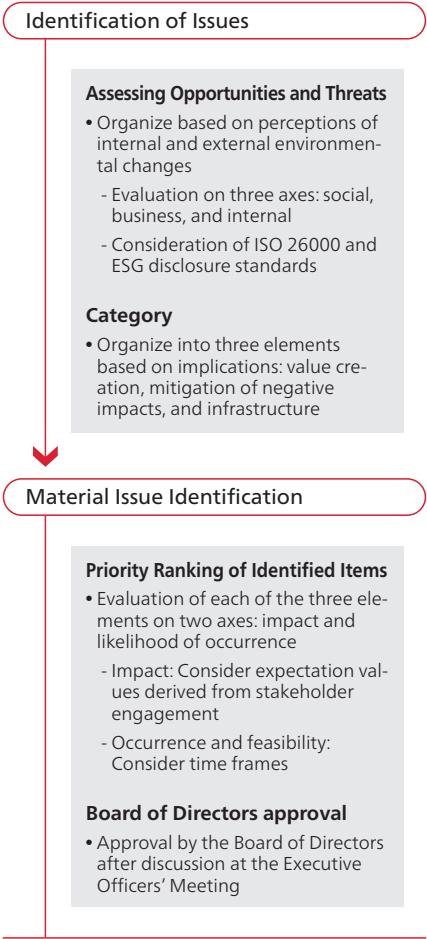


SHIONOGI’s Material Issues

The Material Issue Identification Process



Material issues	Major initiatives	Main relevant indicators and evaluation axes	SDGs we contribute to particularly
Material issues to create value by solving healthcare social issues	Protect people from the threat of infectious diseases	Provide products and services for acute infectious diseases	<ul style="list-style-type: none">Number of acute infectious disease-related pipelinesNumber of countries adopting pull-type incentives for severe infectious diseases
		Providing products and services for infectious diseases requiring a long period of treatment	<ul style="list-style-type: none">Number of HIV-related product pipelinesDevelopment of anti-malarial drugs, etc.Contribution to improvement of QOL with cabotegravir
		Build a vaccine business	<ul style="list-style-type: none">Provide COVID-19 vaccineDevelopment of next-generation vaccines
	Contributing to a healthy and prosperous life	Discover products and services for disease areas with high unmet medical needs	<ul style="list-style-type: none">Number of psychoneurological diseases-related pipelinesNumber of oncology-related pipelinesNumbers of products and services for other quality of life diseases with high social impactNumber of pain-related pipelines
		Raise awareness of the characteristics of the disease and the problems faced by those affected by the disease to promote social understanding	<ul style="list-style-type: none">Number of educational activities conducted using webinarsNumber of support services provided in the area of developmental disorders
	Contribute to sustainable social security	Providing solutions different from pharmaceuticals	<ul style="list-style-type: none">Numbers of solutions and partners
		Promote self-medication	<ul style="list-style-type: none">Number and sales results of OTC drugs
	Improve access to healthcare	Create an environment of improved access	<ul style="list-style-type: none">Number of countries provided with ensitrelvirNumber of countries that can be provided with cefiderocol through partnerships with GARDP and CHAIListing on WHO Model Lists of Essential MedicinesNumber of countries where ViiV provides dolutegravir and cabotegravir
		Strengthen health care systems	<ul style="list-style-type: none">Improve the health of pregnant and lactating women and children under 5 years of ageOperation of independent health services
Material issues to reduce negative impacts on customers and society	Supply socially responsible products and services	Stably supply of products and services	<ul style="list-style-type: none">Management of procurement, production, and distribution to prevent shortages by grasping changes in the supply-demand balanceConduct regular/non-regular discussions with suppliers to ensure stable procurementSupport for strengthening relationship with contract manufacturers and maintaining their business continuity plans (BCP)
		Strengthening legal compliance and monitoring	<ul style="list-style-type: none">Ensure strict observance of laws, regulations, and guidelines related to the manufacture and sale of pharmaceutical products
	Respect human rights	Address human rights issues	<ul style="list-style-type: none">Statement based on the Modern Slavery ActImplementation of human rights impact assessments
	Protect the environment	Climate change: Reduce greenhouse gas (GHG) emissions	<ul style="list-style-type: none">Disclosure under the TCFDFY2030: Reduce Scope 1+2 by 46.2% and Scope 3 Category 1 by 20% (relative to FY2019); FY2050: Achieve zero emissions
		AMR: Reduce the impact of antimicrobials manufacturing on the environment	<ul style="list-style-type: none">Have proper control, including of the supply chain, by FY2030 (completion of audit follow-up)
Material issues to support the realization of a sustainable society and the growth of SHIONOGI	Secure human resources to support growth	Securing a competitive and diverse workforce	<ul style="list-style-type: none">Clarification of skill requirementsCompetitive compensation systemNumber of employees reassigned through the internal open recruitment systemNumber of mid-career hires
		Nurture human resources who possess exceptional strengths	<ul style="list-style-type: none">Strengthen monitoring of human developmentEducation and training costsPercentage of employees using assistance programs for self-investmentNumber of people applying for side work
		Foster an environment and culture in which everyone can work comfortably	<ul style="list-style-type: none">Continuous implementation of work style reforms and revitalization of employee communicationThe degree of penetration of management philosophyPercentage of female managersPercentage of employees taking childcare leave
		Promotion of health management (health management and occupational health and safety)	<ul style="list-style-type: none">Health checkup reception rateStress checks, percentage of highly stressed personsPercentage of employees who smokeSeverity rateFrequency rate
	Strengthen supply chain management	Identification of key suppliers and supplier sustainability assessment	<ul style="list-style-type: none">Assessment by FY2022 Questionnaire or EcoVadisNumber of EcoVadis rated companiesPercentage of suppliers meeting established criteria
		Interviews and briefings on sustainability issues	<ul style="list-style-type: none">Percentage of suppliers that agree with the procurement code of conductNumber of companies promoting positions through interviews or briefings
	Ensure compliance	Strengthening our compliance system in Japan	<ul style="list-style-type: none">Establishing Supervisory Unit Compliance CommitteesStrengthening collaboration with domestic and overseas compliance promotion organizations
	Strengthen governance	High-performing corporate governance framework	<ul style="list-style-type: none">Efficacy assessment by third-party assessment organizationSkill matrix reviews
		Strengthen risk management	<ul style="list-style-type: none">Classifying company-wide risks into strategic risks and execution risks

