

Respecting human rights	
Targets ・ 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 2022 progress
①Promotion of understanding of and action on the basic policy at Group companies	Promoted understanding of matters such as the "Human Rights Policy" and "Business and Human Rights" among our domestic group companies by providing them with e-learning materials.
②Encouragement of respect for human rights by business partners, including suppliers	Established the Sumitomo Pharma Sustainable Code of Conduct for Business Partners, and published it on our website (April 2022) Prepared for investigations of business partners
Corporate governance	
Targets ・ Pursuit of highly effective corporate governance ・ Ensuring the independence of management and protecting the interests of minority shareholders	
KPIs	Fiscal 2022 progress
①Appropriate 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
②Addressing the revised Corporate Governance Code appropriately	1. Implementing evaluation of the effectiveness of the Board of Directors and working on priority issues based on the results of evaluation ・ The Board of Directors implemented the following major agendas for fiscal 2022, which were identified as a result of the evaluation of effectiveness for fiscal 2021: "Effective supervision of the management through more efficient and effective monitoring of material items," "Constructive discussions regarding agendas to be addressed in the medium- to long-term," and "Deepening of discussion regarding issues related to sustainability." ・ In fiscal 2022, the Company conducted a questionnaire to all the Directors and Audit & Supervisory Board Members from February to March 2023, and based on the analyzed results of answers thereto, opinions were exchanged at the meeting of the Board of Directors held in April 2023. As a result, it was confirmed that there is no major problem to be pointed out with respect to the operation of the Board of Directors in fiscal 2022 and the effectiveness of the Board of Directors of the Company has been ensured in general. In addition, it was agreed that appropriate progress was seen as to the efforts for the major agendas of fiscal 2022.  2. Verification and reduction of cross-shareholdings ・ The rationality of holding individual cross-shareholdings was verified at the meeting of the Board of Directors held in July 2022. ・ Reduced the number of listed companies in which the Company holds shares (End of May 2021: 26 companies --> End of May 2022: 19 companies ---> End of May 2023: 16 companies).
③Implementing evaluation of the effectiveness of the Board of Directors and working on priority issues based on the results of evaluation	Refer to the above KPI "1. Implementing evaluation of the effectiveness of the Board of Directors and working on priority issues based on the results of evaluation" in "②Addressing the revised Corporate Governance Code appropriately."
④Conducting appropriate transactions between Group companies with consideration to protecting the interests of minority shareholders	We periodically held meetings of the Supervisory Committee for Conflict of Interests in Transactions between Group Companies. (to appoint the committee chairperson and share information about partnerships and synergy with the parent company within the supply chain).
Risk management	
Targets ・ 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 2022 progress
①Implementing risk assessment and examining and implementing appropriate countermeasures based on results of assessment	Implementation of measures based on risk assessment and assessment results conducted in all departments, including domestic and overseas group companies.
②Rebuilding, and implementing training and drills of business continuity management (BCM) and business continuity plans (BCPs)	Implementation of updates and training for Business Continuity Plans (BCPs) for each headquarters, department, and domestic group company conducted in the fiscal years 2020-2022.
③Provision of education and training aimed at proper information management	Conducted training (group training) for new employees on information management Conducted training (e-learning) for all officers and employees on information management
④Number of serious information leaks and other incidents	0

Compliance	
Targets <ul style="list-style-type: none"> <li>Practice of the Declaration of Conduct and Compliance Standards</li> <li>Appropriate operation of compliance promotion system and establishment of rules</li> <li>Improvement in the effectiveness of the whistle-blowing system</li> <li>Ensure exclusion of anti-social forces and prevention of corruption</li> </ul>	
KPIs	Fiscal 2022 progress
①Number of serious compliance violations	0
②Implementation of compliance education and training	Carried out activities to ensure compliance (identifying compliance risks and considering / implementing measures to prevent them from occurring) Conducted stratified training (training for new employees, including mid-career hires and manager training) Conducted theme-based training (Antimonopoly Act, Whistleblower Protection Act, harassment prevention, respect for human rights, Subcontract Act, and insider trading regulations)
③Implementation rate of initiatives to ensure compliance (identification of compliance risk and review of countermeasures)	100% Conducted initiatives at all workplaces during the period of three months from July to September 2022, with reports having been received
④Implementation of compliance awareness surveys	Conducted opinion concerning mindset and culture with respect to compliance (96.0% response rate)
⑤Level of awareness of whistle-blowing system, understanding and number of reports	Understanding: 98% / Reports made: 31
Fair and transparent corporate activities	
Targets <ul style="list-style-type: none"> <li>Sincere corporate activities contributing to the enhancement of stakeholder engagement</li> </ul>	
KPIs	Fiscal 2022 progress
①Number of stakeholder dialogues	SMP Opinion (company-wide questionnaire): Once Individual meeting with analysts and institutional investors: 92 meetings Small meetings: 6 meetings Product Information Center: Approximately 30,400 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 Provided healthcare professionals with information gained from post-marketing surveillance
Corporate regulatory compliance, quality assurance and stable supply	
Targets <ul style="list-style-type: none"> <li>Ensuring strong quality assurance and regulatory affairs as well as data integrity</li> <li>Practice of pharmacovigilance by centralized management of safety information and implementation of timely safety measures</li> <li>Prevention of occurrence of drug-induced suffering</li> <li>Promotion of proper use by provision of appropriate information</li> </ul>	
KPIs	Fiscal 2022 progress
①Implementation of management reviews	Implemented Japan and global management reviews (GMP, PV, GCP)
②Responding to inspections and audits	Planned and implemented audits to ensure the reliability of each operation throughout the research, development, and post-marketing phases, based on the results of risk assessment in accordance with our internal standards
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 9 ingredients
Targets <ul style="list-style-type: none"> <li>Continuation of three Ss (safe operations, sound quality and stable supply)</li> <li>Strengthening of supply chain</li> </ul>	
KPIs	Fiscal 2022 progress
①Number of serious accidents	0
②Number of product recalls due to quality issues	0
③Rationalization of safety stock standards	
④Regularly review BCPs and conduct training	On the basis of the BCP developed, each factory developed a training plan and conducted BCP training
⑤Implementation of supplier risk assessments	Continuously gather information on risks related to the business continuity of new and existing suppliers
CSR procurement	
Targets <ul style="list-style-type: none"> <li>Achievement of balanced, fair, and transparent transactions</li> </ul>	
KPIs	Fiscal 2022 progress
①Implementation of supplier surveys (identification of supplier survey targets and implementation of supplier survey)	Identified suppliers to be surveyed and continuously conduct surveys. In FY2022, surveys were completed for 65 companies

Health, safety, and welfare of employees	
<b>Targets</b> ・ Promotion of health through practice of the declaration of “Health Innovation”	
<b>KPIs</b>	<b>Fiscal 2022 progress</b>
①Smoking rate of employees (target: -2point/year)	-2.2point/year (Smoking rate is 8.7% in fiscal 2021 ⇒ 6.5% in fiscal 2022)
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%)	91.7%(fiscal 2021 data) *Due to the timing of data aggregation, the fiscal 2021 data is the latest available 98.5%
③Percentage of employees receiving stress checks (target: 100%)	95.0%
④All insured persons and dependents to receive specific health checkups for preventing metabolic syndrome in the over-40s (target: 100%)	91.6% (fiscal 2021 data) *Due to the timing of data aggregation, the fiscal 2021 data is the latest available
<b>Targets</b> ・ Occupational health and safety activities, prevention of occupational accidents	
<b>KPIs</b>	<b>Fiscal 2022 progress</b>
①Work-related accident frequency rate and lost-time injury frequency rate (excluding accidents involving business vehicles)	Work-related accident frequency rate: 0.81 Lost-time injury frequency rate: 0.16
<b>Environmental initiatives</b>	
<b>Targets</b> ・ Building a low carbon society ・ Effective use of resources (water and waste) ・ Proper information disclosure and responding to TCFD	
<b>KPIs</b>	<b>Fiscal 2022 progress</b>
①Implementation of measures to achieve fiscal 2030 and fiscal 2050 goals	Replaced 100% of power purchased for Suzuka Plant with renewables 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
②Per-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
③Recycling rate and final disposal rate of waste	Recycling rate: 72%, Final disposal rate: 0.3%
④Acquisition of third-party assurance for environmental data	Obtained third-party assurance and disclosed information on the website and in the integrated report (October 2022)
⑤Promotion of evaluation of risks and opportunities related to climate change and water	Posted information based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) on the website (April 2022) Continuing the evaluation of risks and opportunities for the 2023 disclosure of information.