GRI G4-LA9 | G4-LA10

In addition to programs to engage and develop the career of employees, Daiichi Sankyo Brasil also conducts training to develop its talents in order to contribute to the current and future challenges of the organization. During fiscal year 2016/2017, some of these trainings were implemented as follows:

**Educational Training Program:** aims to provide the professional development and improve the knowledge of the employee for the exercise of their current role or for future challenges that require specialized technical training;

**Continued Education Program:** aims to train, recycle and develop employees who need knowledge and specific technical improvement to develop their activities in the short and medium term;

**Language Educational Incentive Program:** provides foreign language learning (English, Spanish or Japanese), aiming to improve the short and medium term performance;

**Christmas game:** held in December, presents questions on specific topics of the organization, such as the current Sustainability Report, products, Code of Ethical Conduct and corporate branding. All employees can answer and compete for a prize a day;

**Meeting on Quality:** annually held, this year the event was entitled 'Speaking about Quality' and brought together employees to reflect on the importance of assertive communication in the corporate environment;

**University of Daiichi Sankyo (UDS Brazil):** dedicated to train the Sales Force employees, presents weekly content on an online distance learning platform;

**National Sales Meeting:** during fiscal year 2016/2017, two meetings were held, bringing together Sales Force employees to exchange information, receive training and learn about the company results. The first meeting took place in April 2016, in an unprecedented virtual format, being transmitted live via web meeting to the whole country. The second happened in March 2017 in the city of Santos - SP;



### Employees undertook 22,928 hours of training

**District Managers Course, Training Course for New Employees, and Training Program for the launch of Dainitre:** intended to the Sales Force;

**Self-development:** the HR area seeks partnerships for undergraduate, graduate and MBA courses, offering incentives to employees in lines of succession and their families;

**Job Rotation:** professional development tool consisting in the exchange of employees between the various areas of the organization. During the year 2016, three employees went through the experience;

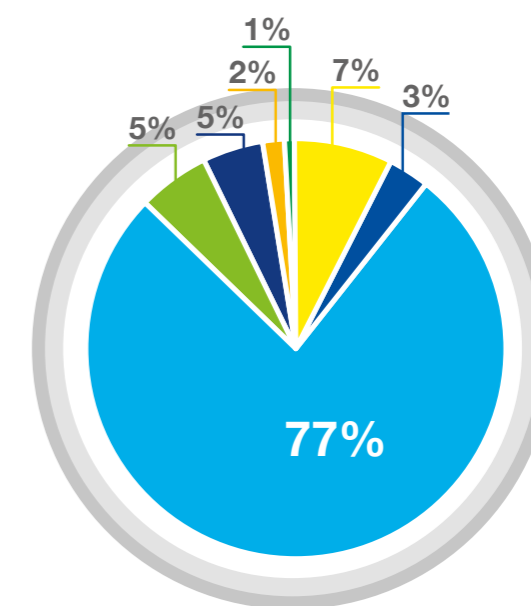
**Self-knowledge project:** using the Insights tool, seeks to enhance employee self-knowledge. From a questionnaire and a workshop, they can get to know each other better and identify personal and professional improvement points;

**International Training:** employees of the organization also participate in courses and immersions held outside the country. In 2017, for example, a Customer Service / Pharmacovigilance employee underwent training at the head office in Japan, in order to better understand the procedures performed in the country and also share the Brazilian reality with them.

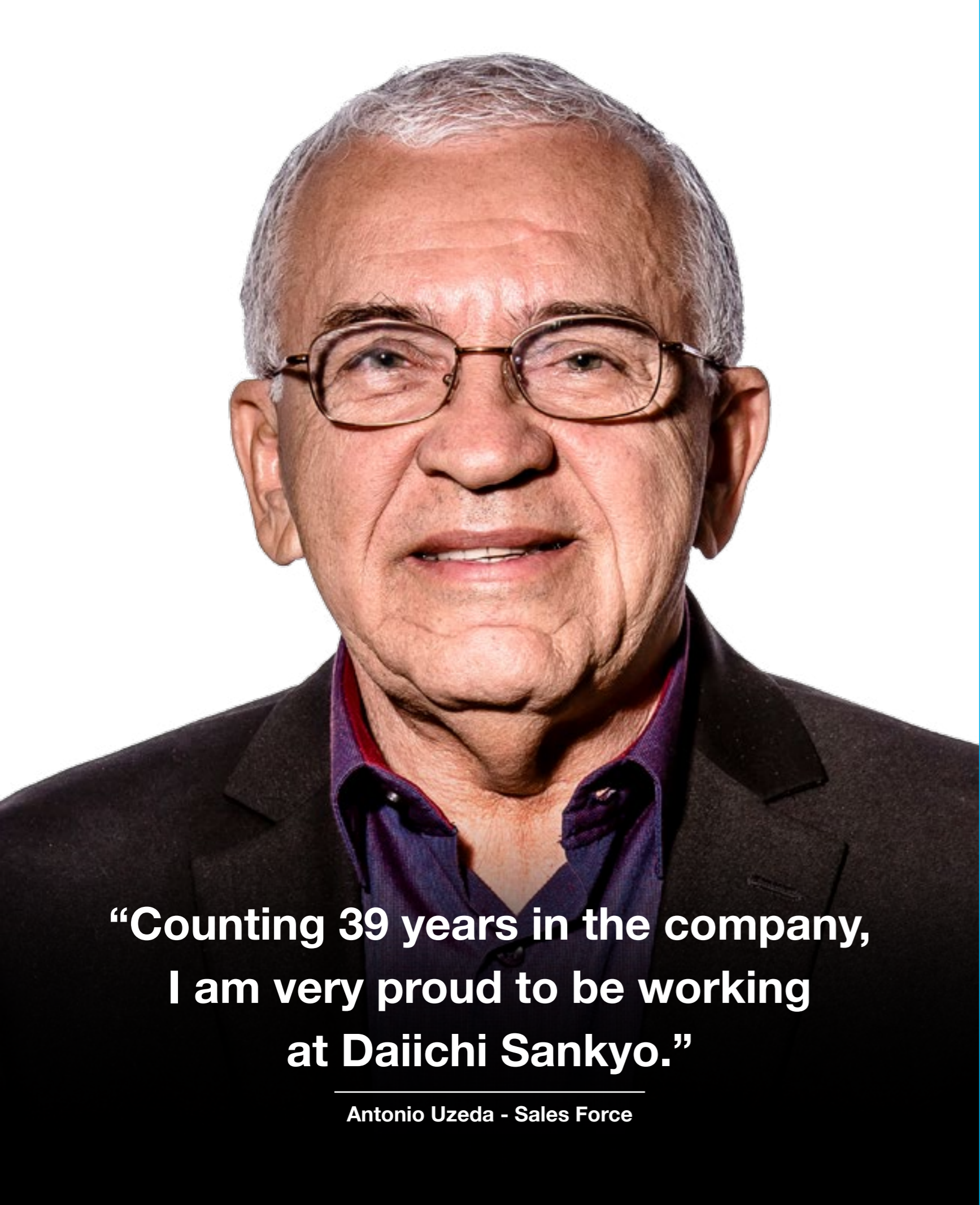
In addition to these, training on the topic of Ethics were applied throughout 2016, described on page 19 and Environmental, on page 35.

In total, 22,928 hours of training were carried out, an average of 59 hours per employee.

Hours of training by functional category



- Operational
- Administrative
- Sales Force
- Coordinator
- Sales Force Manager
- Manager
- Executive Committee



# Environment

**“Counting 39 years in the company,  
I am very proud to be working  
at Daiichi Sankyo.”**

---

Antonio Uzeda - Sales Force





# Environment

## Environmental Management

GRI G4-14 | G4-EN31

Daiichi Sankyo Brasil expresses its concern for the environment in its daily operation, seeking process optimization to reduce the use of natural resources and employee training and qualification to reduce the waste. This year, R\$ 680 thousand were invested in projects to improve production processes.



**R\$ 680 thousand were invested to improve production processes**

The organization environmental activities follow the guidelines established in the Global Environmental Management Policy, which was relaunched during 2016. In Brazil, 100% of employees went through global online training on the subject, focusing on how their effort could help reduce impacts and risks to the environment.

At its plant, Daiichi Sankyo Brasil applies an Environmental Management System, based on the ISO 14001 methodology, which continuously monitors water and energy consumption, waste and effluent generation and the emission of smoke. In February 2017, the organization underwent an audit process to maintain the ISO 14001 certification, obtaining maximum score, rising to level 5 in the evaluation and proving the efficiency of its environmental management.

The organization also has a Kaizen area, which promotes actions for continuous process improvement, waste reduction, stimulating the analytical view of routines and leading to constant improvements in environmental indicators.

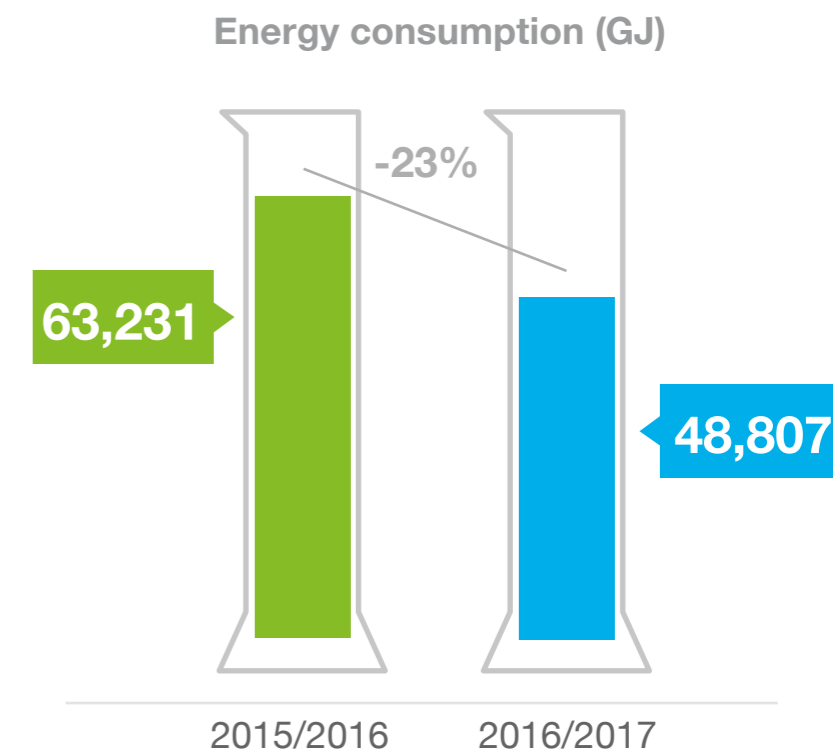
## Energy and Emissions

GRI G4-EN3 | G4-EN5 | G4-EN6 | G4-EN15 | G4-EN21 | G4-EN30

One of the focuses of the Environmental Management System is the reduction of energy consumption and, consequently, CO<sub>2</sub> emission, one of the gases that contribute to global warming. Among the measures taken in fiscal year 2016/2017 to reduce the impact of its operations in this aspect, it is possible to highlight:

- Acquisition of a new compressed air generator equipment for the plant, leading to a drop in electric power consumption. As a result, it's estimated that there should be a calculated reduction of 87 tons in CO<sub>2</sub> emissions;
- The company invested in a project in the Free Energy Market, in which it was possible to negotiate directly with the generators. It was stipulated that all contracted energy sources would be renewable, eliminating CO<sub>2</sub> emissions in the generation of electric power used in the plant;
- Changes in the location of the Datacenter, which increased information security and led to a 60% reduction in the electric power consumption by the device;
- Installation of UVC lamps in the plant's air conditioning system, reducing the electrical consumption of the equipment by approximately 20%.

Thus, energy consumption within the organization was 48,807 GJ in fiscal year 2016/2017, 23% lower than in the previous year.





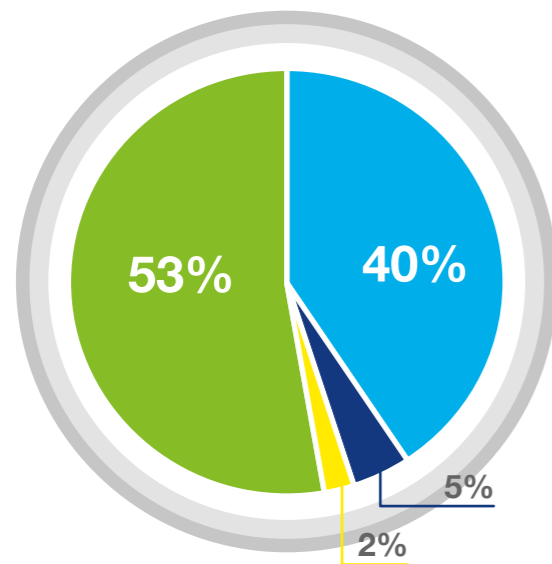
# Environment

By maintaining the plant's steam systems and electrical generators, the company was able to reduce the use of energy generated from diesel by 551 GJ and generated by LPG by 83 GJ. The fuel used by the Sales Force team generated a consumption of 26,726 GJ of energy, 32% lower than the previous year.

The energy intensity of the Daiichi Sankyo plant was 0.08600 GJ per thousand units produced (pills and tubes), 9% lower than the previous year.

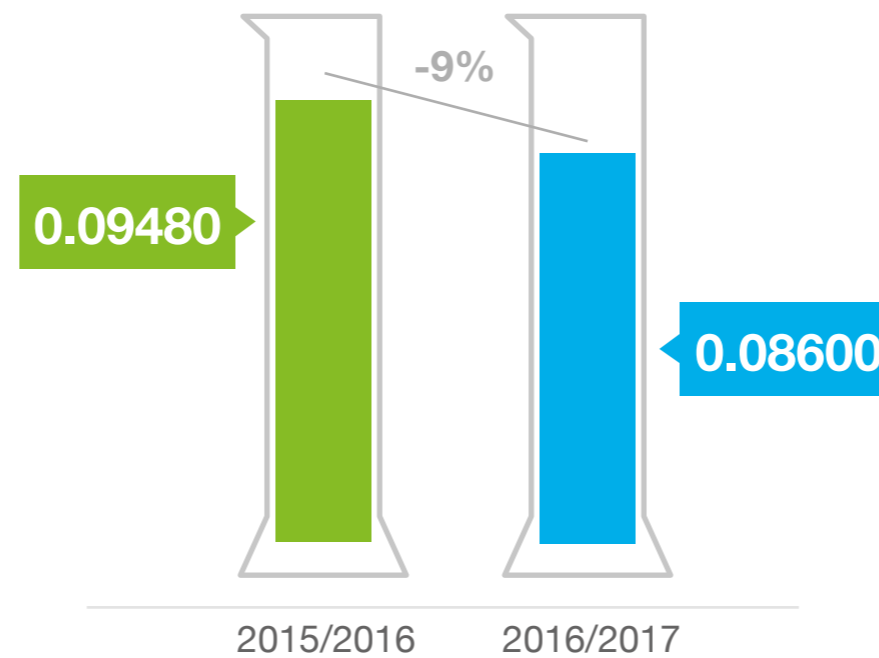
As a result of these efforts the organization achieved a 29% reduction in CO<sub>2</sub> emissions:

### Energy consumption by source (GJ)

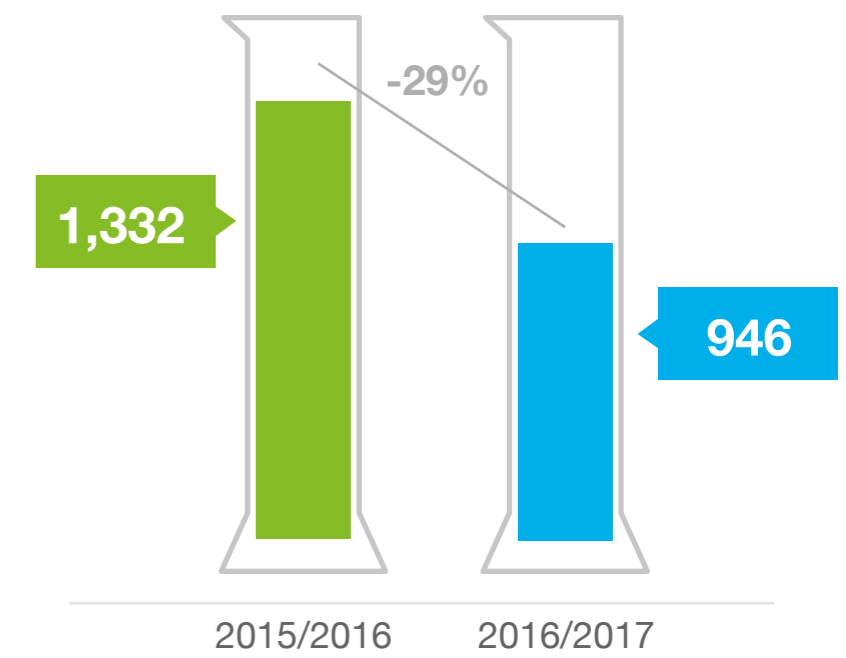


- Electricity (Plant)
- Gasoline (Sales Force)
- Ethanol (Sales Force)
- Non-renewable fuels - LPG and Diesel (Plant)

### Energy intensity (GJ per thousand units produced)



### CO<sub>2</sub> Emissions (in tons)



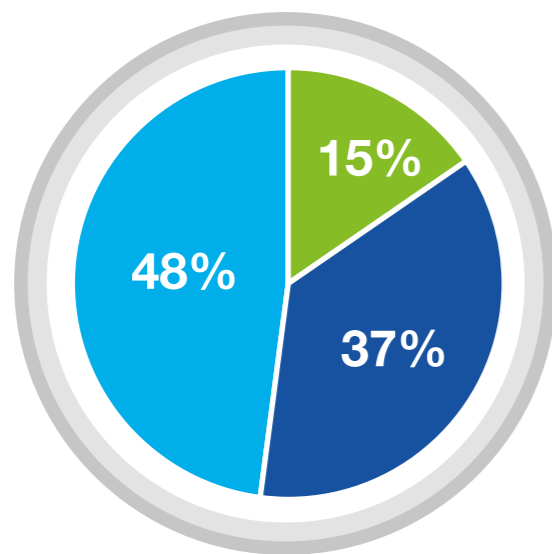




# Environment

One of the factors that helped reduce emissions was the increase in ethanol consumption in Sales Force vehicles, reducing gasoline usage by 4,739 GJ. Throughout the year, the CO<sub>2</sub> emission by source was as follows:

CO<sub>2</sub> emission by source



- Stationary combustion (boiler and generators)
- Mobile Combustion (Sales Force vehicles)
- Plant energy consumption

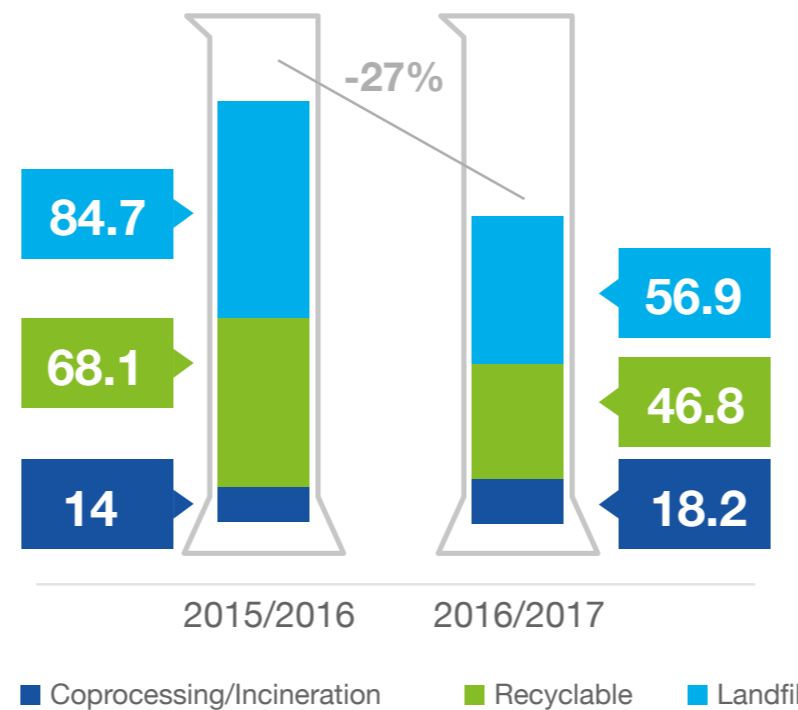
Due to plant characteristics, SO<sub>x</sub> and NO<sub>x</sub> emissions from the organization are low and occasional and, therefore, reporting to environmental agencies is not required. Nevertheless, since N<sub>2</sub>O is one of the NO<sub>x</sub> components, it is possible to estimate the emission of this pollutant as 12.08 tons in the period.

## Waste GRI G4-EN23

Daiichi Sankyo Brasil follows the requirements of the National Solid Waste Policy, seeking to increasingly reduce the solid waste and residues generation throughout its production chain.

In all, Daiichi Sankyo Brasil generated 122 tons of waste, 27% lower than the previous year. The generation of waste was divided as follows:

Waste (in tons)



The process of incineration and coprocessing of discarded materials in pharmaceutical production is one of the main challenges to reduce the environmental impact of Daiichi Sankyo Brasil operations, since the burning of the waste emits CO<sub>2</sub> into the atmosphere.

Unfortunately, this is a necessary procedure because incinerated wastes are those that came in contact with materials used to produce the medicines, and which cannot be sent to landfill or recycled.

Therefore, the organization invests in operational improvements to reduce this indicator, which consist of reducing the amount of materials that come into contact with the product.



## Packaging

To reduce the disposal of materials used in medicines packaging, the organization is implementing Kaizen projects (continuous improvement), seeking to standardize processes in order to reduce waste from boxes, aluminum, packing boxes and paper for package insert during production.



# Environment

## Water [GRI G4-EN8](#) | [G4-EN10](#) | [G4-EN22](#) | [G4-EN24](#)

Recognizing the importance of good management of its water resources to mitigate the environmental impact of its production, Daiichi Sankyo Brasil closely monitors its consumption and water disposal indicators.

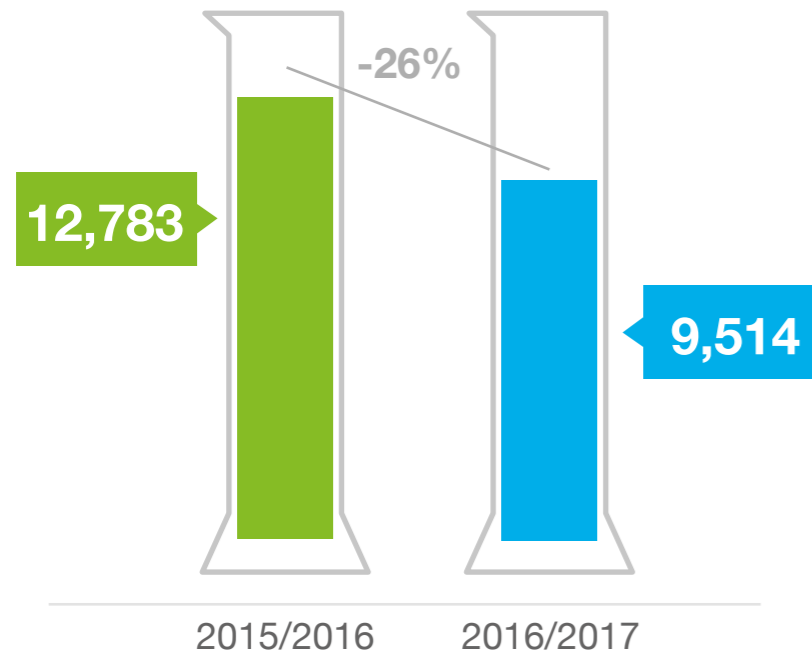
In fiscal year 2016/2017, the company consumed 9,514 m<sup>3</sup> of water, coming from the supply company. This figure is 26% lower than that registered in the previous year:

In order to reduce the amount of water discarded after production, the organization has implemented a reuse system, which collects waste water from the water purification system used in medicine manufacturing and sends it to the plant cisterns, together with rain water. The company reuses the water in bathroom discharges, gardening and cleaning of outdoor areas. In total, the company recycles 1,776 m<sup>3</sup> of water, representing 18.67% of the volume consumed.

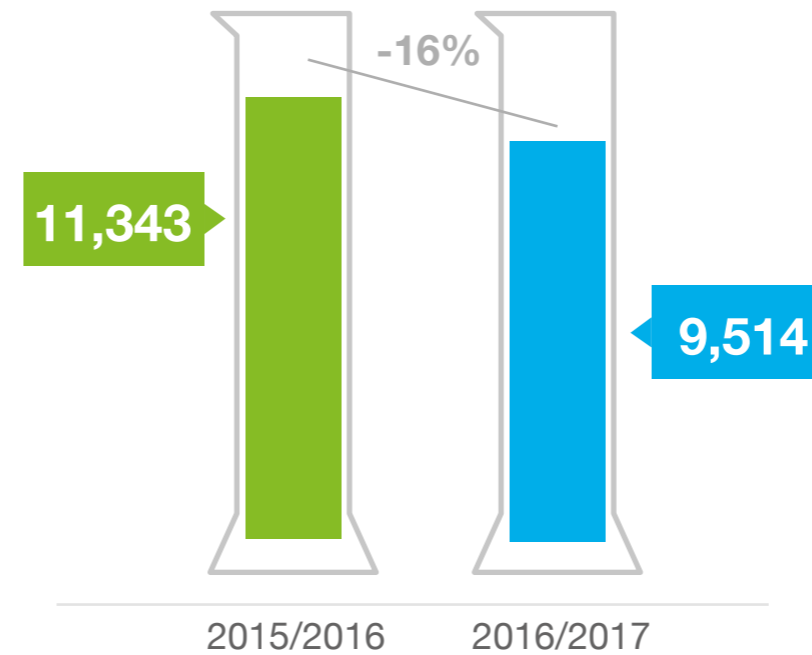
In 2016/2017, no significant leakage was recorded in the operations of Daiichi Sankyo Brasil.

In the same period, the company discarded 9,514 m<sup>3</sup> of water, destined to the public sewage network. The volume is 16% lower than the previous year.

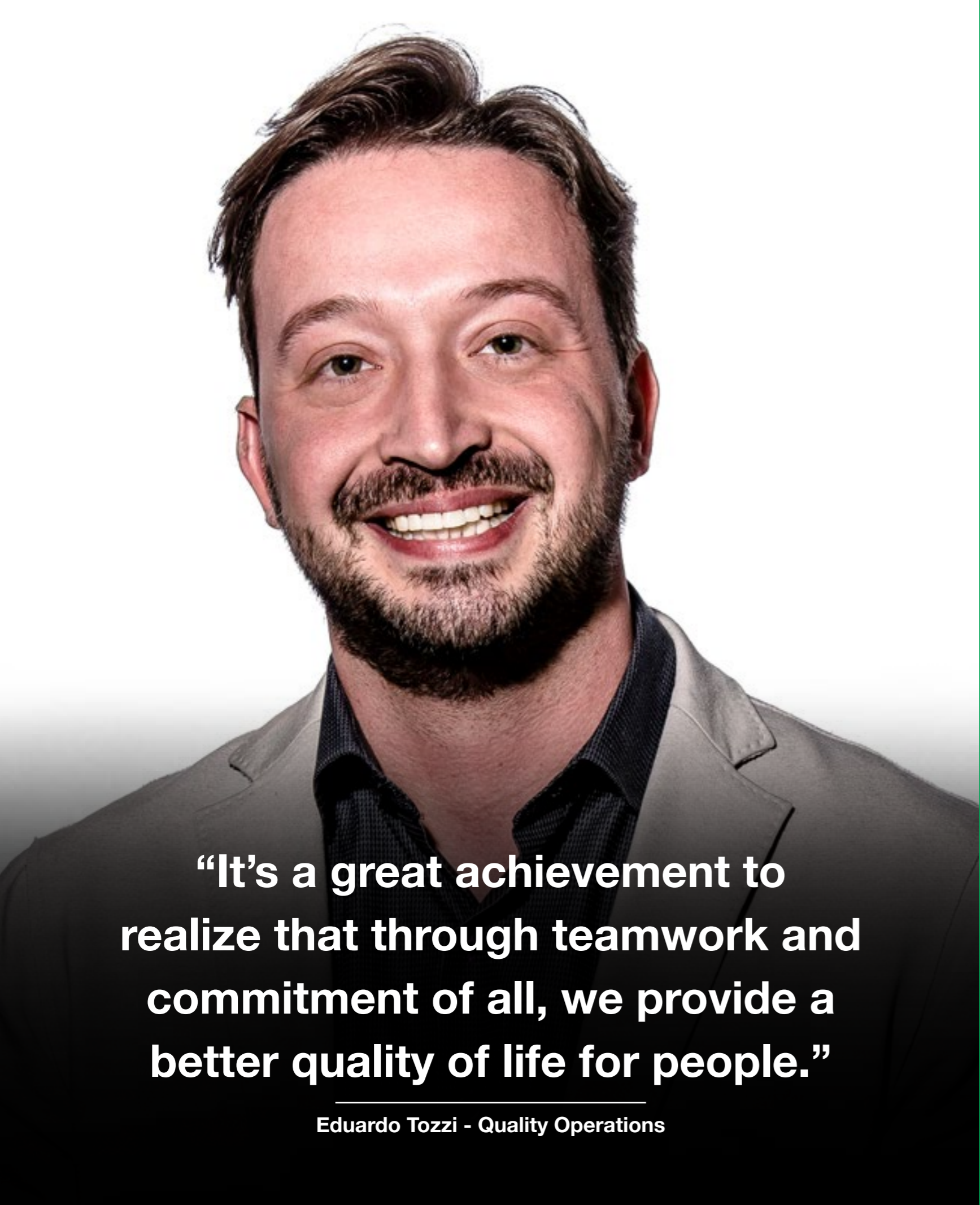
Water consumption (m<sup>3</sup>/year)



Effluents (m<sup>3</sup>/year)







**“It’s a great achievement to realize that through teamwork and commitment of all, we provide a better quality of life for people.”**

---

Eduardo Tozzi - Quality Operations

# Society



# Society

## Product Safety **GRI G4-PR1**

Daiichi Sankyo's focus is on creating and supplying innovative medicines that help improve the quality of life for its patients. Therefore, the quality and safety of its products is a central aspect of its management, which requires attention from the initial development research, through the production process to the commercialization phase.

The organization follows the best practices to evaluate, monitor and ensure the safety and efficacy of all products launched. The researches are conducted with absolute scientific rigor, as well as being evaluated by the regulatory agencies located in the countries in which the products are marketed. After the medicines reach the market, what happens after an intense and careful testing period, the company continues to track its effects on the patient, looking for unexpected reactions, taking the necessary measures to ensure safety.

## Pharmacovigilance

The Pharmacovigilance area is responsible for monitoring the safety profile of Daiichi Sankyo Brasil medicines. The activities of this area are initiated during the research for the development of new products, but its activity is intensified after the medicines enter the market. At that moment, the population exposure to the medicine increases significantly, allowing to confirm if the safety profile indicated in the studies is maintained after its commercialization.

Normally, in other countries around the world, pharmacovigilance information reaches companies through reports from healthcare

professionals. In Brazil, the scenario is different and most of the data received on adverse events are reported by the patients or caregivers themselves, through the Customer Service Department (SAC).

Since this information is reported directly by patients, it is important that the organization rely on trained pharmacists to perform these consultations. In addition to collecting adverse events reports, they may provide technical information and guidance on the correct use of the medicine, precautions necessary for its use during pregnancy, and how to act in situations of overdose.

In fiscal year 2016/2017, the organization prepared a new checklist for the collection and registering of reports, which should be followed by the employees in order to improve the quality of the information collected.

Once collected by the employees, the pharmacovigilance information is compiled into a global database that gathers information collected worldwide, allowing the identification of possible changes in the safety profile of the drug, in a quick and effective way.

If a new adverse reaction, precaution or possible risk is verified, the company will update the package insert and notify regulatory agencies. If necessary, the company may take other additional safety actions such as releasing alerts for healthcare professionals and / or patients, initiate new safety studies or even discontinue the product, always with the aim of ensuring patient safety.

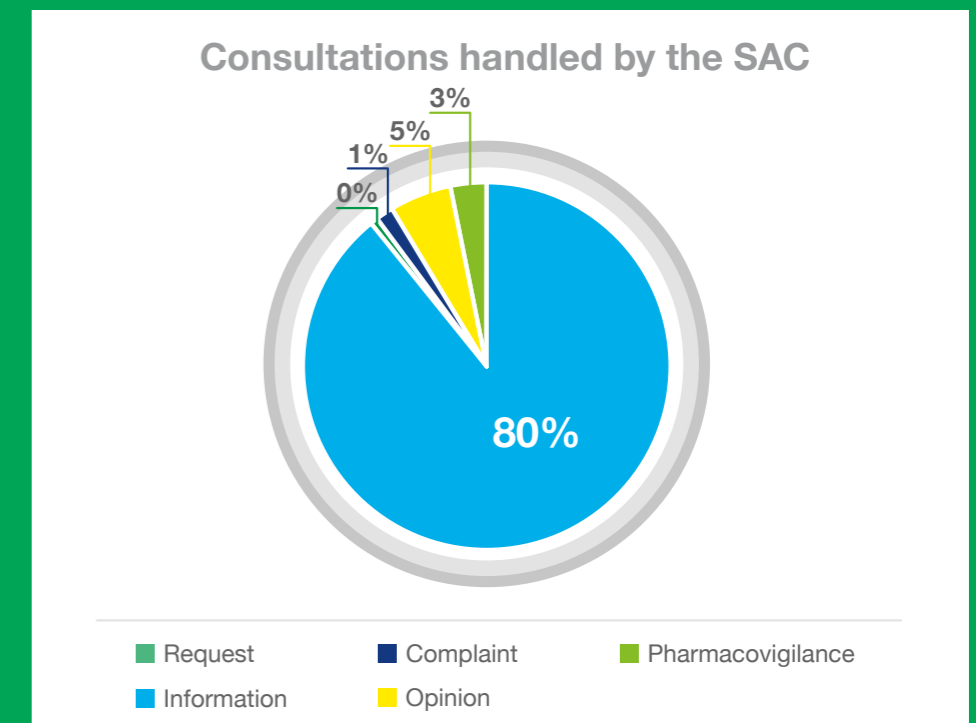


## SAC

Daiichi Sankyo Brasil values the relationship with its patients, personalizing consultations while ensuring the privacy of their information.

Through the company's Customer Service (SAC), the patient can report adverse reaction, send comments, suggestions and questions. The service is offered by the phone 08000 55 65 96, online chat, Contact Us on the institutional website or email [sac@dsbr.com.br](mailto:sac@dsbr.com.br)

In 2016/2017, 20,904 calls were made to SAC. At the end of the call, 88% of them were rated as good and great. Consumer demands were classified as follows:



**20,904** consultations were handled by the SAC



## Society

### Social Impact

Daiichi Sankyo Brasil is concerned with bringing to patients the best available information about their health, the diseases that can reach them, and the best prevention and treatment practices. To achieve that, the company has the following means:

**Geral na Saúde (Health First Project):** the project is an initiative from Interfarma with the objective of stimulating the potential of children and adolescents as communicators and agents of health promoting changes. Executed by Oficina de Ideias, it has reached 228,015 people and has a network of 10,968 participants, among educators, partners, children, adolescents, young learners and parents. In fiscal year 2015/2016, Daiichi Sankyo Brasil continued to financially support the project.

**Social networks:** in 2016, Daiichi Sankyo Brasil launched its Facebook page, which already has more than 20 thousand followers. Through it and its YouTube channel, the company has run campaigns to warn about Hypertension, Cancer, Thrombosis and Diabetes, among other diseases. To follow the company on social networks, access:

 [facebook.com/DaiichiSankyoBrasil](https://facebook.com/DaiichiSankyoBrasil)

 [youtube.com/daiichisankyobrasil](https://youtube.com/daiichisankyobrasil)

 [br.linkedin.com/company/daiichi-sankyo-brasil-ltda](https://br.linkedin.com/company/daiichi-sankyo-brasil-ltda)

**Your Health:** the organization also launched a new area on its institutional website dedicated to the publication of new content and materials. The goal is to help the general public to enjoy a better quality of life by addressing content on the prevention of diseases and promotion of healthy habits and wellness. The page address is: <http://www.daiichisankyo.com.br/site/sua-saude/>



During Daiichi Sankyo Brasil's end-of-year party, held in December, employees were invited to participate in the Heartbike challenge. For this, they were divided into teams and had to assemble thirty bikes from the instructions contained in their manuals, developing their teamwork skills.

After being assembled, the organization reported that the bicycles would be donated to thirty children of a charity, present at the event. The announcement came as a surprise to both children and employees, who were able to see how their joint effort can help improve the world.







## Society

### Amigos do Coração (Friends of the Heart Association)

Daiichi Sankyo Brasil supports the Friends of the Heart Association (AAC) since 2011. It's a Civil Society Organization in the Public Interest (OSCIP) created in 1999, with the support of the Heart Institute (InCor) Social Medical Service, with the mission of humanizing the hospital environment and promoting better quality of life for patients with heart diseases hospitalized in the Institute.

The company maintains a Volunteer Program in partnership with AAC, in which its employees can carry out monitored visits to hospitalized patients, promoting their comfort and social life, rescuing their dignity and stimulating their recovery.

The volunteer performs the activity once every fortnight, and Daiichi Sankyo donates the hours so he/she can volunteer in his/her office hours.







**“This report strengthens our culture of transparency and shows the actions we have taken together throughout the year.”**

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Carlos Costa - Human Resources

# About the Report



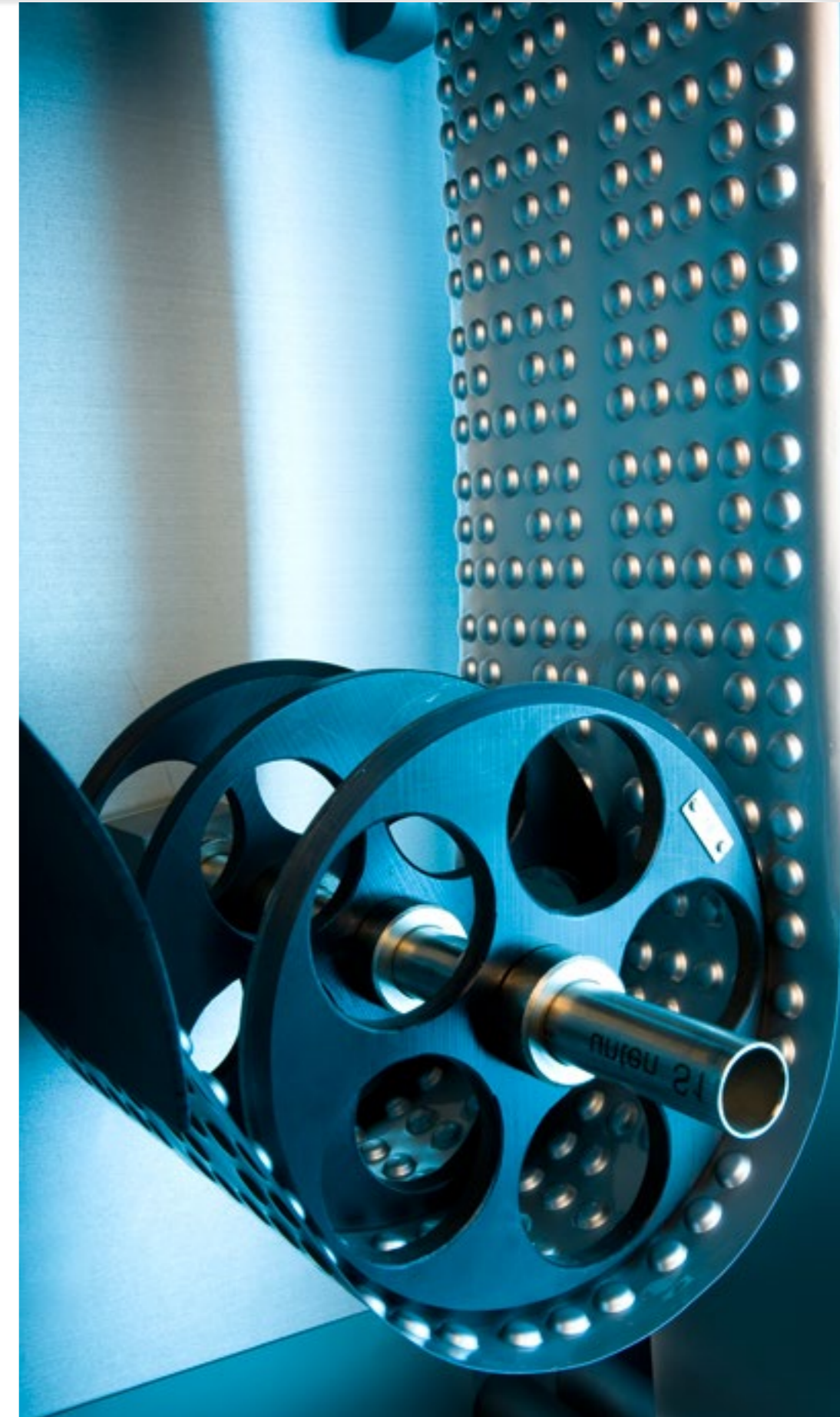


## About the Report GRI G4-18 | G4-25

In order to ensure that the topics covered in this Sustainability Report were in fact the most relevant to Daiichi Sankyo Brasil's stakeholders, between 2016 and 2017 the organization conducted the process of revalidating the materiality matrix presented in the previous report.

The eight material topics presented previously had been selected during a consultation to 16,405 company stakeholders, held between 2015 and 2016. The stakeholders consulted were selected after a mapping, prioritizing and reviewing process of the organization's main stakeholders.

At the beginning of 2017, the same topics were brought to the company executives, so that they could express their opinion about whether or not they are important for the sustainability of the business in the short, medium and long term. From the result, it was possible to set up a new materiality matrix, showing that the eight topics remain material for Daiichi Sankyo Brasil.

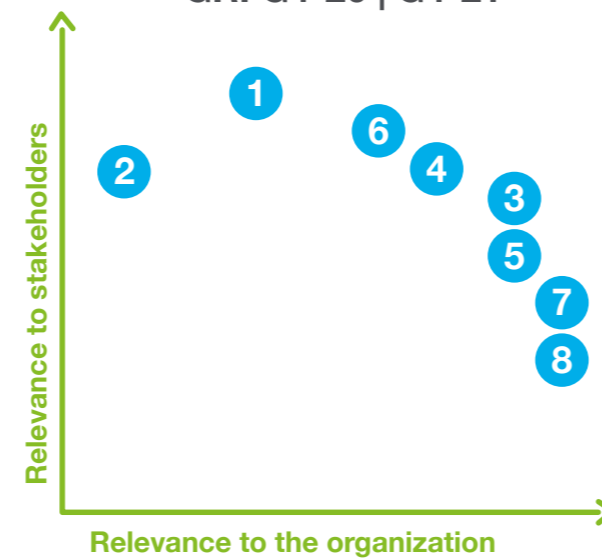


### Stakeholders

GRI G4-24

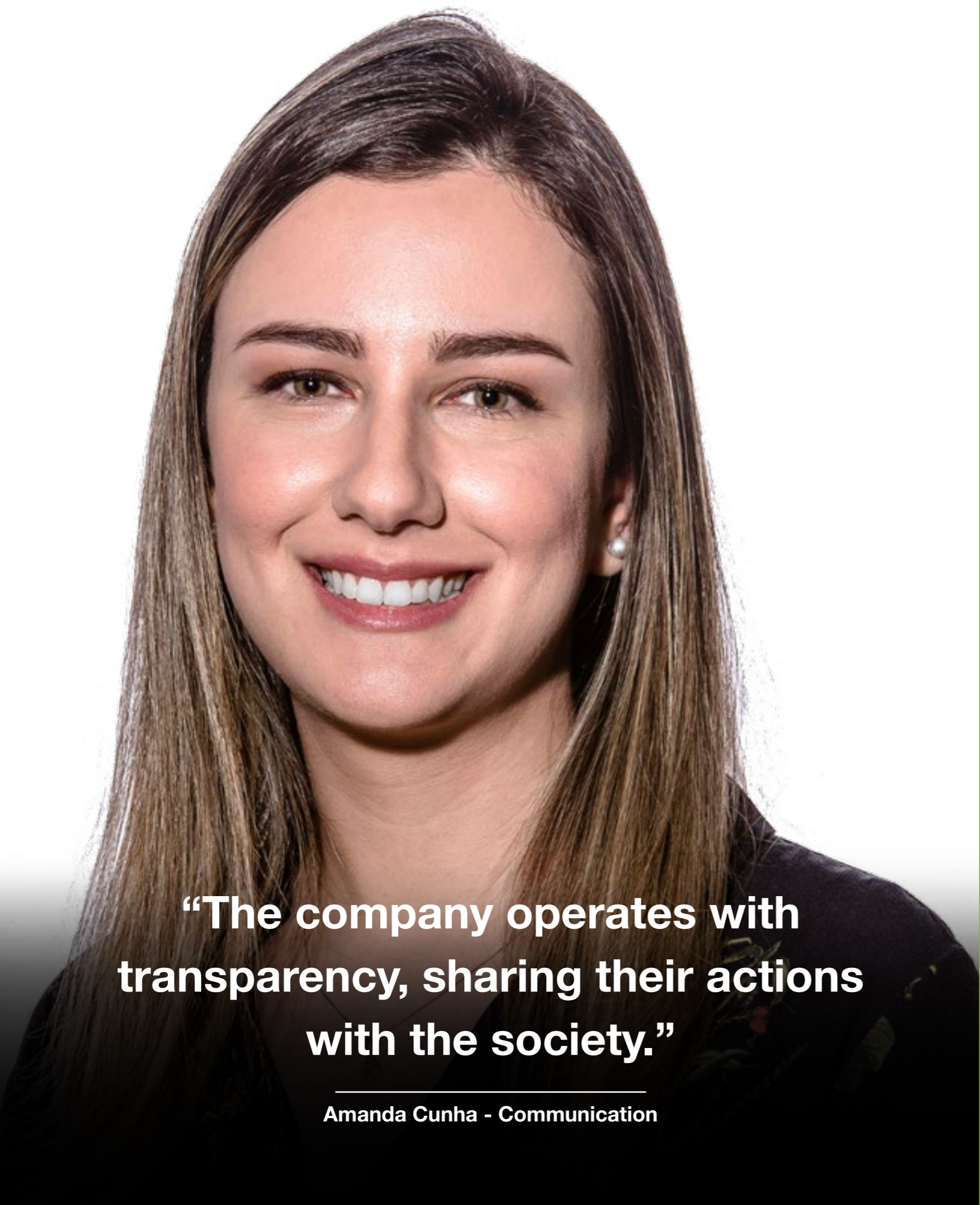
- Employees
- Suppliers
- Patients
- Physicians
- Regulatory agencies
- Distributors
- Pharmaceutical industries
- Community

### Materiality Matrix GRI G4-20 | G4-21



- |  |   |                                 |                                 |
|--|---|---------------------------------|---------------------------------|
| <b>1</b> Medicines and Environment Impacts | <b>3</b> Compliance to Laws and Regulations | <b>5</b> Training and Education | <b>7</b> Effluents and Residues |
| <b>2</b> Market Share                      | <b>4</b> Client's Health and Safety         | <b>6</b> Water                  | <b>8</b> Anti-Corruption        |





# GRI Content Index

**“The company operates with transparency, sharing their actions with the society.”**

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Amanda Cunha - Communication



# GRI Content Index

GRI Indicator		Page / Direct Answer
<b>1. Strategy and Analysis</b>		
<b>G4-1</b>	Statement from the most senior decision-maker of the organization about the relevance of sustainability to the organization	Page 06
<b>2. Organizational Profile</b>		
<b>G4-3</b>	Name of the organization	Page 04
<b>G4-4</b>	Primary brands, products, and services	Page 13
<b>G4-5</b>	Location of the organization's headquarters	Page 14
<b>G4-6</b>	Number of countries where the organization operates	Page 14
<b>G4-7</b>	Nature of ownership and legal form	Daiichi Sankyo Brasil Farmacêutica Ltda.
<b>G4-8</b>	Markets served	Page 14
<b>G4-9</b>	Scale of the organization	Page 14
<b>G4-10</b>	Total number of employees	Page 31
<b>G4-11</b>	Percentage of total employees covered by collective bargaining agreements	100% of Daiichi Sankyo Brasil employees are covered by collective bargaining.
<b>G4-12</b>	Describe the organization's supply chain	Page 21
<b>G4-13</b>	Significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	There were no significant changes in fiscal year 2016/2017.
<b>Commitments to external initiatives</b>		
<b>G4-14</b>	Report whether and how the precautionary approach or principle is addressed by the organization	The organization applies in its production an Environmental Management System that follows the ISO 14001 methodology, as described in Page 35. It promotes the use of processes, practices and products that prevent negative impacts to the environment.
<b>G4-15</b>	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses	Page 20
<b>G4-16</b>	List memberships of associations (such as industry associations) and national or international advocacy: organizations in which the organization, holds a position on the governance body, participates in projects or committees, provides substantive funding beyond routine membership dues	Page 26





# GRI Content Index

GRI Indicator		Page / Direct Answer
<b>3. Identified Material Aspects and Boundaries</b>		
<b>G4-17</b>	List all entities included in the organization's consolidated financial statements	Daiichi Sankyo Brasil has no subsidiary companies, therefore it is the only entity included in its financial statements.
<b>G4-18</b>	Explain the process for defining the report content and the Aspect Boundaries	Page 44
<b>G4-19</b>	List all the material Aspects identified in the process for defining report content	Page 04
<b>G4-20</b>	For each material Aspect, report the Aspect Boundary within the organization	Page 44
<b>G4-21</b>	For each material Aspect, report the Aspect Boundary outside the organization	Page 44
<b>G4-22</b>	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements	There were no restatements of information provided in previous reports
<b>G4-23</b>	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries	There were no significant changes from previous reporting periods in the Scope and Aspect Boundaries.
<b>4. Stakeholder Engagement</b>		
<b>G4-24</b>	List of stakeholder groups engaged by the organization	Page 44
<b>G4-25</b>	Report the basis for identification and selection of stakeholders with whom to engage	Page 44
<b>G4-26</b>	Report the organization's approach to stakeholder engagement, including frequency of engagement	<p>Stakeholder engagement is a practice of Daiichi Sankyo Brasil, and is not limited to the time of writing this report.</p> <ul style="list-style-type: none"> <li>Physicians: periodic, in congresses and visits by sales representatives and scientific consultants</li> <li>Employees: daily and on demand by the Confidential Channel</li> <li>Suppliers: on demand</li> <li>Patients: contacts received by the SAC</li> <li>Distributors: periodic</li> <li>Anvisa and other regulatory bodies: on demand</li> <li>Interfarma: monthly</li> <li>Sindusfarma: on demand</li> </ul>
<b>G4-27</b>	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns	<p>The most relevant topics pointed out by the categories of stakeholders are:</p> <ul style="list-style-type: none"> <li>Employees and pharmaceutical Industries: market presence</li> <li>Medical class: anti-corruption</li> <li>Daiichi Sankyo group: health and safety at work</li> <li>Suppliers: training and education</li> <li>Distributors: employment</li> </ul>



# GRI Content Index

GRI Indicator		Page / Direct Answer
<b>5. Report Profile</b>		
G4-28	Reporting period	Page 04
G4-29	Date of most recent previous report	The previous report covers the fiscal year 4/1/2015 to 3/31/2016
G4-30	Reporting cycle	Annual
G4-31	Contact point for questions regarding the report or its contents	Page 04
G4-32	Report the 'in accordance' option the organization has chosen, GRI Content Index and External Assurance Report	Core
G4-33	Report the organization's policy and current practice with regard to seeking external assurance for the report	The report was not submitted to external assurance.
<b>6. Governance</b>		
<b>Governance Structure and Composition</b>		
G4-34	Report the governance structure of the organization, including committees	Page 17
G4-38	Report the composition of the Board of Directors	Page 17
G4-39	Report whether a Board of Directors member is also an executive officer (and, if so, which one?)	Page 17
G4-41	Report processes for the Board to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders	Page 19
<b>Highest governance body's role in evaluating economic, environmental and social performance</b>		
G4-49	Report the process for communicating critical concerns to the Board	Page 18
<b>7. Ethics and Integrity</b>		
G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	Pages 11 and 18
G4-58	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines	Page 19
<b>Economic Performance</b>		
<b>Aspect</b>		<b>Market Presence</b>
EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	Page 32





# GRI Content Index

GRI Indicator		Page / Direct Answer
<b>Environmental</b>		
<b>Aspect</b>	<b>Energy</b>	
<b>EN3</b>	Energy consumption within the organization	Page 35
<b>EN5</b>	Energy intensity	Page 35
<b>EN6</b>	Reduction of energy consumption	Page 35
<b>Aspect</b>	<b>Water</b>	
<b>EN8</b>	Total water withdrawal by source	Page 38
<b>EN9</b>	Report the total number of water sources significantly affected by withdrawal by type	The organization does not affect water sources due to withdrawal of water.
<b>EN10</b>	Percentage and total volume of water recycled and reused	Page 38
<b>Aspect</b>	<b>Emissions</b>	
<b>EN15</b>	Direct greenhouse gas (GHG) emissions (Scope 1)	Page 35
<b>EN21</b>	NOX, SOX, and other significant air emissions	Page 35
<b>Aspect</b>	<b>Effluents and Waste</b>	
<b>EN22</b>	Total water discharge by quality and destination	Page 38
<b>EN23</b>	Total weight of waste by type and disposal method	Page 37
<b>EN24</b>	Total number and volume of significant spills	Page 38
<b>Aspect</b>	<b>Compliance</b>	
<b>EN29</b>	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	The company has not received any fine or sanction for non-compliance with environmental laws and regulations.
<b>Aspect</b>	<b>Transport</b>	
<b>EN30</b>	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce	Page 35
<b>Aspect</b>	<b>Overall</b>	
<b>EN31</b>	Total environmental protection expenditures and investments by type	Page 35
<b>Aspect</b>	<b>Environmental Grievance Mechanisms</b>	
<b>EN34</b>	Number of grievances about environmental impacts filed, addressed, and resolved Through formal grievance mechanisms	The company has an open channel so that all stakeholders can make environmental impact alerts and grievances through the e-mail linhaverde@dsbr.com.br. However, no complaints were received in the period.



# GRI Content Index

GRI Indicator		Page / Direct Answer
<b>Social: Labor Practices and Decent Work</b>		
<b>Aspect</b>	<b>Training and Education</b>	
<b>LA9</b>	Average hours of training per year per employee by gender, and by employee category	Page 33
<b>LA10</b>	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	In addition to the programs mentioned in Page 33, which contribute to employees' long-term employability, the company does not have a specific program to support employees who are preparing for retirement, since its staff is made up of a young group. If any employee requests retirement, the case is analyzed specifically.
<b>LA11</b>	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	Page 32
<b>Social: Society</b>		
<b>Aspect</b>	<b>Anti-Corruption</b>	
<b>SO3</b>	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	The organization did not carry out this type of risk analysis in the period covered by the report.
<b>SO4</b>	Communication and training on anti-corruption policies and procedures	Page 20
<b>SO5</b>	Confirmed incidents of corruption and actions taken	The company did not identify any cases of corruption in the period covered by the report.
<b>Social: Product Responsibility</b>		
<b>Aspect</b>	<b>Customer Health and Safety</b>	
<b>PR1</b>	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	Page 40
<b>PR2</b>	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	Page 25
<b>Aspect</b>	<b>Product and Service Labeling</b>	
<b>PR4</b>	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	Page 25
<b>Aspect</b>	<b>Compliance</b>	
<b>PR9</b>	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	Page 25





## Credits

### Coordination

Human Resources Department | Communication

### Editorial project, content writing,

### GRI consulting and translation

RICCA RI

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