

Creating the Value Called Health 2 SHIONOGI's Material Issues (Materiality)

SHIONOGI aims to achieve sustainable growth as a company essential to society by addressing social challenges and medical needs with its business activities, and share the results with its stakeholders. To realize this, we identify material issues requiring priority attention, based on internal and external environmental changes, risks and opportunities, and SHIONOGI's current status and challenges. We set KPIs and indicators for each material issue. By visualizing the progress and outcomes of our initiatives, we steadily advance our efforts to enhance corporate value and realize a sustainable society.

The Material Issue Identification Process



Material Issues (Materiality)		Indicators	Results of Main Initiatives
Material issues for creating new value for customers and society	Protect people from the threat of infectious diseases ▶ P.12, 33, 42, 46	- Promote the proper use of infectious disease drugs to control antimicrobial resistance (AMR) and other issues - Growth/sales of drugs for the treatment of infectious diseases - Realization of a total care platform for infectious diseases, and global expansion and sales of vaccines - Initiatives for priority infectious diseases*1 to prepare for future pandemics	- Sales of infectious disease drugs: ¥83.4 billion (Japan) - Infectious disease drug pipeline: 20 - Pipeline of vaccines to prevent infectious diseases: 6 - In collaboration with relevant institutions in South Africa, Kenya, India, and Brazil, we will hold workshops on proper use, improved access, and related research
	Contributing to a healthy and prosperous life ▶ P.40	- Growth/sales of QOL disease drugs - Realization of a total care platform for QOL diseases, and penetration of DTx into medical care - Provision of appropriate information and support to children, parents, and workers	- Sales of QOL disease drugs*2: ¥41.3 billion (Japan) - Pipeline of drugs for the treatment of QOL diseases: 26 - Held seminars to support workers' mental health: 20 prefectures
	Create innovation ▶ P.12, 33	- Creation of technology/innovation and social implementation - Number of drugs newly migrated to Phase 2/3 - Number of drugs in Phase 2/3 - Creation of solutions other than pharmaceuticals	- Number of drugs in pipeline: 46 - Healthcare solutions other than pharmaceuticals and vaccines: 7
	Improve access to healthcare ▶ P.56	- Provision of products and services to LICs/LMICs - Strengthening of regional infrastructure and information provision to improve access to healthcare - Ensuring of access to pharmaceuticals where products have yet to be approved	- Number of countries where ensitrelvir can be provided through partnership with MPP: 117 - Number of countries where cefiderocol can be provided through partnerships with GARDP and CHAI: 135 - Inclusion in the WHO Model List of Essential Medicines - Number of countries where ViiV Healthcare provides dolutegravir/cabotegravir: More than 140 countries - Total number of people who received medical services through the Mother to Mother SHIONOGI Project: 246,405 (October 2015 to May 2024)

*1 Infectious diseases in which it is necessary to ensure the availability of medical countermeasures (MCM) including pharmaceuticals and medical devices that are of high importance to crises, such as saving lives, controlling epidemics, and maintaining social activities, in public health crisis management.

*2 Domestic prescription drug sales, excluding sales of infectious disease drugs.

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Material issues for contributing to a sustainable society	Supply socially responsible products and services ▶ P.43	- Avoidance of customer disadvantages caused by quality issues - Realization of high-quality and stable supply through the development of continuous manufacturing technology for multiple products and DX - Zero serious health hazards caused by products and services	- Promotion of activities such as fostering a Quality Culture - Management supervision through audits of plants - Operation of a globally unified safety information management system
	Strengthen supply chain management ▶ P.43	- Creation of a system to achieve zero product shortages - Ongoing critical supplier assessments and dialogues	- Number of companies assessed by EcoVadis: 150 (cumulative) - Multi-sourcing of suppliers and production plants - Establishment of a system of cooperation with suppliers for stable supply - Percentage of significant suppliers of raw materials agreeing to the Code of Conduct*: 97%
	Respect human rights ▶ P.62	Continued implementation of human rights due diligence	- Statement based on the Modern Slavery Act - Implementation of human rights impact assessments - Held a workshop on potential human rights issues in the value chain
	Protect the environment ▶ P.59, 80	Achievement of the SHIONOGI Group EHS Action Targets (environment)	- Greenhouse gas (GHG) emissions (Scope 1 & 2: market-based): 63,057 tCO₂ - Total energy consumption: 332,865 MWh - Percentage of electricity from renewable energy: 55.8%
Material issues for strengthening the management foundation	Develop and secure human resources to support growth ▶ P.26, 80	- Securing of a competitive and diverse workforce - Development of global human resources - Diversification of management personnel - Achievement of the SHIONOGI Group EHS Action Targets (Health and safety) - Achievement of health and productivity management targets	- Education and training expenses per person: ¥98 thousand - Utilization rate of self-investment support: 55.0% - Ratio of female managers: 16.4% - Frequency rate: 0.13 - Health checkup reception rate: 100% - Percentage of employees who smoke: 3.0%
	Ensure compliance ▶ P.76	Monitoring of compliance and promotional activities	- Establishment of the globally unified New SHIONOGI Group Code of Conduct - Implementation of Global Compliance & Quality Week
	Strengthen governance ▶ P.65	Evaluation of the effectiveness of the Board of Directors and implementation of continuous improvement measures	- Transition to a company with an Audit and Supervisory Committee - Performance review of the President by the Nomination Advisory Committee - Dialogue between shareholders/investors and outside directors

* SHIONOGI Group Business Partner Code of Conduct