

Respecting human rights	
Targets <ul style="list-style-type: none"> • Promotion of respecting human rights throughout all the value chain based on global trends • Promotion of initiatives in accordance with the United Nations Guiding Principles on Business and Human Rights 	
KPIs	Fiscal 2021 progress
① Formulation of a basic policy for human rights ※6	Established and put into force the SMP Group Human Rights Policy on March 1, 2022 Published the policy on our website
② Promotion of understanding of and action on the basic policy at Group companies	After the policy was established and put into force, all Group companies were notified and their acknowledgement received
③ Encouragement of respect for human rights by business partners, including suppliers	Established the Sumitomo Pharma Sustainable Code of Conduct for Business Partners Published the Code of Conduct on our website
Changes to KPI ※6 Delete "Formulation of a basic policy for human rights"	
Corporate governance	
Targets <ul style="list-style-type: none"> • Pursuit of highly effective corporate governance • Ensuring the independence of management and protecting the interests of minority shareholders 	
KPIs	Fiscal 2021 progress
① Appropriate management and supervision of Group companies	Sumitomo Pharma officers and employees assumed positions as part of Directors at subsidiaries such as those in the U.S. (included part of the corporate auditors for domestic and Chinese subsidiaries), and are monitoring management
② Addressing the revised Corporate Governance Code appropriately	Made appropriate revisions to the Basic Policy on Corporate Governance, Regulations of the Board of Directors, and Nomination and Compensation Committee Regulations (December 1, 2021) Released new disclosure guidelines based on revised CG codes for such things as Director and Audit & Supervisory Board Member skill sets and skills matrix (December 3, 2021) Made disclosures in accordance with TCFD recommendations concerning climate change response
③ Implementing evaluation of the effectiveness of the Board of Directors and working on priority issues based on the results of evaluation	Directors and Audit & Supervisory Board Members did an evaluation of the fiscal 2020 Board of Directors meetings. Based on those results, the effectiveness of the Board of Directors in fiscal 2020 was largely confirmed at the Board of Directors meeting in May 2021. It was agreed that appropriate progress was seen as to the efforts for the major agendas of fiscal 2021 (i) Further enhancement of discussions for risk management, (ii) Provision of the appropriate number of agenda items and appropriate time for deliberation, and (iii) Enhancement of training.
④ Conducting appropriate transactions between Group companies with consideration to protecting the interests of minority shareholders	The Supervisory Committee for Conflict of Interests in Transactions between Group Companies met once (to choose a committee chairman and share information about transactions with Group companies)
Risk management	
Targets <ul style="list-style-type: none"> • Implementing risk assessment and taking countermeasures • Rebuilding of business continuity plans (BCP) • Proper information management (management of confidential information, internal information and personal information, Information Technology security) 	
KPIs	Fiscal 2021 progress
① Implementing risk assessment and examining and implementing appropriate countermeasures based on results of assessment	Conducted risk assessments for organizations that include Group companies Japan overseas, and carry out measures based on assessment results
② Rebuilding, and implementing training and drills of business continuity management (BCM) and business continuity plans (BCPs)	Prepared BCPs for each department and site based on the company-wide BCP (Basic Plan) made in fiscal 2020
③ Provision of education and training aimed at proper information management	Conducted training for new employees on managing information and personal information Conducted training (e-learning) for all officers and employees on information management and revisions to the Act on the Protection of Personal Information
④ Number of serious information leaks and other incidents	0
Compliance	
Targets <ul style="list-style-type: none"> • Practice of the Declaration of Conduct and Compliance Standards • Appropriate operation of compliance promotion system and establishment of rules • Improvement in the effectiveness of the whistle-blowing system • Ensure exclusion of anti-social forces and prevention of corruption 	
KPIs	Fiscal 2021 progress
① Number of serious compliance violations	0
② Implementation of compliance education and training	Conducted new compliance training for department heads Conducted training for new employees, including mid-career hires Conducted theme-based training company-wide on information management and other subjects
③ Implementation rate of initiatives to ensure compliance (identification of compliance risk and review of countermeasures)	100%
④ Implementation of compliance awareness surveys	Conducted opinion concerning mindset and culture with respect to compliance (92.5% response rate)
⑤ Level of awareness of whistle-blowing system, understanding and number of reports	Understanding: 93% / Reports made: 19

Fair and transparent corporate activities	
Targets · Sincere corporate activities contributing to the enhancement of stakeholder engagement	
KPIs	Fiscal 2021 progress
①Number of stakeholder dialogues	SMP Opinion (company-wide questionnaire): Once Individual meeting with analysts and institutional investors: 103 meetings Small meetings: 5 meetings Product Information Center: Approximately 34,000 inquiries
②Ensuring transparency on relationships with healthcare professionals and patients groups	Observed the guidelines on transparency on relationships with healthcare professionals and patient groups, and disclosed various information properly and in a timely fashion
③Promotion of appropriate provision of information based on scientific evidence	Improved information provided on our Q&A site for healthcare professionals based on appropriate evidence Pointed healthcare professionals with information gained from post-marketing surveillance
Corporate regulatory compliance, quality assurance and stable supply	
Targets · Ensuring strong quality assurance and regulatory affairs as well as data integrity · Practice of pharmacovigilance by centralized management of safety information and implementation of timely safety measures · Prevention of occurrence of drug-induced suffering · Promotion of proper use by provision of appropriate information	
KPIs	Fiscal 2021 progress
①Implementation of management reviews	Implemented development stage management reviews (QA), and Japan and global management reviews (QA, PV, GCP)
②Responding to inspections and audits	Planned and implemented audits to ensure the reliability of each operation from research to development to post-marketing based on risk assessment
③Providing education on collection of safety information, quality assurance and drug-induced suffering	Provided education on both Harmful Incident Concerning Pharmaceuticals and safety information collection to all employees
④Integrated management of safety information and early detection of risks	Continued regular safety monitoring of all marketing-approved products
⑤Consideration and implementation of revisions to precautions in package inserts	Revised and communicated precautions in package inserts for seven ingredients
Targets · Continuation of three Ss (safe operations, sound quality and stable supply) · Strengthening of supply chain	
KPIs	Fiscal 2021 progress
①Number of serious accidents	0
②Number of product recalls due to quality issues	0
③Rationalization of safety stock standards	
④Rebuilding and strengthening of BCPs ※7	Fully revised basic policies for manufacturing divisions based on the company-wide BCP (Basic Plan) and created BCPs at each factory
⑤Implementation of supplier risk assessments	Gather information on risks related to the business continuity of new and existing suppliers
Changes to KPI ※7 Regularly review BCPs and conduct training	
CSR procurement	
Targets · Achievement of balanced, fair, and transparent transactions	
KPIs	Fiscal 2021 progress
①Implementation of supplier surveys (identification of supplier survey targets and implementation of supplier survey)	Identified suppliers to be surveyed and started surveys
Health, safety, and welfare of employees	
Targets · Promotion of health through practice of the declaration of "Health Innovation"	
KPIs	Fiscal 2021 progress
①Smoking rate of employees (target: -2point/year)	-1.4point/year (Smoking rate is 10.1% in fiscal 2020 ⇒ 8.7% in fiscal 2021)
②Prevention of serious illness Percentage of health checkups for employees covered by specific health guidance (target: 100%) Percentage of health checkups for employees requiring treatment based on instructions of occupational physician (target: 100%)	90.1% (fiscal 2020 data(Due to the timing of data aggregation, the fiscal 2020 data is the latest available)) 99.2%
③Percentage of employees receiving stress checks (target: 100%)	94.5%
④All insured persons and dependents to receive specific health checkups for preventing metabolic syndrome in the over-40s (target: 100%)	89.3% (fiscal 2020 data (Due to the timing of data aggregation, the fiscal 2020 data is the latest available))

Targets • Occupational health and safety activities, prevention of occupational accidents	
KPIs	Fiscal 2021 progress
① Work-related accident frequency rate and lost-time injury frequency rate (excluding accidents involving business vehicles)	Work-related accident frequency rate: 0.79 Lost-time injury frequency rate: 0.16
Environmental initiatives	
Targets • Building a low carbon society • Effective use of resources (water and waste) • Proper information disclosure and responding to TCFD	
KPIs	Fiscal 2021 progress
① Implementation of measures to achieve fiscal 2030 and fiscal 2050 goals	Replaced 100% of power purchased for all production facilities in Japan with renewables (Oita Plant: beginning in November 2021, Suzuka Plant: beginning in April 2022) Installed LED lighting in accordance with the long-term plan (Oita Plant and Suzuka Plant) Installed water-saving toilets and considered the installation of water-saving nozzles for facilities with heavy water usage
② Per-unit energy consumption	Installed LED lighting in accordance with the long-term plan (Oita Plant and Suzuka Plant) Recommended reducing air conditioning usage by more effectively managing thermostats and wearing different attire; removing lights; consolidating refrigerators and other equipment, turning off company signboards, eco-driving, and other energy-saving actions
③ Recycling rate and final disposal rate of waste	Recycling rate 76% Final disposal rate 0.3%
④ Acquisition of third-party assurance for environmental data	Obtain third-party assurance and disclose information on the website and in the integrated report
⑤ Promotion of evaluation of risks and opportunities related to climate change and water	Announced support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) Information based on TCFD recommendations is available on the website