

SOCIETY

Feature 02 | Promotion of Human Capital Development

The newly established “Ono Innovation Platform” serves as a foundation for inspiring employees to challenge themselves

Human capital is a source for the creation of new innovations.

Producing more “passionate challengers” will result in the discovery of innovative new drugs and other innovations. We therefore established the “Ono Innovation Platform” as a foundation to inspire every single employee to challenge themselves and provide opportunities for learning, experience, and challenge.



Enhancing the environment to foster innovation towards the realization of “Global Specialty Pharma”

The “Ono Innovation Platform” was established in May 2021 as a program to foster our employees’ ability to innovate. ONO has focused on investing in “the creation of new innovations” and “human capital development” in order to concentrate our finite management resources on drug discovery and development. However, to achieve exponential growth in becoming a Global Specialty Pharma in the future, it is essential to foster more human capital that has the will and qualifications to pursue innovation. Therefore, we started activities to enhance the creation of an environment where employees can expand their abilities, grow as innovators, and enthusiastically take on challenges.

Supporting employee growth and endeavors through three opportunities: “learning,” “experience,” and “challenge”

The “Ono Innovation Platform” provides opportunities for “learning,” “experience,” and “challenge.”

At the “Innovation Cafe,” which is an “opportunity for learning,” employees learn about the passion, judgment, and ability to execute plans found in venture companies that currently produce many innovations and learn how they produce them. Employees acquire “knowledge” about the latest trends, such as changes occurring outside the company, are “exposed” to the thinking of entrepreneurs and management executives of venture companies and to the ways they overcome issues, and “experience” the ideas and frameworks that are used.

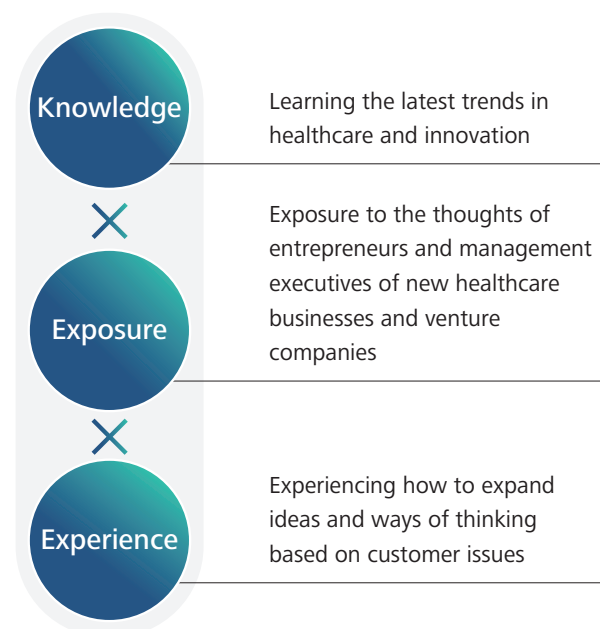
As an “opportunity for experience,” we provide support for employees who are actually dispatched to a venture company and engage in joint operations and joint research with venture companies. It is difficult to produce innovation by holding lectures alone; however, experience will result in people’s growth and awareness. Therefore, we provide opportunities for employees to put themselves out into a world where there are no answers and to gain experience in a way that is not possible in the company.

As an “opportunity for challenge,” ONO supports employees to challenge themselves. The purpose of the “Ono Innovation Platform” is innovation creation, and it would be meaningless if employee learning and experiences did not find results in practice. For this reason, it is necessary to provide opportunities for employees to ignite their passions voluntarily and learn specific methods so that they can then make attempts with confidence and without worrying about failure. In addition, in consideration of the fact that no revolutionary idea can be achieved by a single employee alone, we support anyone to take further steps without hesitation by encouraging employees to test themselves through business competitions, and more.

Not only does this promote individual growth, but it also advances revolution as a platform for co-creation and production

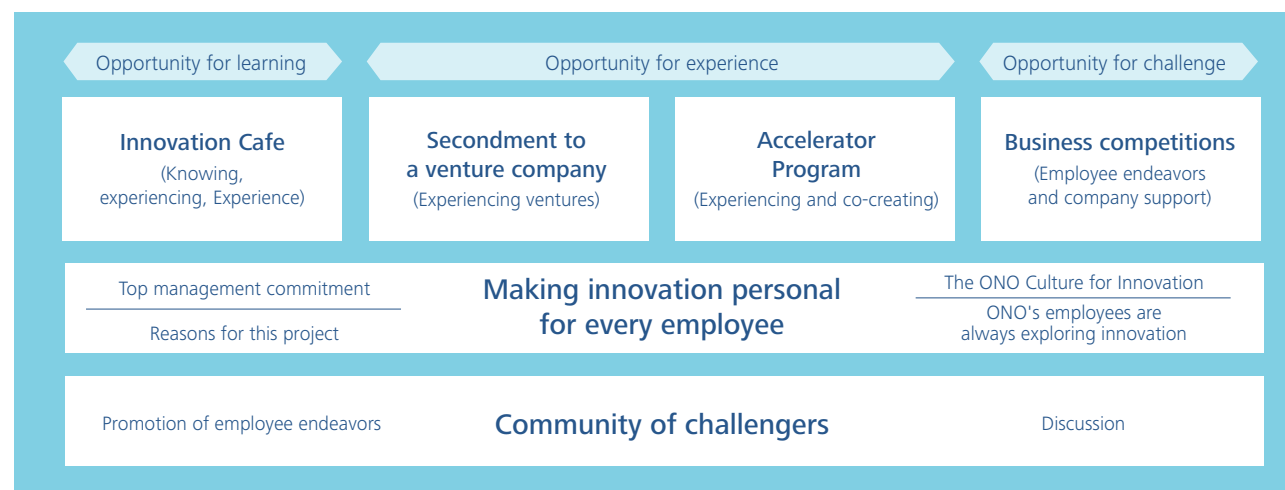
The “Ono Innovation Platform” not only promotes the growth and attempts of every single employee, but it is also expected to function as a “community” of challengers. Regardless of whether it is inside or outside the company, new ideas and inventions will be produced from exposure to a diversity of values. The activities of the “Ono Innovation Platform” have just begun; we will use it to improve our ability to innovate by continuing its evolution as a platform for developing employees with unlimited potential.

▶ Three Phases of the “Innovation Cafe”



Established an exclusive website to present the activities of the “Ono Innovation Platform”

▶ “Ono Innovation Platform” Outline



Human Resources and Human Rights

Our Concept of Human Resource Development

ONO positions human resource development (HRD) as a key managerial challenge. We are pursuing strategic HRD initiatives that will help us make the leap to a “Global Specialty Pharma” by providing growth opportunities so that each of our employees are motivated, proactive, self-disciplined, independent and make confident choice.

Provision of Growth Opportunities

ONO focuses on supporting managers from each organization in the creation of skill maps and promoting career self-reliance for every single employee, in addition to rank-based training, training for selected employees, voluntary training, self-development support systems, etc. and other general training activities.

When supporting the creation of a skill map, the skill map is created in the following order: environmental analysis in and outside the company, analysis of our business, identification of the values that the entire company or the department should offer to customers and other departments, identification of activities to create the values, identification of the skills necessary for the activities, and determination of the level for each skill. This activity enables us to fill gaps in organizations strategically.

Concerning career development, we are establishing a self-career-dock system* and use it to promote every single employee in developing their career vision and fulfilling their identities to the utmost. The strength of every single employee generates diversity in the organization. Combining lots kinds of strengths will build an environment where innovation can occur in any organization.

*Self-career-dock system: A system through which the company supports employees systematically and periodically and promotes and supports employees in developing their careers voluntarily by combining diversified career training and career consulting interviews based on the company's human resource training vision and policy.

Training Program for Selected Human Resources

Selected human resources are positioned as cross-departmental, valued common human resources, and we established a meeting committee structure where all Executive Directors can hold discussions from joint perspectives so that the selected human resources can be assigned to the jobs they should experience as future executive trainees. Dispatching to venture companies under the “Ono Innovation Platform” (▶see pp.49-50) is included in the jobs to be experienced. They are expected to be trained to develop as overwhelmingly innovative human resources. In addition, in consideration of the training of DX human resources, the training department and IT department jointly established a training program for DX human resources in FY2021.

Respect for Human Rights

In all of our business activities in and outside Japan, ONO understands and respects the human rights of each individual in terms of the diversity of values, personalities, and characteristics and will act accordingly. Upholding these principles, we internally and externally prohibit discrimination and bullying of any type on the basis of race, nationality, ethnicity, gender, age, colour, religion, or belief/philosophy, and we established and administer the personnel system. We also prohibit any form of harassment and conduct compliance training. Furthermore, as a signatory of the United Nations Global Compact (UNGC), we support its ten principles. In addition, we also pursue human rights initiatives in compliance with international standards, the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, the International Convention on Economic, Social and Cultural Rights, the International Labour Organization (ILO)'s Declaration on Fundamental Principles and Rights at Work, and the UN Guiding Principles on Business and Human Rights with full respect. In addition, we engage in human rights due diligence to prevent and reduce adverse effects on human rights, including the establishment of the ONO PHARMACEUTICAL Human Rights Global Policy.

▶ Summary of Common Education and Training Programs for All Divisions in FY2020

Position	Activities to disseminate the mission statement	Training programs for future top management candidates	Diversity in human resource development	Global human resource development	Training by hierarchy	Self-development training	Other
Management staff	Workshop for deep understanding of our mission statement On-site training at medical institutions Patient associations' lecture meetings / Virtual Reality (VR) patient experience	Training selected employees	Developing innovative human resource ^{*1} Developing human resource with DX & IT skills ^{*2}	Special training program for global business Speaking skill of English training program	Manager training	Correspondence courses / Online foreign language conversation / Support for qualification tests Elective and voluntary training	Diversity management training Career planning training Coaching training
		Training selected employees			Training for new managers		
		Training selected employees			Training for new core employees Training for individual contributors promoted to the highest level Training for general employees promoted to higher grades		
General employees	Workshop for deep understanding of our mission statement On-site training at medical institutions Patient associations' lecture meetings / Virtual Reality (VR) patient experience	Training selected employees	Developing innovative human resource ^{*1} Developing human resource with DX & IT skills ^{*2}	Special training program for global business Speaking skill of English training program	Fifth-year employee training Third-year employee training Follow-up training for newly hired employees Orientation for newly hired employees	Correspondence courses / Online foreign language conversation / Support for qualification tests Elective and voluntary training	Diversity management training Career planning training Coaching training
		Training selected employees					
		Training selected employees					

*1: Ono Innovation Platform, assignment to venture companies, etc. *2: “DX mindset” seminar, “IT passport” lecture, “G test accreditation” lecture, etc.

ONO PHARMACEUTICAL Human Rights Global Policy

https://www.ono-pharma.com/company/policies/human_rights.html

Human Rights Due Diligence

<https://sustainability.ono-pharma.com/en/themes/103#932>

Promotion of Diversity and Inclusion

At ONO, we make continuous efforts to promote diversity in our workplaces. For the purpose of responding promptly and flexibly to environmental changes and increasing corporate value, we believe that it is important to enhance better understanding of the diversity of our corporate members' attributes, values and behavior, while recognizing their individuality. In order to recognize the importance of diversity and to incorporate diversity proactively into our human resources strategies, we provide "Diversity Management Training" to all managers. We also promote internal understanding by incorporating content promoting diversity and inclusion (diversity, inclusion, and social integrity) into training by year of employment and rank-based training. In addition to our own activities, we also participate in study sessions and seminars that transcend the company boundaries and strive to collect information on know-how and initiatives for improving diversity.

Activities to Promote Female Employee Participation in the Workplace

We have focused on creating a system in which women can work actively. As a result of the proactive recruitment of women and measures to prevent turnover associated with life events, the number of female employees has steadily increased, and the employment rate of female employees as of March 2021 had increased by 4.9% compared to March 2013. Furthermore, we are creating an environment in which women can work more actively, for example by including content aimed at promoting diversity and inclusion in managerial training, training by year of employment, and rank-based training.

In addition, in order to support the balance between work and childcare, we hold "work-life balance support seminars" twice a year. By providing opportunities for women and the entire company to think about childcare participation and work-life balance, we are creating a friendly working environment.

We established a new action plan (for 2 years from April 1, 2021 to March 31, 2023), following our original action plan (for 5 years from April 1, 2016 to March 31, 2021), which is based on a law to promote women's roles in the workplace (Act on Promotion of Women's Participation and Advancement in the Workplace) enacted in FY2016. In accordance with these plans, we continue to build a system to increase the number of female employees and potential managers and to support career development for women.

Goals and Action Plans for FYs 2021 to 2022

Goal	Action plan
Increase the ratio of women at the section chief level to 15% or more	<ul style="list-style-type: none"> Provide opportunities to consider careers, regardless of gender, so that future careers, including management, can be envisioned Provide systems to support the careers of subordinates to foster a culture for training the next generation of managers
Increase the rate of male employees taking childcare leave to at least 75%	<ul style="list-style-type: none"> Implement an approach to encourage male employees and their superiors to take childcare-related leave and a support system for work-life balance after the birth of a child Disseminate information on childcare-related leave and programs to support systems for balancing work and family life

Efforts Made to Promote the Active Participation of Persons with Disabilities and Employing Mid-career Persons

We actively promote the employment of people with disabilities as part of our efforts to increase diversity. As of March 31, 2021, the percentage of employees with disabilities reached 2.17% due to the sudden retirement of employees with disabilities. In FY2021, we continued to actively implement hiring activities in order to secure employment at or above the legally mandated level, which was revised in March 2021. Approximately 50 employees are actively involved in each department.

In addition, we are also focusing on career recruitment, which employs human resources with the skills, knowledge, and experience that we need as an immediate force. Especially since FY2014, when we started to actively promote mid-career employment in view of changes in the business environment, the number of mid-career employees has increased substantially in a broad range of jobs. In FY2020, about 30 mid-career recruits joined our company. Many mid-career employees are playing their respective roles by applying their experience and expertise.

TOPICS

Use of UD Talk

We introduced UD Talk* for business in 2016 and use it in almost all departments where hearing-impaired employees belong. Currently, subtitles are displayed in real time on the screen of the Web conferencing system, and we will support an environment where people with hearing impairments can work actively without any inconvenience through in-house communication even in a telework environment.

* UD Talk: It is an application used for communication mainly with hearing-impaired people using a smartphone. It enables us to convert voice into text using automatic speech recognition.

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
The male-to-female ratio of new employees (%)	43	34	49	34	40	49
Retention rate of female employees (%) <small>* Retention rate = 100 - (Turnover rate each fiscal year)</small>	97.1	96.6	97.1	96.9	96.9	—
Employment rate of persons with disabilities (%)	2.30	2.24	2.28	2.20	2.17	—
Number of employees hired by mid-career recruitment (as of the end of the fiscal year)	322	380	440	446	457	—

Cultivation of Employee-friendly Workplaces/ Safety and Health

ONO is moving ahead to create workplaces where employees can work with a sense of security. We are continuously committed to the development of support systems and working conditions that help employees work in various styles, as well as the improvement of their work-life balance, so that each and every person in our diverse workforce can bring energy to their work and demonstrate their full potential.

Promotion of the Review of Working Styles

ONO started to review working styles since FY2015 with the purpose of increasing productivity by balancing improvements in operational efficiency with the creation of an attractive work environment. We appoint a promotion committee member in each department to involve the whole company in the activities, and the members work to raise awareness and encourage employees to improve operational efficiency and take paid holidays. We have also improved the system by making use of IT and introduced a flexible time system, telecommuting system, and work-interval system.

In FY2020, work volume increased because a different working style than before was required due to the impact of the novel coronavirus, and it resulted in 15.3 hours on average of monthly overtime work per employee and 58.8% of available paid holidays taken overall. We will promote telework and other new working styles and additionally enhance operational efficiency to achieve an average of 13 hours of monthly overtime work per employee and 70% of available paid holidays taken in FY2021.

Regular Feedback on Evaluations for Employees

We have adopted an interview system of activity goals for the purpose of improving employees' motivation to work and developing human resources. Through interviews with supervisors, employees set goals for their activities once every six months and align their goals based on our vision. In the middle of the term, the progress of the activity goals is confirmed, and the course is revised in an interim meeting with supervisors. At the end of the term, feedback is provided about the overall performance of the activities, individual strengths and weaknesses, and evaluation results, and the activity plan for the next term, development policy, and future career development are discussed through the summary meeting and feedback meeting of the evaluation results. As described above, we are implementing the system by holding interviews eight times a year to increase employee satisfaction, leading to human resource development.

Evaluation consists of performance evaluation and behavior evaluation. The performance evaluation evaluates the degree of achievement against individual goals based on the outcomes and process each employee used, and the behavior evaluation is based on how the employees behaved compared to the required behaviors determined according to each employee's roles; and results of the combined performance evaluation and behavior evaluation make up the final evaluation. In addition, there are multiple evaluators in principle, which ensures objectivity and fairness, and the results of evaluations are reflected in employee compensation.

Childcare Support Initiatives

We believe that society as a whole should support families raising children and that creating an environment that supports childbearing and childrearing is one of the challenges that companies should address. In 2005, we formulated an action plan based on the "Act on Advancement of Measures to Support Raising Next-Generation Children" established by the Japanese government, and are working to support employees in balancing work and childrearing. As a result, in 2020, we obtained for the fifth time the "Kurumin*" mark as a childcare support company from the Minister of Health, Labour and Welfare.

*Kurumin Certification: A certification by the Minister of Health, Labour and Welfare for childcare support company.

After April 2017, we introduced a new childcare support system, "Encouraging Leave for Childcare Participation," and as a way to promote understanding of the workplace among male employees who take childcare leave, we are strengthening communication that child-rearing is considered to be a life event for both men and women. We are also promoting the creation of an environment where men can actively participate in childcare. After April 2021, we continue to set a goal of achieving a 75% or higher rate of male employees taking childcare-related leave to promote male participation in child-rearing, and promote initiatives to further support balancing work and family life.



Various Support Systems for Employees

In addition to the systems stipulated in laws and regulations, we have established various systems to create a pleasant working environment. We continuously develop systems so that employees can have many options in working styles, for instance, by listening to employees and constructing systems that meet actual needs, or by establishing systems that exceed legal standards. Furthermore, we have prepared a handbook that summarizes these systems and posted it on our intranet to ensure that employees are fully aware of their contents and the methods of using them. The following systems are applicable to all employees, in principle.

▶ List of Support Systems

Systems that exceed the standards specified by labor-related laws	Childcare leave, shortened work hours for childcare, nursing care leave
Legally required systems	Shortened work hours for nursing care, family care leave, nursing care leave
System that promotes flexible work styles	Flexible working hours, telecommuting system, hourly-basis annual leave, selective retirement system, support for transfer
Various leave and subsidy systems	Accumulated holidays, holidays to encourage employees to take part in child-raising, maternity protection leave, support of employee volunteer activities/bone-marrow donor leave, subsidies for day-care centers and baby-sitting, subsidies for sick child care, support for medical checkup
Other systems	Support for employees with cancer, use of company cars to pick up and drop off children, day-care center concierge (day-care center enrollment support system), re-employment for employees who have quit ONO, non-regular re-employment, etc.

TOPICS

Support for Employees with Cancer

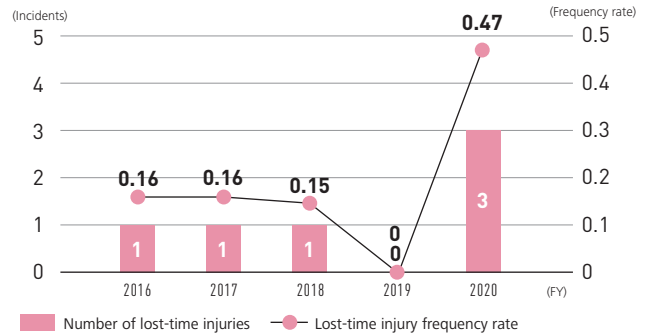
Employees who are diagnosed with cancer will work in the midst of many challenges, including regular hospital visits, side effects from various treatments, and financial problems. To support employees who wish to continue working while receiving cancer treatment, we have established various systems, including a leave of absence extension system, an income guarantee system to eliminate non-earning periods, a system that allows employees to take their accumulated leave in half-day units, and a system that allows employees to work shorter hours for cancer treatment. Furthermore, we are implementing multifaceted initiatives to support employees with cancer, including the establishment of a workplace support system to ensure that employees with cancer receive adequate support in their workplace and disseminating information on this workplace support system thoroughly to our employees.

Commitment to Safety and Health

For safety and health, we implement safety and health patrols at all sites each year, and findings are shared in the Safety and Health Committee to ensure appropriate corrective actions are taken. At the ONO Head Office and other company sites where a health committee is established, the committee discusses various issues to maintain employee health based on the results of workplace environmental measurements. In addition, the Central Safety and Health Committee is held every half-year term to provide opportunities for sharing information and exchanging opinions and considering measures that contribute to sanitation as a whole company. Furthermore, in FY2020, we began working to increase employees' awareness of safe and eco driving by equipping all sales vehicles with AI-based telematics (in-vehicle device with communication facility) and detecting unsafe driving behavior. We aim to ensure the safety of employees and to reduce traffic accidents and violations, as well as to reduce CO2 emissions by improving fuel efficiency through eco driving. The lost-time injuries that occurred in FY2020 were caused by a fall

outside the workplace, and we will continue to engage in educational activities to pay more attention.

▶ Number of Lost-time Injuries and Lost-time Injury Frequency Rate



* Scope of data collection: Employees at all worksites in Japan (excluding business vehicle accidents before FY2016)
Lost-time injury frequency rate = (number of lost-time injuries / total number of actual working hours) × 1,000,000

Promoting Health and Productivity Management

For ONO to contribute to society through the creation of innovative drugs, it is important that all employees are mentally and physically healthy, that our worksite is a place where individual abilities can be fulfilled to their utmost, and that the lives of employees and their families are satisfying. We have organized the "Health Up Committee" along with the President, Representative Director's health up declaration and are engaging in the promotion of "Health and Productivity Management" in a systematic way with our company, labor union, industrial health staff members, and health insurance society as a single team. These activities are being recognized, and in March 2021, we were recognized for three consecutive years as a "Health & Productivity Management Outstanding Organization 2021 - White 500 (large enterprise category)," promoted jointly by the Ministry of Economy, Trade and Industry (METI) and Nippon Kenko Kaigi. We were in the top 100 companies among respondents and received high marks. We will continue to engage in health and productivity management through various activities.



Activity theme 1 ▶ Passive Smoking Prevention

- All sites are smoking-free on the premises of the company (since April 2019)
- Activities to raise awareness by conducting internal questionnaires, displaying original posters, etc.
- Supporting employees trying to quit smoking by granting subsidies to see a doctor at a smoking cessation clinic, providing online programs for smoking cessation, etc.

Activity theme 2 ▶ Lifestyle-related Diseases and Cancer Measures

- Requiring company employees to receive an annual health checkup (Employees over 35 years old undergo a complete medical checkup instead of a statutory health checkup)
- Established contract facilities for complete medical checkups in prefectures throughout Japan
- Supporting the cost of screening tests for each type of cancer
- After the medical checkup, occupational health staff may recommend that employees visit a medical institution, provide health guidance, participate in specific health instructions, etc., as required

Medical examination rate: **99.5%** (FY2020)

Activity theme 3 ▶ Mental Health Measures

- ONO has provided internal training on mental health and conducted individual consultations by occupational health staff
- Stress checks for all employees once a year
- Established an external free consulting service counter and developed a system where employees can consult with experts via phone or e-mail in addition to face-to-face consultation

Activity theme 4 ▶ Development of Self-care Environment

- Operating a portal site where employees can check the results of their complete medical checkup and regular health checkups at any time and "Health Management Sites" that compile information from the stress-check system and a health consultation counter
- Providing health-care application software for lifestyle correction and improvement
- Conducting a walking campaign every year in the company
- Conducting an annual session to measure body composition, blood vessel age, bone density, and more at major workplaces
- Distributing health age notifications that are calculated based on the health checkup results and show the difference between health age and actual age

* "Health and Productivity Management" is a registered trademark of Nonprofit Organization Kenkokeiei

Efforts Made for Improving Access to Healthcare

Even today as we see remarkable developments in the medical field, there are many diseases against which no effective treatment exists. Also, in low- and lower middle-income countries, there are many people who have difficulty receiving necessary medical care due to various reasons such as inadequate medical infrastructure and poverty. Under the corporate philosophy “Dedicated to the Fight against Disease and Pain,” we aim to improve access to healthcare by pursuing the following goals: the development of innovative pharmaceutical products, improvement of medical infrastructure, and establishment of partnerships with outside parties. We currently sell our pharmaceutical products ourselves in Japan, South Korea, and Taiwan; in Asia, including Japan, we will make efforts for improving access to healthcare including the treatment of rare diseases. In regions other than Asia, we will make efforts to provide pharmaceuticals with the help of our partner companies. We will also work on supporting medium- and long-term activities to strengthen medical systems by means such as medical education and the development of medical infrastructure through partnerships with NPOs and the Global Health Innovative Technology Fund.

Our Policies on Intellectual Property Rights and on Patents in Countries with Limited Access to Healthcare

<https://sustainability.ono-pharma.com/en/themes/102#927>

The Direction of our Efforts

- Promotion of research and development for measures against diseases for which patients’ medical needs are not yet met, rare diseases, and intractable diseases
- Local medical education, training of medical personnel, improvement of medical supplies in countries and regions where medical infrastructure is not fully developed
- Strengthening the medical system through partnerships with external parties

Working on the Creation of Pharmaceuticals

We are developing pharmaceuticals and providing pharmaceuticals through drug discovery and licensing activities for rare diseases for which the number of patients is small and therefore it is difficult to develop therapeutic agents. In addition, we consider that pharmaceuticals that have been appropriately assessed for children should be used for child patients and we engage in obtaining approvals for indications in child patients to improve access to healthcare for children.

For drug discovery and research for intractable diseases, we are engaging in activities to provide new options for treatment in

► Efforts Made against Rare Diseases (as of July 26, 2021)

Product name	Indication	Date designated as an orphan drug	Status
OPDIVO intravenous infusion	Malignant melanoma	2013.06.17	Approved
	Relapsed or refractory classical Hodgkin’s lymphoma	2016.03.16	Approved
	Unresectable advanced or recurrent malignant pleural mesothelioma	2017.12.01	Approved
DEMSER Capsules	Improvement of status of catecholamine excess secretion in patients with pheochromocytoma	2015.05.25	Approved
KYPROLIS for intravenous infusion	Relapsed or refractory multiple myeloma	2015.08.20	Approved
ONOACT for intravenous infusion	Refractory and urgent fatal arrhythmia (ventricular fibrillation and hemodynamically unstable ventricular tachycardia)	2016.08.24	Approved
MEKTOVI Tablets	Unresectable malignant melanoma with a BRAF mutation	2018.03.30	Approved
BRAFTOVI Capsules	Unresectable malignant melanoma with a BRAF mutation	2018.03.30	Approved
VELEXBRU Tablets	Relapsed or refractory primary central nervous system lymphoma (PCNSL)	2019.08.20	Approved
	Waldenstrom macroglobulinemia (WM) and lymphoplasmacytic lymphoma (LPL)	2019.11.19	Approved

► Efforts to Obtain Approval for Pediatric Use (as of July 26, 2021)

Product name	Indication	Status
ONON Dry Syrup	Bronchial asthma and allergic rhinitis	Approved
EMEND Capsules	Digestive symptoms (nausea, vomiting) resulting from the administration of antineoplastic agents (cisplatin, etc.) (including the delayed phase)	Approved
PROEMEND for intravenous infusion	Digestive symptoms (nausea, vomiting) resulting from the administration of antineoplastic agents (cisplatin, etc.) (including the delayed phase)	Approved
ORENCIA for intravenous infusion	Active polyarticular juvenile idiopathic arthritis	Approved
DEMSER Capsules	Improvement of status of catecholamine excess secretion in patients with pheochromocytoma	Approved
ONOACT for intravenous infusion	Tachyarrhythmia in low cardiac function	Under Development
OPDIVO intravenous infusion	Relapsed or refractory classical Hodgkin’s lymphoma	Under Development

industry-academia cooperation. Together with Keio University, Kochi University, the National Institute of Biomedical Innovation, Health and Nutrition, Mitsubishi Tanabe Pharma Corporation, and Daiichi Sankyo Co., Ltd., we established the Immune-mediated Inflammatory Diseases Consortium for Drug Development for the purpose of drug development research targeting intractable immuno-inflammatory diseases in May 2018. It is expected that the achievements of this consortium will lead to the creation of next-generation pharmaceuticals with high utility against intractable immunoinflammatory diseases and also enable the provision of new treatment options for patients and healthcare professionals.

Participation in the Global Health Innovative Technology Fund

We became a member company of the Global Health Innovative Technology Fund (GHIT Fund) in 2018. The GHIT Fund is an international, non-profit organization that invests in the development of new drugs against various diseases such as malaria and tuberculosis, other less marketable drugs against neglected tropical diseases and other minor diseases, vaccines, and diagnostic agents, and is funded by the Japanese government, the Bill & Melinda Gates Foundation, the Wellcome Trust, and private enterprises in Japan and overseas. In order to reduce the health disparities between developed countries and low- and middle-income countries, the therapeutic agents, vaccines, and diagnostic agents developed through the GHIT Fund's investments are priced according to the "No Gain, No Loss" principle. We understand the efforts and policy, and we contribute to the funding of the GHIT Fund. Through participation in the GHIT Fund, we will strengthen the establishment of partnerships aiming to improve access to healthcare in low- and middle-income countries.

ONO SWITCH Project

As an effort made to promote both medical system support and work style reform, we started ONO SWITCH Project in August 2018. This is an effort to make donations to NPOs/NGOs related to medical care using the money saved through the reduction of overtime work through the promotion of work style reform, aiming to further promote the embodiment of the corporate philosophy "Dedicated to the Fight against Disease and Pain" by contributing to the promotion of working style reform and healthcare and people's health around the world.

The project was named SWITCH by abbreviating **S**ave the **W**orld by our work style **I**mprovement and **C**hange (meaning saving the world through improvement and reform of our ways of working). The project name also expresses switching work methods to new ones, switching the funds obtained through working style reform to donation, and switching to the process of reexamining how to work.

In this project, we will work on improving access to healthcare products and improving medical infrastructure through partnerships with outside parties.



Students training to become healthcare professionals (Cambodia)

► Recipients of ONO SWITCH Project (FY2020)

Partner (Regions with ONO-sponsored initiatives)	Description of efforts made
Japan Committee, Vaccines for the World's Children (Bhutan)	(1) To provide DPT (diphtheria/pertussis/tetanus) vaccines for 53,500 people, hepatitis B vaccines for 9,000 people and TD (tetanus/diphtheria) vaccines for 69,482 people (2) To provide 5 coolers for vaccines
Japan Heart (Cambodia)	(1) Purchase of equipment for the early detection of neonatal jaundice and phototherapeutic devices for jaundice (2) Support for students who aim to become healthcare professionals (3) Environmental sanitation upgrades at Japan Heart Children's Medical Center (improvement of the sanitary environment during the rainy season)
People's Hope Japan (Myanmar)	(1) Monitoring of skills among midwives and assistant midwives (second) (2) Training after graduation of midwives and refreshment training of assistant midwives <small>*May involve a shift to emergency support depending on how the situation in Myanmar changes from February 2021 onwards.</small>

Details of ONO SWITCH Project are introduced on ONO's sustainability website.

<https://sustainability.ono-pharma.com/en/themes/102#929>

Stable Supply and Reliability Assurance of Pharmaceutical Products

Initiatives for Ensuring Drug Quality and Stable Supply

In order to ensure a stable supply of high-quality products as a health and life science business, ONO manufacturers all drugs under an appropriate quality assurance system both in our plants and in outsourced plants. At our plants, we established a quality assurance system complying with global regulations, such as GMP (Good Manufacturing Practice; standards for manufacturing and quality control system) in each country and PIC/S GMP, etc. When outsourcing, we confirm that appropriate manufacturing control and quality control are implemented by conducting periodic quality audits. We strive to provide a stable supply of high-quality products through multiple measures, e.g. training for all employees engaging in production and quality assurance, enhancing the quality system based on ICH Q10 Pharmaceutical Quality System, and the development of risk management systems at manufacturing sites.

Furthermore, from the perspective of business continuity, we have two manufacturing sites in Shizuoka (Fujiyama Plant) and Yamaguchi (Yamaguchi Plant) isolated geographically and thereby the risks from large-scale disasters are reduced.

Quality System and Training System

https://www.ono-pharma.com/company/business_activities/manufacturing.html

We establish global safety management and quality assurance systems and perform our safety and quality activities by ONO group worldwide.

Basic Policy for Procurement Activities

Supply chain management has become more important for engaging in business activities due to changes to social structure and technical innovation. ONO maintains and enhances our current robust network of procurement and supply for the quality and stable supply of our pharmaceutical products.

In addition, for a sustainable society, we establish a CSR management system and strengthen initiatives related to CSR activities, e.g. human rights, labor environment and the natural environment, together with business partners in the supply chain.

We therefore established the Basic Policy for Procurement Activities that serves as the basis for all employees involved in procurement activities and Guidelines for CSR in Procurement that compile matters for which supplier cooperation is required. We address increasing the corporate value of ONO and suppliers through CSR procurement.

Basic Policy for Procurement Activities and CSR Procurement Guideline

<https://www.ono-pharma.com/company/policies/procurement.html>

Drug Reliability Assurance Activities

In terms of safety management, ONO establishes a risk management plan for each drug, gathers and manages safety (adverse reaction) information. We evaluate the details of gathered information and take safety measures, such as the revision of "Precautions for Use" in package insert and provision of information related to the proper use of drugs, etc. as necessary. After the launch of the anticancer drug OPDIVO, safety information in and outside Japan increased drastically. We strive to use it properly by evaluating it based on the opinions of an external expert committee on proper use and other medical experts and then disseminate it through various information delivery materials, academic societies, medical journals, etc.

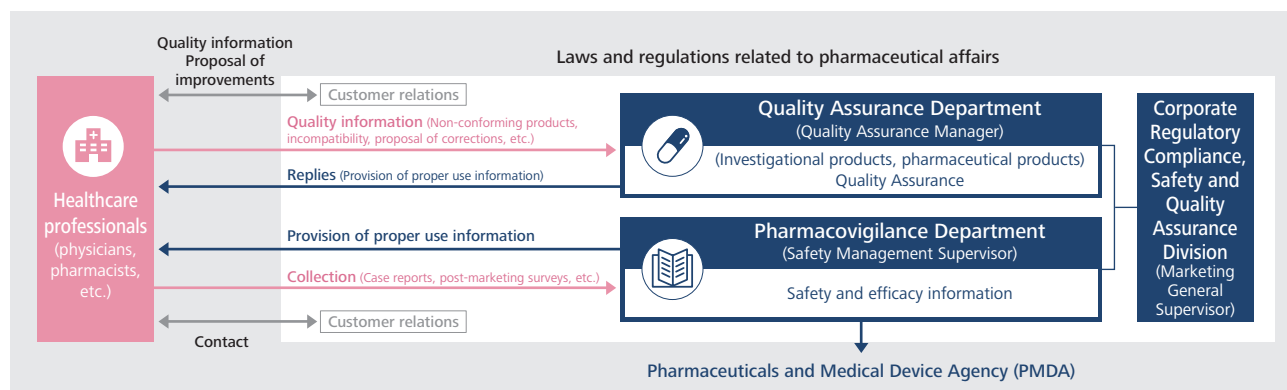
Concerning quality assurance of our pharmaceutical products, we establish a quality system and improve it continuously from the standpoints of patients, caregivers and healthcare professionals as well as complying with the regulatory requirements for marketing authorization holders.

Initiatives for Procurement

In order to identify the CSR status of the suppliers in the supply chain objectively and continuously, the CSR evaluation system of EcoVadis (hereinafter, "EcoVadis") is used. By using EcoVadis, highly-reliable information concerning the CSR management of suppliers can be obtained annually or more frequently and appropriate corrective actions can be proposed. We are holding explanatory meetings for the suppliers to understand our CSR policy and activities in procurement. According to the evaluation in FY2020, there were no suppliers that fell under high CSR risk, following on from FY2019. In FY2020, we provided some suppliers that were evaluated by EcoVadis with the opportunity to meet to review the situations of the CSR management system, its activities, and corrective action plans. Through these activities, we will enhance our partnership with suppliers more than ever.

We consider social contribution activities such as these for sustainable development and engage in various activities under ONO's Global

► Safety Information Gathering and Management System



Social Contribution Activities

Policy for Social Contribution Activities. In addition, in consideration of the relationship between current and future business activities and our business resources, we determine priority fields to focus on and then promote activities.

ONO's Global Policy for Social Contribution Activities

<https://sustainability.ono-pharma.com/en/themes/109#963>

Efforts for Advancement of Medicine and Pharmacy

We are making efforts to meet unmet medical needs and contribute to advancement of medicine and pharmacy. In 1988, the ONO Medical Research Foundation was established with donations from ONO. The Foundation provides grants for research activities in the field of lipid metabolism disorders and also aims to promote research and treatment in that field through various projects and thereby contribute to the health and welfare of the public. The Foundation has provided research grants and research promotion grants every year since its establishment and gave the Osamu Hayaishi Memorial Award to one researcher, research grants to 12 researchers, and research promotion grants (for researchers under 40 years old) to 16 researchers, respectively, in FY2020.

In addition, we have supported the Japanese Biochemical Society's Osamu Hayaishi Memorial Scholarship for Study Abroad, which assists researchers who are willing to research biochemistry-related life sciences in general by studying abroad from FY2017, and support for 8 researchers was determined in January 2021 as scholarship winners in FY2021. Furthermore, through the Ono Pharma Foundation's research grants to overseas researchers, we contribute to promoting research and the foundation of innovation.

Efforts for Supporting Patients and Their Families

We conduct the following activities to support to the health of a wide range of people, such as patients and the families of patients.

▶ Transmitting Information through the Website

Contents and application provided	Activities
For Patients and Families	Operating a website explaining specific symptoms of familial diseases and treatment and everyday practices for health
ONO ONCOLOGY (Information for the general public and patients)	Operating a website in cooperation with supervising physicians where visitors can learn about diseases and treatments in oncology as well as the concept of cancer immunity. (In FY2020, newly added "Cancer and Novel Coronavirus: Precautions against the spread of infection" for the purpose of supporting treatment and the lives of patients with cancer during the COVID-19 catastrophe.)
Dementia Treatment Connected by Smiles and Heart	Operating a website that considers dementia for people involved in dementia treatment and nursing care
Grandma's World	Releasing a short movie to increase dementia awareness
Application for patients with lifestyle diseases	Providing free smartphone applications aimed at supporting patients with lifestyle diseases

▶ Efforts for Supporting People's Health

- Cooperation in holding seminars for citizens on diseases
- Participation in Relay for Life (since FY2014)
Participating in activities to support patients with cancer and their families, to deal with cancer throughout an entire community and overcome cancer (Participated in Self Walk Relay in FY2020)
- Supporting member of Solaputi Kids' Camp (since FY2014)
ONO supports this camp with medical care where children with serious life threatening illnesses can pursue their dreams.

Efforts towards Education for Children's Health

We are proactively engaging in activities to support the development of children, who will be responsible for the future.

Implementation of "Healthy Body Campaign" (since FY2014)	A reconstruction assistance activity from the Great East Japan Earthquake to contribute to reducing one of the social issues in affected areas, childhood obesity, by cooperating with top athletes and medical specialists on lifestyle-related illnesses: Activities have been postponed since FY2019 due to the impact of the novel coronavirus.
Classes focusing on dementia by visiting schools (since FY2014)	Classes for junior- and senior-high school students with medical specialists as lecturers while visiting schools to consider dementia as a familiar disease and to acquire correct knowledge: In FY2020, activities were suspended due to the impact of the novel coronavirus.
"Kusuri no Himitsu Manabu (Learning the secrets of Pharmaceuticals)" (Classes while visiting schools) (Minase Research Institute: Since FY2015; Joto Pharmaceutical Product Development Center: Since FY2019)	Classes for 6th grade elementary school students near these facilities with the aim of increasing interest in science with ONO's researchers as lecturers while visiting their schools: In FY2020, this activity was conducted only by Joto Pharmaceutical Product Development Center due to the impact of the novel coronavirus.
Donation of toothbrushes (Minase Research Institute: Since FY2014; Joto Pharmaceutical Product Development Center: Since FY2018)	ONO donates toothbrush sets and toothbrushes to children in elementary schools, kindergartens, and nursery schools near these facilities for Tooth and Mouth Health Week, from June 4 to 10.
Sponsoring the performance Kokoro no Gekijo (Theatre of the Heart), hosted by the Shiki Theatre Company / Butai Geijutsu (Performing Arts) Center (since FY2017)	Activities to invite children to the theater with the aim of sharing the importance of life and consideration of other people with children through performing arts: In FY2020, these activities were suspended due to the impact of the novel coronavirus.
Sponsoring "Kodomo Hon no Mori Nakanoshima (The Nakanoshima Children's Book Forest)" (since FY2017)	Activities aimed at encouraging children to develop rich creativity through books and artistic culture.



"Learning the secrets of Pharmaceuticals" (Classes while visiting schools)

* It was conducted by taking thorough careful measures against the novel coronavirus.

More details on social contribution activities are available on our sustainability website.

<https://sustainability.ono-pharma.com/en/themes/109>