

Supplementary Materials for ESG Related Information (4)

(April 10, 2025)

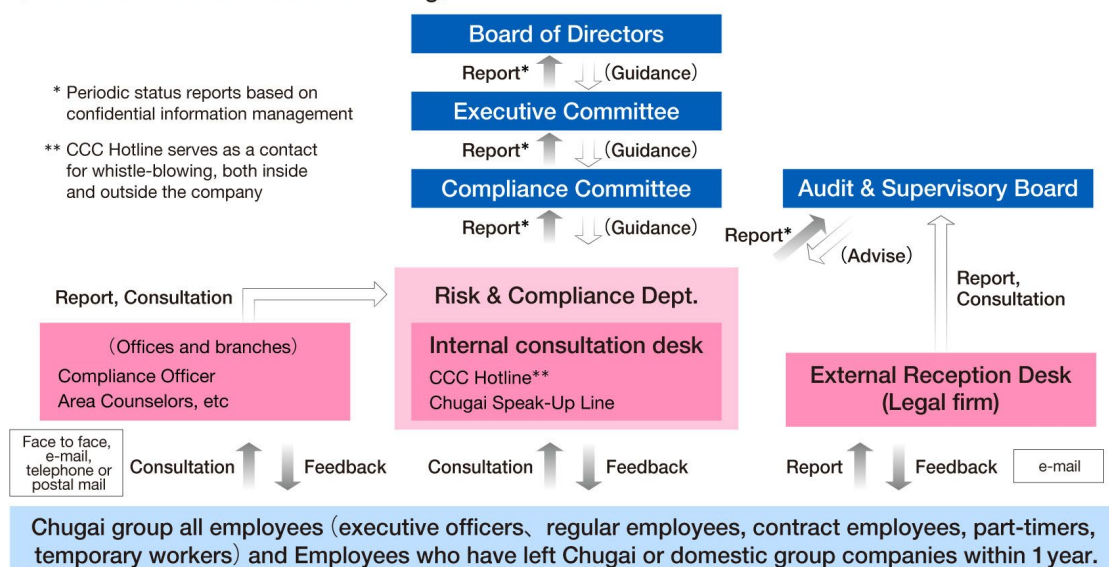
1. Creating Workplaces free from Harassment

The Chugai Group strives to foster respect for diverse personalities and values, to create workplaces where employees can work with enthusiasm and peace of mind. Accordingly, to prevent power harassment (abuse of power) and sexual harassment in the workplace, we continuously take various measures to educate employees and raise their awareness about these issues. Further, the Chugai Group has put in place employment regulations and harassment prevention rules as part of efforts to address harassment of those who take maternity, childbirth, child or family care leave. Unfavorable treatment of employees for their use of these programs, as well as behavior that creates a hostile work environment for such employees, are prohibited.

We have established the CCC hotline and the Chugai Speak-Up Line, which are operated by Chugai's Risk and Compliance Dept., enabling Chugai Group all employees to report/consult their concerns freely. Moreover, we have assigned area counselors at each regional management office, plant, and research laboratory, giving employees someone familiar with whom they can consult. Harassment consultation training by outside instructors and CCC Hotline personnel is provided regularly for these area counselors and human resource managers to reinforce the knowledge and skills necessary to respond to calls. In addition, for the concerns from Chugai Group employees in Japan, an external reception desk, independent from executive officers has been established, which allows the Audit & Supervisory Board to directly handle the concerns if necessary.

Issues consulted/reported are investigated impartially and with strict confidentiality to find a solution while respecting the opinion of the person who sought the consultation or made the report. The Group-wide internal rules on whistleblowing prohibit retaliation or any other disadvantageous treatment of employees who seek consultation or make reports. Anonymity can be maintained for consultations and reports.

【Consultation flow on whistle-blowing】



In addition, in accordance with the revised Whistleblower Protection Act, we have established “Regulations on the Protection of Public Benefit Reporters” and a system to receive consultations and reports from those who have left Chugai or domestic group companies within 1 year.

2. Welfare

Programs: home loan, personal loan, zaikai (asset-formation) savings plan, employee stock ownership (a monthly contribution start from 1,000 yen for all employees (excluding contract employees and part-time employees), which covers the vast majority of our total workforce including contract employees, company will subsidize employee contributions), Well Net Club (mutual benefit association). Facilities: Singles dormitory, company-owned housing, tennis court, sports ground, contracts with resort facilities in various parts of Japan

3. Improving Working Conditions

In addition to introducing flexible work systems Chugai has created an environment to support the balance between work and major life events for Chugai Group all employees. The table below shows examples for employees in Japan. In other countries, we introduce more flexible systems adapted to the situations in various

countries around the world. In our overseas locations, we have implemented flexible systems tailored to each country's specific circumstances. For instance, remote work and flexible working hours are commonly adopted across many countries. We also widely offer group insurance for employees and their families, health screenings, and paid sick and family leave. Furthermore, we strive to enhance employee welfare and improve the work environment through initiatives such as anniversary and long-service award systems, seasonal gift-giving, and organizing events to foster employee relationships. Through these efforts, we aim to support our employees' work-life balance and health on a global scale.

Work-related system	Regular employees	Senior employees	Contract employees	Part-timers
•Telework system (working from home and using satellite offices)	○	○	○	* Partially not applicable
•Half-day and hourly paid leave system	○	○	○	○
•Professional type Discretionary Labor System (Researcher)	○	○	×	×
•Super-flextime system (no core time) (including for MRs and other remote workers)	○	○	○	×
•Short-time work system for childcare (flextime work)	○	○	○	○
•Tardiness for childcare •Leaving early for childcare (employees on fixed work schedule)	○	○	○	○
•Short-time work system for nursing care (flextime work)	○	○	○	○
•Use of business vehicle to take children to, or pick them up from childcare centers	○	○	○	○
•Commuting by Shinkansen due to marriage, spouse's transfer or nursing care	○	○	○	○
Leave	Regular employees	Senior employees	Contract employees	Part-timers

•Long-term Absence from Work for Childcare System (first 14 consecutive days are paid leave)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
•Paternity leave	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
•Sick child leave	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
•Family Care Leave•Long-term Absence from Work for Family Care	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Support for expenses/tools	Regular employees	Senior employees	Contract employees	Part-timers
•Company PCs rental service for employees taking maternity leave, childcare leave or nursing care leave	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
•Subsidies for non-registered daycare facility expenses after returning from maternity leave or long-term childcare leave	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
•Subsidies for babysitting expenses (All Japan Childcare Services Association)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
•Introducing a nursery school hunting concierge (Support for early return by supporting the set-up of childcare environment)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Information provided via websites	Regular employees	Senior employees	Contract employees	Part-timers
•Suku-Suku Square: website to support raising the next generation (information site for programs and services related to childbirth and childcare)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
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Other support	Regular employees	Senior employees	Contract employees	Part-timers
•Support plan for MRs to live with their spouses	○	○	○	○
•Alumni system (reemployment registration system for the employees who retire due to marriage, spouse transfer, childcare, nursing care, going on to higher education, job change, etc.)	○	○	○	○
•Kids' Square Nihonbashi Muromachi, a consortium-managed childcare center	○	○	○	○

4. Internal Audits

The Audit Department, with a staff that includes certified internal auditors and certified fraud examiners, conducts audit engagements in accordance with the annual audit plan developed through risk assessment covering all Chugai Group operations. The Audit Department audits business activities of the Chugai Group, including subsidiaries, from the perspective of effectiveness, efficiency as well as compliance including ethics, prevention of corruption, and bribery, and reports and proposes recommendations to the Executive Committee and reports to the Board of Directors and the Audit & Supervisory Board. In addition, Audit Department staff serve as Audit & Supervisory members at subsidiaries.

The Audit Department assesses the design and operation of internal controls in accordance with generally accepted standards for internal control to ensure the reliability of financial reporting under the Financial Instruments and Exchange Act. As part of the audit procedures for the entity level controls, the status of design and operation of the compliance systems is also assessed once a year.

5. CCC and Human Rights Training

Chugai provides an opportunity of e-learning on CCC in general and annual training for a certain theme for all employees (including contract employees and part-time employees) to further understand and comply with the Chugai code of conduct so that the code will take hold across the Chugai group.

In the first half of 2022, the training program focused on business and human rights. It was an opportunity to raise awareness about human rights in the supply chain and the workplace for employees, and to think about the stakeholders involved in our business activities and how we address human rights issues throughout the supply chain.

In the second half of 2022, the training focused on the theme “No harassment, no tolerance”. We learned about social trends, the current status of harassment and its prevention measures, and consultation desks, and enlightened the importance of creating a better work environment in which all employees respect each other.

6. Continuing Education and Training for Employees

Continuing education and training is vital in the promotion of corporate activities that maintain high ethical standards, including promotional activities. We regularly provide education and training on the “Chugai Code of Practice” in addition to each country’s applicable laws including marketing related regulations and regulations and pharmaceutical manufacturers’ associations codes of practice to ensure effective implementation, not only for the sales department, but also for officers and employees (including employees belonging to affiliated companies in Japan). In addition, based on the incident status, we are enhancing measures to prevent recurrence by providing necessary education and training to relevant departments as appropriate.

Training organizer	Training theme	Target	Scope of training	Frequency
Healthcare Compliance Dept.	Chugai Code of Practice	Management	Knowledge necessary for management	Once a year
	Guidelines for Provision of Sales Information on Prescription Drugs	All employees of Chugai Group	Knowledge for appropriate interaction with healthcare professionals, etc. and provision of information	Once a year
	Fair Competition Code	Compliance Officer	Knowledge necessary to promote compliance in each department	Once a year
		Personnel in charge of providing sales information	Training in line with daily activities based on examples	4 times a year

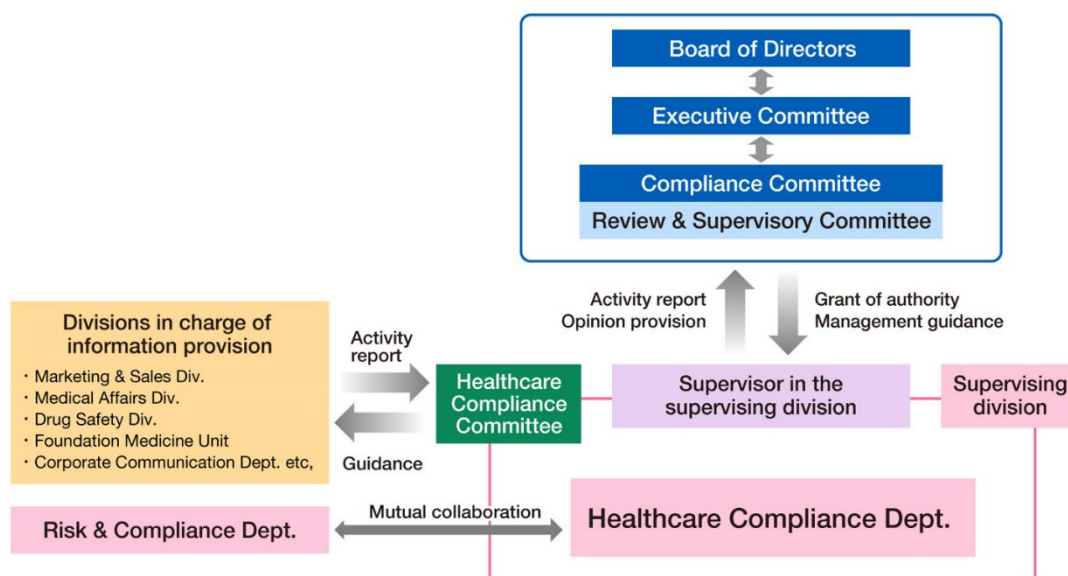
	Guidelines for Preparation of the Outline of Prescription Drug Product Information	Personnel in charge of creating material	Knowledge to prepare materials in accordance with laws and industry standards	3 times a year
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7. Investigation and Corrective Actions in Response to Healthcare Compliance Violations

Based on the “Guidelines for Provision of Sales Information on Prescription Drugs” issued by the Ministry of Health, Labour and Welfare, Chugai has established “Guidelines for Provision of Sales Information on Prescription Drugs in Chugai.” If violations or deviations or spontaneous reports from the “Guidelines for Provision of Sales Information on Prescription Drugs in Chugai” are confirmed, we will respond in accordance with the “Standard operating procedure for complaints and recurrence prevention” and perform appropriate sales information provision activities. In addition, deviation cases related to the “JPMA Code of Practice” or “Fair Competition Code concerning Restriction on Premium Offers in Ethical Pharmaceutical Drugs Marketing Industry” shall be dealt with in the same manner based on the “Chugai Code of Practice.”

Chugai has established the supervising division to ensure that its divisions in charge of information provision are appropriately providing information. The supervising division reports activities to the Healthcare Compliance Committee to provide systematic guidance. In addition, the supervisor in the supervising division reports

Internal Systems



the activities to the Review & Supervisory Committee, which includes a third party. This ensures that the provision of product information is carried out appropriately.

8. Product Safety and Quality Assurance

We are deeply committed to the reliable production and consistent supply of high-quality pharmaceuticals to our patients. We have established our own standards in compliance with Good Manufacturing Practice (GMP) for pharmaceutical manufacturing processes, and rigorously apply the world-standard quality control throughout the entire process, from procurement of raw materials to storage, manufacturing, and distribution. In addition, we periodically conduct training on the importance of GMP compliance as a manufacturer and on the actions that are appropriate for Mission Statement and Chugai Group Code of Conduct.

Chugai Pharma Manufacturing Co., Ltd. is responsible for manufacturing of pharmaceuticals within the Chugai Group. At Chugai Pharma Manufacturing Co., Ltd., all employees in the manufacturing and quality control departments (including management, contract employees, and part-time employees) receive annual training on the overview of GMP in various countries, data integrity, and Good Documentation Practice. Furthermore, all employees except management (including contract employees and part-time employees) regularly receive annual training on hygiene management basics, pest and rodent control, ICH guideline overview, and annual reviews of abnormalities/deviations and market complaints. For contractors, GMP education related to quality control, including data integrity, Good Documentation Practice, hygiene management basics, and pest and rodent control, is conducted annually.

Chugai Pharma Manufacturing Co., Ltd. has 3 plants and they have undergone rigorous inspections by regulatory authorities mainly in Japan, the U.S. and EU, and have received approval. In addition, they have also been audited by client companies (22 inspections and audits in total in 2023). In order to further enhance our quality assurance efforts, Chugai Pharma Manufacturing Co., Ltd. evaluates all raw material suppliers, contract manufacturers, and testing contractors we collaborate, conducting periodic quality audits according to the risk and significance level (82 audits (41 overseas and 41 in Japan) conducted in 2023). Chugai Pharma Manufacturing Co., Ltd. sets criticality scores based on product quality impact and patient safety for all suppliers and contractors,

including secondary suppliers, considering the importance of purchased items, and determine audit methods and frequencies according to these criticality scores. Suppliers and contractors with scores above a certain threshold receive regular audits every 3 to 5 years (58 audits conducted in 2024). Additionally, all suppliers and contractors are annually re-evaluated by identifying major risk incidents (e.g., supplier-caused abnormalities/deviations, supplier-originated complaints, change management, audit results) that occurred during the period. Based on the re-evaluation results, the audit frequency for suppliers and contractors is reviewed according to the calculated risk score (e.g., if the annual evaluation of the highest criticality supplier indicates a need for risk control, the regular audit frequency may be changed from once every 5 years to once every 3 years). For particularly important suppliers, regular quality meetings are held to continuously share Chugai's quality requirements. Governance meetings are held annually with three companies, while manager-level quality discussions are conducted monthly. Education and training are also key components of these audits and include quality control education and training for suppliers and contractors. These activities ensure product safety and quality, as well as the regulatory compliance.

9. Overview of Quality Assurance

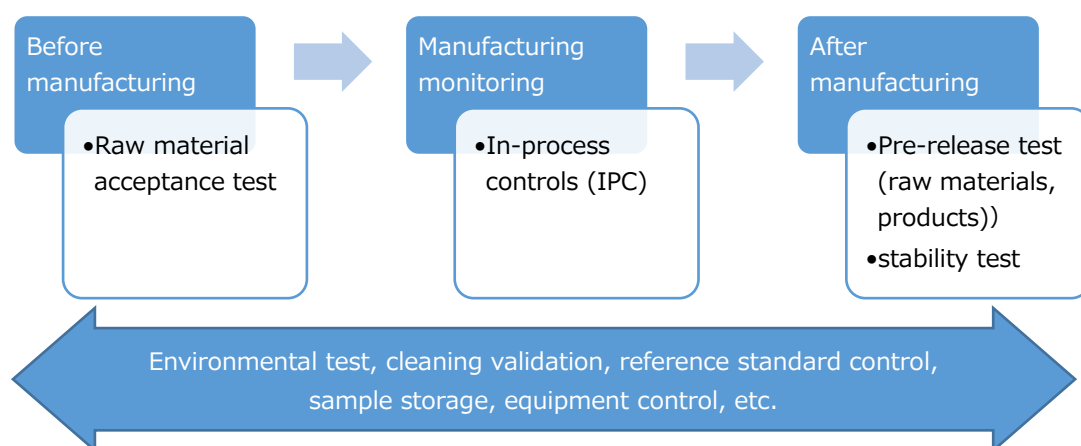
Chugai Pharma Manufacturing Co., Ltd. conducts appropriate quality assurance based on GMP standards for all investigational drugs and products, including raw materials, intermediates, and finished products, as well as manufacturing facilities, cleanliness of the manufacturing room environment, water, and gases used for manufacturing. Quality assurance includes verification of product stability to ensure the proper quality until the delivery to patients.

Chugai Pharma Manufacturing Co., Ltd. thoroughly strives for world-standard quality assurance, including the qualification of analytical instruments used for quality control, verification of the accuracy and reproducibility of analytical methods in accordance with the intended use, and measures for data integrity to assure the consistency of data and prevent fraud in quality control, as well as training of operators who carry out these measures.

In order to ensure the safe and secure use of pharmaceuticals, Chugai Pharma Manufacturing Co., Ltd.'s quality control not only verifies the quality of our products, but also contributes to the stable supply of high-quality pharmaceuticals through a

variety of initiatives from receipt of materials to manufacture and shipment.

Furthermore, at Chugai Pharma Manufacturing Co., Ltd., Annual Product Quality Reviews (APQR) are conducted for each product. In the APQR, annual management reviews are carried out primarily to evaluate compliance with current quality requirements for each item, the validity of product specifications and control procedures, and the adequacy of manufacturing process and product quality control. This is done to confirm whether there are any concerns regarding quality or safety, and to implement necessary measures if concerns are identified. Additionally, regular management reviews are conducted for the quality system to ensure its soundness.



10. Graduate Traineeship/apprenticeship Program

Chugai conducts a group-wide introductory training program every April for all new graduate employees (graduates of bachelor's, master's, and doctoral programs). The purpose is to learn the basics of being a business professional, build trusting relationships with colleagues, understand the significance of the Chugai Group, take the first step as a member of the organization, foster bonds with colleagues who have diverse values and perspectives, and lay the foundation for innovation creation.

In 2024, we conducted a 10-day program for over 200 graduate employees. The program covers topics related to business and work styles, such as Chugai Group's corporate philosophy and code of conduct, business and value chain, digital technology and D&I, compliance, as well as personal career development topics like self-improvement. Through a combination of instructor-led inputs and outputs

through group and individual work, we build the foundation for becoming business professionals.

We believe that the development of new employees should be done over time, and we provide follow-up for up to three years to develop them as business professionals of the Chugai Group. Specifically, we conduct follow-up training in the second and third years, providing training in business skills and career development. Furthermore, after being assigned to various divisions and group companies, we conduct specialized training for each workplace, such as training for medical representatives and production engineers (<https://cpmc.chugai-pharm.co.jp/recruit/hrd/index.html>), as well as orientation training for each division and company.

11.Partners with Educational Institutions to Develop or Deliver Joint Training Programs for Staff

Chugai conducts annual selective educational programs at each level, targeting next-generation management leaders and core personnel in each department. The internal programs are called LDP (Leadership Development Program), and are implemented at each level in collaboration with external specialist instructors and university professors. Additionally, as external programs, we systematically implement leadership development programs conducted by external educational institutions, training in business skills and management literacy, and dispatch employees to graduate schools for obtaining MBA or doctoral degrees.

In 2024, we implemented the following LDP: for basic organizational leaders: A program to strengthen Decision Making, Stakeholder management, and PMVV (Purpose, Mission, Vision, Values); for group leaders: A Strategic Thinking Program to enhance Strategic Thinking & Proposal to management; for non-managerial positions: Building Futures Program to cultivate leadership identity, Leadership & Innovation Program focusing on business core-skills as leaders

12.Opportunities of Training and Development for Self-growth

With the aim of supporting self-directed learning and growth, Chugai has introduced “I Learning,” a learning platform in which Chugai group all employees (including contract employees and part-time employees) can engage in learning anytime, anywhere.

13.Team-based Performance Appraisal

We translate company goals into divisional goals, and then translate divisional goals into Team goals. Finally, we incorporate these goals into the goals of each individual employee. It should be noted that leaders who run teams and some team members are measured not only in the achievement of their individual objectives but also in the achievement of their team objectives. The assessments will be done annually at the end of the period.

14.Type of Performance Appraisal: Management by Objectives:

We conduct evaluations based on the management by objective (MBO) system for all Chugai group employees. In Japan. The MBO evaluation system is designed to clarify the evaluation criteria by setting two levels of goals: “Commit” (minimum level to be achieved) and “Target” (stretched level), to enhance the evaluators' understanding of the evaluation and to support challenges.

Furthermore, in Chugai, our standards which is expected as our human capital are defined, and it is the way of thinking and the competency of individual. They are also based and used for the individual performance appraisal to measure as to how individual achieved to the own objectives which is designed by the “Commit & Target”. For further details, the competency standards consist of three decision principles as well as the four action principles. The decision criteria measure not only customer-oriented perspective, global thinking, and being trusted by our internal and external stakeholders but also compliance whereas the action principles assess the strategic thinking, influencing and good collaboration, pursuing outcomes, and developing human capital.

The evaluation period is one year. The evaluation is conducted at the end of the year, based on the goals set at the beginning of the year. In addition, a "Quarterly Review" is conducted every quarter to check the progress of performance and the demonstration of competencies between supervisors and subordinates. We expect that the “Quarterly Review” will improve the transparency and acceptability of evaluations, improve communication between supervisors and subordinates, and provide an opportunity for human resource development.

15.EHS (Environment, Health and Safety) Audit

Since 2017, we have transitioned to an integrated EHS management system that combines environmental conservation and health and safety, and have been

promoting EHS activities. We conduct EHS internal audits on a three-year cycle for all domestic sites and overseas research laboratories and plants to evaluate whether the EHS management system is functioning properly by confirming each site's EHS activities, risk reduction measures for environmental pollution and occupational accidents, and residual risks.

Number of audits in 2022: 1 research laboratory, 1 plant, 3 offices

Number of audits in 2023: 2 research laboratories, 1 plant, 2 offices

Number of audits in 2024: 1 research laboratory, 1 plant, 2 offices

16. Supplier EHS and Compliance Risk Evaluation

In 2024, we conducted audits of 14 contract manufacturers that we consider important suppliers in our EHS and compliance risk evaluation. These audits were based on PSCI Principles and covered ethics, human rights, labor, health and safety, environment, and management systems. When issues were identified, we requested suppliers to develop corrective and preventive action plans, and we are currently monitoring their improvement progress based on these plans. No suppliers were determined to be ineligible for business based on the assessment results.

EHS and Compliance Risk Assessment Items

Ethics	Business Integrity and Fair Competition, Identification of Concerns, Animal Welfare, Privacy
Human Rights and Labor	Freely Chosen Employment, Child Labor and Young Workers, Non-Discrimination, Fair Treatment, Wages, Benefits and Working Hours, Freedom of Association
Health and Safety	Worker Protection from Chemical, Biological and Physical Hazards, Process Safety for Prevention and Mitigation of Chemical Damage, Emergency Preparedness and Response, Hazard Information
Environment	Environmental Authorizations, Proper Handling and Management of Waste, Emissions and Wastewater containing Hazardous Substances, Emergency Preparedness and Response
Management Systems	Commitment and Accountability, Legal and Customer Requirements, Risk Management, Documentation, Training and Competency, Continual Improvement

