

Diversity and Inclusion | FY2023 Archive

We are actively implementing initiatives on diversity and inclusion, with the executive officer in charge of human resources taking the lead. Our employees have diverse attributes, including gender, age, midcareer/straight-from-school hire, Japanese/non-Japanese nationality, and permanent/fixed-term employment. We believe it is of fundamental importance to offer fair and equitable opportunities to all employees hoping to display their full capabilities and potential, regardless of these attributes.

Specific ongoing actions include change in managers' way of thinking and institutional programs to encourage choice of diverse ways of working.

| Supporting Women's Active Participation



Sumitomo Pharma promotes establishing a work environment where anyone can play an active role, irrespective of gender. We help all employees balance their work and parenting with our shorter working hours system for childcare, subsidies for use of unlicensed daycare centers, MR area selection system, and other support systems. On the other hand, we encourage male employees to take childcare leave and help with parenting to eliminate unconscious gender-related stereotypes and biases, enabling employees to balance their work and parenting responsibilities regardless of gender, and foster an organizational culture of mutual support. We will continuously work to keep the percentage of employees taking childcare leave at or over 100% for both male and female employees by our efforts, including introducing ten days of paid childcare leave and holding childcare leave seminars for male employees.

Sumitomo Pharma has formulated a General Business Owner Action Plan obliged by the Act on Promotion of Women's Participation and Advancement in the Workplace, which came into force in 2016. The Company has also created Voluntary Action Plans on Promotion of Women to Managerial and Board Position in response to a call by the Keidanren (Japan Business Federation). Under these plans, we have been actively implementing the following initiatives. Since 2017, we have been continuously receiving the highest rating of "Eruboshi" (L Star: L stands for Lady, Labour and Lead)" certification (three stars) as a company making excellent progress implementing initiatives for the active involvement of female employees.

April 2023-March 2026 (currently being implemented)

- Goal 1. Increase percentage of female senior employees to more than 15%
- Goal 2. Achieve 100% usage rate of paternity leave (more than five consecutive business days as a rule)

Details of Specific Initiatives Set Out in the General Business Owner Action Plan (April 2023-March 2026)

- Initiative 1. Provision of training for female employees aimed at development of senior staff positions
- Initiative 2. Encourage male employees to take childcare leave and help with parenting in creating a comfortable workplace environment for both male and female employees
- Initiative 3. Implementation of measures to support return to work and career development after childcare leave

We will continue working to create a workplace where all employees can exercise their full capabilities and potential, regardless of their workstyle, gender, and other attributes.

The Act on Promotion of Women's Participation and Advancement in the Workplace:

https://ryouritsu.mhlw.go.jp/hiroba/planfile/202303241313543301821_1.pdf  (in Japanese only)

Japan Business Federation (Keidanren) Action Plans on Women's Active Participation in the Workforce:

<http://www.keidanren.or.jp/policy/woman/ap10820.html>  (in Japanese only)

Initiatives to Promote LGBTQ Understanding



Sumitomo Pharma clearly states in our Declaration of Conduct (Guidelines for Daily Application) that we do not discriminate on grounds of sexual orientation and gender identity. We actively promote understanding of LGBTQ (lesbian, gay, bisexual, transgender, questioning, and queer) among all employees.

In recent years, we have been holding LGBTQ training sessions for all employees, including officers and managers, to help them acquire proper understanding of LGBTQ issues. We also organize LGBTQ awareness workshops and seminars for employees and operate a consultation desk for anyone in need of assistance. In addition, the Osaka Head Office has restrooms available to people of all gender identities.

These initiatives were recognized and we obtained "Gold" certification in 2023 in the PRIDE Index ^{*1}. We have been certified as "Gold" for the fourth consecutive year since 2020.

^{*1} Formulated by Work with Pride, a group that promotes workplaces where LGBTQ people can work with pride, the PRIDE Index evaluates corporate initiatives based on the five categories below.

1. Policy (Declaration of Conduct)
2. Representation (community of LGBTQ people)
3. Inspiration (awareness raising activities)

| Promoting Active Participation by People with Disabilities



The Group is actively championing the employment of people with disabilities in order to fulfill its corporate social responsibility and promote normalization ^{*2}. "Cocowork Co. Ltd.", which was accredited as a special subsidiary, grows leafy vegetables using solar-powered hydroponics, to support the independence of people with mental disabilities. The harvested vegetables are not only shipped to supermarkets and restaurants, but also delivered as fresh vegetable sets to all employees in Japan as a birthday present from the Company, which have got favorable responses from employees as well as their families, leading to better understanding of the Company's efforts to employ people with mental disabilities. Furthermore, our group's shared service subsidiary ^{*3}, "SMP Business Partners," actively promotes the employment of people with intellectual disabilities while also engaging in vocational training for students from support schools. Through the application of special subsidiaries to the group, our rate of employment of people with disabilities as of June 1, 2024, was 2.66%.

^{*2} Normalization: an approach to realizing a society where persons with disabilities live equally with those without disabilities

^{*3} Shared service: support functions to consolidate and standardize common business units within group companies with the aim of achieving overall operational efficiency and improving quality across the entire group

For more information on changing in the employment rate of people with disabilities, please see [“ESG Data Table.”](#)

| System Related to Childcare

Extension of eligible parental period for shorter working hours and flexible arrival/leave hours (October 2015)

We made it possible for employees with a child who has a physical or mental disability requiring a continuation of shorter working hours or staggered working hours to extend the period of applicability (until end of third year of elementary school → until end of third year of junior high school).

MR area selection system (April 2016)

For the MRs who got married within two years or are raising children, we established a system that enables them to select their work location upon their request.

Subsidies for use with non-registered childcare facilities (April 2018)

In order to support employees returning to work from maternity leave and childcare leave, the Company provides a certain amount of subsidies to employees that use non-registered childcare facilities when returning to work.

Introduction of ten days of paid childcare leave (April 2021)

We increased the number of days without salary and bonus deductions from five days to ten days for employees who take childcare leave, irrespective of whether they are male or female, thereby encouraging male employees to take childcare leave.

Extension of eligible employees for childcare time (April 2021)

We made it possible for male employees to take childcare time during the period up until their child turns one in order to encourage men to participate in childcare.

| Systems Related to Diverse Work Styles

Working from home system (June 2016, October 2017, October 2022)

In June 2016 for employees involved in childcare or nursing care, we established a system that enables them to work from home up to five times a month. Moreover, in October 2017 we expanded the system to apply generally to all employees to work from home in principle. In October 2022, we further expanded the system to allow all employees to work from home up to twelve times a month. Rather than being biased toward either coming to work or working from home, we are promoting a hybrid work style that incorporates the advantages of both work styles while aiming to further improve productivity.

Staggered work hours system (April 2018, October 2022)

In April 2018, in order to improve productivity and work-life balance through work styles that are suited to the work situation, we established a system that allows employees to change their starting time within a range of two hours earlier or one hour later on a monthly basis. In October 2022, we further revised the system to make it more flexible by making it

on a daily basis and expanding it to allow employees to change their starting time within a range of two hours earlier or two hours later.

Revision of the discretionary labor system and our unique deemed working hours system (April 2022)

For those who work under the discretionary labor system, we have abolished the previously established work hours (from 7:00 to 20:00) and revised them to allow for flexible work styles.

For those who work under the general work system, we have introduced our unique deemed working hours system and revised the previous system to allow them to finish their work before the regular finishing time without salary deduction on the condition that they can finish their work efficiently.

| Systems Related to Sexual Diversity

Same-sex partnership system (April 2020)

We established a system for the purpose of treating same-sex partners as if they were spouses in various systems such as housing, celebratory occasions and condolences.