Sumitomo Pharma
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Environmental Goals and Performance | FY2023 Archive

Environmental Goals

Sumitomo Pharma has clarified priority issues related to its environmental activities and has established its Mid-term Environmental Goals as the action targets to realize these goals and make continuous improvements.
In fiscal 2024, we have reorganized the seven priority issues set for the three-year period from fiscal 2021 to fiscal 2023 into three priority issues (carbon neutrality, water, and resource circulation) and two foundational issues (legal compliance/prevention of environmental accidents and stakeholder communication). The background for this reorganization is the rapidly changing social issues and demands of society. To address these issues and demands from a medium- to long-term perspective, we have established our Long-term Environmental Goals to be achieved by fiscal 2030 and fiscal 2050 for greenhouse gas (GHG) emissions, water withdrawal, and waste, and have added targets from fiscal year 2024. With regard to our Long-term Environmental Goals, we also evaluate our progress in our three-year Mid-term Environmental Goals and implement measures to achieve these goals.
For more information on the positioning of our environmental initiatives in Material Issues, as well as their goals and KPIs, please see "Material Issues."

Mid- to Long-term Environmental Goals (FY2024-FY2026)

Priority Issues	Target	Target FY	Indicator [*1]
Carbon Neutrality	Achieve carbon neutrality by reducing GHG emissions.	FY2050	・Aiming at zero GHG emissions (Scope 1+2) [*2]
		FY2030	・<SBT> Reduce absolute Scope 1 and 2 GHG emissions 42% by fiscal 2030 from a fiscal 2020 base year. [*2] ・<SBT> Reduce absolute Scope 3 GHG emissions from purchased goods and services 25% by fiscal 2030 from a fiscal 2020 base year. [*2] ・Increase the ratio of non-fossil electricity to 50% or more of total electricity use. [*2]
		–	・Replace all company vehicles [‡] with hybrid or electric vehicles by fiscal 2026. [‡] Excluding in-house vehicles

			・Completely phase out the use of CFC-containing products and equipment by fiscal 2025.
Water	Promote water conservation and address water risks.	FY2030	・Reduce water withdrawal by 12% from fiscal 2018. *2
		–	・Conduct water risk assessments at production and research sites.
Resource Circulation	Promote waste reduction and recycling.	FY2030	・Achieve a plastic waste recycling rate of 65% or more. *2 ・Maintain recycling rate at 80% or higher and aim for at least 85% by fiscal 2030. ・Maintain final disposal rate at less than 1% and aim for less than 0.5% by fiscal 2030.

Foundational Issues for Addressing Priority Issues	Targets
Legal Compliance Prevention of Environmental Accidents	・Operate and continuously improve the environmental management system. ・Conduct regular internal environmental audits. ・Properly manage chemical substances including PRTR substances and antimicrobial products.
Stakeholder Communication	・Provide timely and appropriate information disclosure and engage in active dialogue. ・Continuously implement environmental education and initiatives to enhance environmental awareness among all employees. ・Participate in local environmental conservation activities. ・Promote outreach to business partners including environmental due diligence.

*1 SBT and 2050 GHG emissions reduction target are evaluated on a consolidated basis, and other targets are evaluated on a non-consolidated basis.

*2 As for the Mid-Term Environmental Goals (FY 2024-2026), progress is evaluated against the Long-Term Environmental Goals, and we develop and implement necessary measures to achieve the targets accordingly.

Mid- to Long-term Environmental Goals (FY2021-FY2023) and Major Achievements

Priority issues	Target FY	Target	Indicator *3	FY2023	
				Achievement	Progress/Results
Creating low-carbon society	FY2050	Reduce GHG emissions to control the increase in the global average temperatures.	Aiming at zero GHG emissions (Scope 1+2) by fiscal 2050. *4	○	Reduced by 26% compared to base year
	FY2030	<SBT> Reduce absolute Scope 1 and 2 GHG			

		emissions 42% by fiscal 2030 from a fiscal 2020 base year. *4			
		<SBT> Reduce absolute Scope 3 GHG emissions from purchased goods and services 25% from fiscal 2020 by fiscal 2030. *4	×	Increased by 21% compared to base year (based on secondary data)	
	Single-year	Promote energy-saving efforts through efficient use of energy.	Reduce 5-year average per-unit energy consumption by 1% or more.	○	2.2% reduction
Effective use of resources (Water)	FY2030	Reduce water withdrawal to conserve water resources.	Reduce water withdrawal by 12% from fiscal 2018. *4	Good progress	Reduce by 2% compared to base year
Effective use of resources (Waste)	Single-year	Manage and dispose of waste properly and promote the 3Rs (reduce, reuse, recycle) to efficiently use limited resources.	Maintain recycling rate at 80% or higher and aim for at least 85% by fiscal 2030.	○	83%
			Maintain final disposal rate at less than 1% and aim for less than 0.5% by fiscal 2030.	○	0.10%
Management of chemical substances	Single-year	Manage chemicals appropriately to prevent air, water, and soil pollution.	Maintain atmospheric emission rate of PRTR substances at less than 1%.	○	0.30%
			Maintain atmospheric emission rate of VOC substances at less than 1%.	○	0.70%
	Single-year	As a manufacturer/seller of antimicrobials, responsibly advance efforts to address drug resistance (AMR: antimicrobial resistance).	Conduct regular AMR audits of Oita Plant.	–	(FY not applicable)

Compliance with laws and regulations Prevention of environmental accidents	Single-year	Develop the Environmental Management Operation Manual to operate the Environmental Management System, and continually improve it.	Maintain ISO14001 certification for 2 plants.	○	Suzuka and Oita plants
			Regularly carry out internal environmental audits.	○	Conducted for 6 business sites
			Aim at zero serious violations of laws and regulations and zero environmental accidents.	○	0 incidents
Education, raising awareness	Single-year	Ensure that all employees understand the importance of environmental conservation through continuous environmental education.	Make Japanese "Environment Month (June)" an environmental awareness month and have all staff participate through awareness-enhancing messages from the executive officer in charge. （Every year）	○	Done
Biodiversity conservation	Single-year	Encourage each business site actively participate in local activities that contribute to biodiversity (cleaning up riverbeds, etc.)	–	○	Done
Proper information disclosure Evaluation and management of risks and opportunities	Single-year	Disclose reliable environmental data in an appropriate and timely manner, and actively engage in dialogue with stakeholders.	Evaluate and manage risks and opportunities related to climate change and water and disclose relevant information.	○	Disclose information according to TCFD Recommendations Acquisition of CDP Score A-

*3 SBT and 2050 GHG emission reduction target are evaluated on a consolidated basis, and other targets are evaluated on a non-consolidated basis.

*4 As for the Mid-Term Environmental Goals (FY 2021-2023), progress is evaluated against the Long-Term Environmental Goals, and we develop and implement necessary measures to achieve the targets accordingly.

For more information on calculation criteria details, please see "ESG Data Table."

Environmental Accounting

At Sumitomo Pharma, we undertake environmental accounting to gain a quantitative understanding of the investments and costs associated with environmental protection and the relative effectiveness of each. The calculated results for fiscal 2023 performance are as follows.

Time Period Covered and Scope

Period covered: April 1, 2023 to March 31, 2024
Scope: Non-consolidated basis
Method of calculation: Followed "Environmental Accounting Guidelines 2005" (Ministry of the Environment, Japan)

(Millions of Yen)

Classification of the cost of environmental protection		Key initiative	Investment	Expenditure
1. Business area costs	(1) Pollution prevention cost	- Prevention of air pollution (exhaust gas treatment, maintenance and control of treatment equipment, measurement and analysis of exhaust gas) - Prevention of water pollution (wastewater treatment, maintenance and management of wastewater treatment facilities, measurement and analysis of wastewater)	26.4	248.3
	(2) Global environmental protection cost	- Promotion of energy conservation (use of LEDs) - Prevention of global warming (proper collection of CFCs)	132.2	97.5
	(3) Resources recycling cost	Treatment and recycling of waste	0.0	545.7
2. Upstream and downstream costs		Outsourcing of recycling of containers and packaging	0.0	4.7
3. Administration cost		- Maintenance and operation of environmental management systems - Nature conservation, planting of greenery, etc.	0.0	125.0
4. Research and development cost		–	0.0	0.0

Classification of the cost of environmental protection	Key initiative	Investment	Expenditure
5. Social activities cost	- Communication with the local community	0.0	0.2
6. Environmental remediation cost	–	0.0	0.1
7. Other costs	–	0.0	0.0
Total	–	158.6	1021.4

Economic Effect

The economic effect of environmental protection measures was calculated using only the effects that could be computed on a firm basis, and no effects estimated through hypothetical calculations were included.

(Millions of yen)

Particulars	Economic effect
Effect of recycling activity	1.0
Effect of resource saving	0.6
Effect of energy saving	34.5
Total	36.0

Effect of Environmental Protection

The environmental impact was calculated and totaled on the basis of environmental performance indices, and the effect of environmental protection is presented here through a simple comparison with the previous year.

Particulars of the effect	Classification	Increase/decrease of environmental impact	Environmental impact in FY 2023
Effect on resources used for business activities	Energy consumption [MWh]	2,802	233,172
	Water withdrawal [thousand t]	28	832
Effect on environmental impact and waste arising from business activities	CO_2 emissions [t-CO_2]	2,968	43,194
	PRTR substances released into the atmosphere [t]	1.0 *	3.8
	SOx released [t]	0.1	0.4
	NOx released [t]	15.2	64.1

Particulars of the effect	Classification	Increase/decrease of environmental impact	Environmental impact in FY 2023
	Dust emissions [t]	0.1	0.3
	Total amount of water discharged [thousand t]	-10	804
	BOD load [t]	0.2	0.4
	COD load [t]	2.8	4.8
	Final disposal of waste [t]	-6	8

* The increase/decrease is calculated by re-calculating the environmental load in FY2022 using the revised substances subject to reporting after the legal revision (effective April 1, 2023).