

We define and promote putting into practice our Corporate Mission as CSR-based management

Our approach to CSR-based management

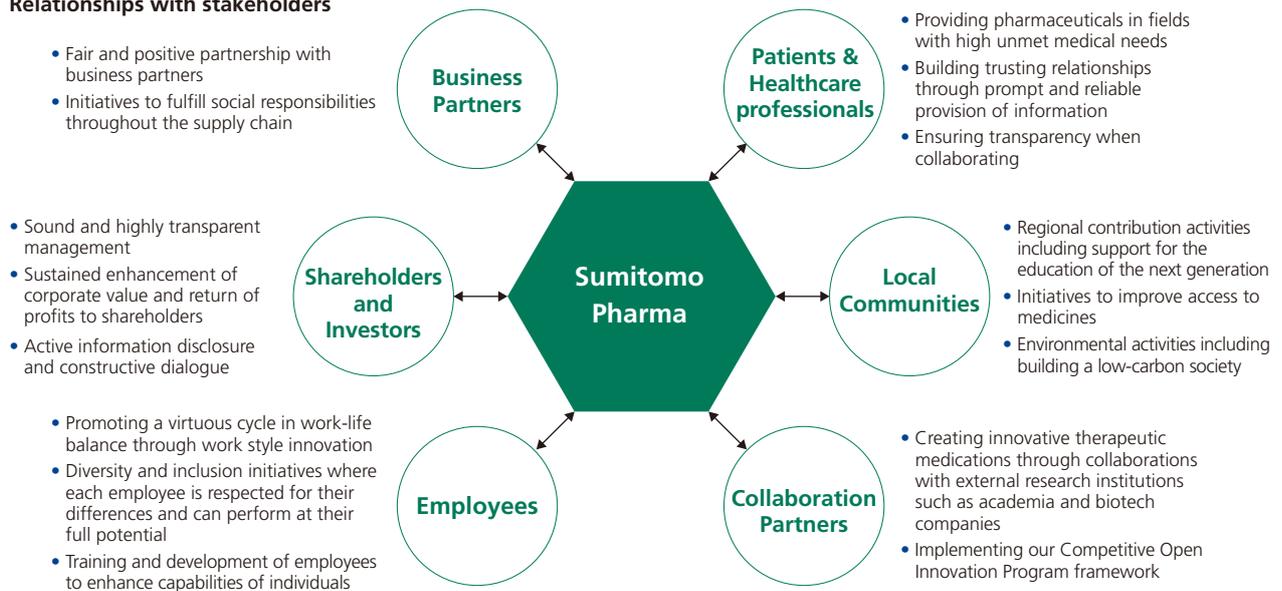
Sumitomo Pharma defines the practice of its Corporate Mission, "To broadly contribute to society through value creation based on innovative research and development activities for the betterment of healthcare and fuller lives of people worldwide," as CSR-based management. We aspire to implement CSR-based management through developing innovative products and healthcare solutions as well as respecting human rights, maintaining and reinforcing the corporate governance system, promoting work style innovation and diversity & inclusion, strengthening employees training and development, contribution to global health, and taking initiatives to

improve access to medicines.

In promoting CSR-based management, we are also conscious of contributing toward the achievement of the United Nations Sustainable Development Goals (SDGs). While concentrating most efforts on Goal 3: Good health and well-being, Sumitomo Pharma is also actively addressing Goal 8: Decent work and economic growth, Goal 12: Responsible consumption and production, and Goal 17: Partnerships for the goals.

We also believe we need to continue strengthening our relationships by enhancing dialogue with our stakeholders.

Relationships with stakeholders



Our Top Priority Sustainable Development Goals and Targets

	3.4	By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being.		8.5	By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.
	3.3	By 2030, end the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases and combat hepatitis, water-borne diseases and other communicable diseases.		17.17	Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships.
	12.4	By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment.			

→ Please see the corporate website for more details.
Sumitomo Pharma's Initiatives for Each of the SDG Goals

Sustainable Management

With respect to issues related to sustainability, such as the environment, human rights, and the health of employees, the status of implementation of measures regarding such issues is regularly reported to the Board of Directors, and active discussions take place from the perspective of enhancing corporate value over the medium to long term.

As environmental conservation activities, the Company has formulated long-term environmental targets for fiscal 2030. In May 2021, the Company revised the Basic Environmental Policies and set a new target to strive for zero-emissions of greenhouse gases (GHG) associated with its business activities by fiscal 2050. In November 2021, the Company expressed its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). In April 2022, the Company disclosed relevant information based on the TCFD recommendations (response to climate change) on the Company's website.

As activities for promoting respect for human rights, the Company identified human rights risks in its business activities as a whole. In order to prevent and further reduce such risks, the Company established and enforces the "SMP Group Human Rights Policy" in March 2022, as a basic policy for efforts to be made by the Group to respect human rights, upon the resolution by the Board of Directors.

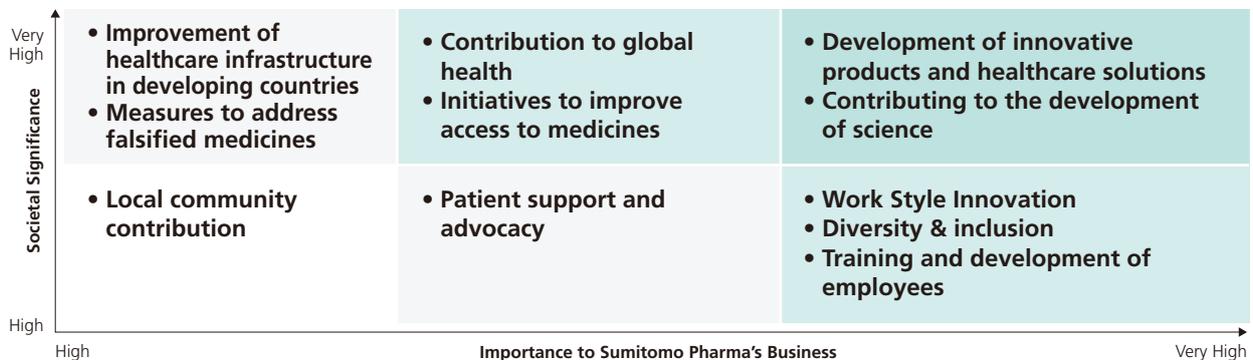
Materiality

In fiscal 2018, we identified our material issues for CSR management (materiality). Since then, we have been continuously reviewing them based on feedback obtained through dialogue with our stakeholders, and in fiscal 2019, we organized them into two categories: material issues that lead to value creation, in which solving the issues is important for our sustainable growth, and material issues that serve as the foundation for business continuity, in which solving the issues is essential for the continuity of our business activities.

In fiscal 2021, in addition to targets linked to our business plan and management issues for these material issues, we established KPIs for evaluating and analyzing our progress in each of these areas. We believe that sharing our initiatives, including non-financial information, will promote further dialogue with our stakeholders. The Management Committee deliberates on and reviews material issues and targets, as well as the establishment of KPIs, and reports the results to the Board of Directors.

→ [Please see the corporate website for more details.](#)
The process for defining materiality

Material issues linked to value creation —solving issues is important for our sustained growth



Material issues that form the foundation for business continuity —solving issues is essential for our business continuity

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| <ul style="list-style-type: none"> Respecting human rights Corporate governance Risk management | <ul style="list-style-type: none"> Compliance Fair and transparent corporate activities Corporate regulatory compliance, quality assurance and stable supply | <ul style="list-style-type: none"> CSR procurement Health, safety, and welfare of employees Environmental initiatives |
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Material issues linked to value creation

Material issues	Targets			Page	
<p>Development of innovative products and healthcare solutions</p> <p>Contributing to the development of science</p>	<ul style="list-style-type: none"> • Continuous development of pharmaceuticals in areas with high unmet medical needs • Development of healthcare solutions to respond to the future healthcare needs centered on areas where synergies with the pharmaceutical business can be expected 			P.42	
	KPIs	Fiscal 2021 progress			Changes to KPI
	①Progress on main development pipeline	ulotaront (SEP-363856): Continued Phase 3 (U.S.) for schizophrenia Continued Phase 2/3 (Japan and China), target for launch changed to fiscal 2024. SEP-4199: Starting Phase 3 (Japan and U.S.) for Bipolar I depression.			ulotaront (SEP-363856): launch in fiscal 2024 (U.S.)
	• Targets in Psychiatry & Neurology area (ulotaront (SEP-363856): launch in fiscal 2023 (U.S.), SEP-4199: launch in latter half of 2020s)	DSP-7888: Stopped Phase 3 for glioblastoma, continued Phase 1/2 for solid tumors.			(Item to be determined): Launch in the late 2020s (Japan and the U.S.)
	• Targets in Oncology area (DSP-7888: launch in fiscal 2024 (Japan and U.S.))	Pediatric congenital athymia: Approved in the U.S. in October 2021, launched in March 2022. Parkinson's disease: Phase 1/2 (investigator-initiated clinical trial), launch target changed to fiscal year 2024 Age-related macular degeneration (AMD): Preparing for clinical trials			Delete congenital athymia: launch in fiscal 2021 (U.S.) Parkinson's Disease: launch in fiscal 2024 (Japan)
	• Targets in Regenerative Medicine/Cell Therapy field (congenital athymia: launch in fiscal 2021 (U.S.), Parkinson's Disease: launch in fiscal 2023 (Japan), age-related macular degeneration: launch in fiscal 2025 (Japan))	Relugolix: Filed for additional indication of endometriosis in July 2021 (U.S.) rodatristat ethyl: Phase 2 (U.S.)			
	• Targets for other areas with high unmet medical needs (relugolix: Myovant approval for endometriosis in fiscal 2022 (U.S.), rodatristat ethyl: launch in latter half of 2020s (Japan and U.S.))	Promote existing themes and develop new themes (Neurorehabilitation device for hand/fingers, Digital device for relieving BPSD, automated blood collection and stabilization device, VR contents for social anxiety disorder etc.)			
	• Targets for Frontier business (commercialization of multiple products (target: launch in fiscal 2023–2025 (Japan and U.S.)))	Psychiatry & neurology area: Phase 2: 1 drug 1 study, Phase 1: 7 drug 7 studies Oncology area: Phase 2: 1 drug 1 study, Phase 1: 7 drugs 7 studies			
②Progress on early-stage development pipeline	Psychiatry & neurology area: Phase 2: 1 drug 1 study, Phase 1: 7 drug 7 studies Oncology area: Phase 2: 1 drug 1 study, Phase 1: 7 drugs 7 studies				
• Number of transitions to Phase 2 and Phase 1 in Psychiatry & Neurology area and Oncology area (fiscal 2018-21 cumulative)	Oligopeptide MVT-602, gene therapy URO-902, Proteins including antibody drugs (affiliated with JCR Pharma Co., Ltd.), Nucleic acids (affiliated with Luxna Biotech Co., Ltd.), Peptides (affiliated with FunPep Co., Ltd.), Advancement of recombinant protein ALTA-2530, SP-101/102, and multiple vaccine projects.				
③Progress on development of modalities	Sense of responsibility and satisfaction for work 4.0/3.7 Sense of contribution to customers and society 3.8/3.5 Acquisition of professional skills 3.9/3.6 Demonstration of individuality and ability 4.1/3.7				
④Work motivation of research & development staff	Evaluation score of research & development staff in employee engagement survey* expectation and satisfaction				
*Average score out of 5 points in the research & development department					
Material issues	Targets			Page	
<p>Work Style Innovation</p>	<ul style="list-style-type: none"> • More sophisticated work styles • Virtuous cycle in Work-life balance 			P.58	
	KPIs	Fiscal 2021 progress			
	①Employee engagement	Company-wide engagement score: 59.0 Percentage of departments with engagement scores under 55: 23.9% Note: Engagement scores indicate engagement for an organization (as a deviation) and are determined using the Motivation Cloud from Link and Motivation Inc. Other companies' average score is 50			
②Employee Turnover Rate	3-year turnover rate: 1.44% 5-year turnover rate: 1.51% 10-year turnover rate: 1.57%				
Material issues	Targets			Page	
<p>Diversity & inclusion</p>	<ul style="list-style-type: none"> • Promotion of active participation by female employees • Promotion of active participation by people with disabilities through appropriate placement • Promotion of LGBTQ understanding 			P.62	
	KPIs	Fiscal 2021 progress			
	①Percentage of female managers (target for the end of fiscal 2022: maintain at least 10%)	16.0%			
	Percentage of female senior employees, excluding female managers (target for the end of fiscal 2022: 15%)	12.2%			
	②Percentage of male employees taking childcare leave (target for the end of fiscal 2022: 100%)	88.2% (5 or more business days)			
	③Number of participants in e-learning on LGBTQ	2,755			
④Number of Ally activities	4				
⑤Average length of employment of employees with disabilities	18.9 years				
	Percentage of employees with disabilities (target: more than the legally specified employment percentage of 2.3%)				
Material issues	Targets			Page	
<p>Training and development of employees</p>	<ul style="list-style-type: none"> • Fostering of leaders and training of globally-minded human resources • Fostering a corporate culture that encourages self-disciplined and independent career development 			P.61	
	KPIs	Fiscal 2021 progress			
	①Number of participants in selective training	SMP Academy trainees: 85			
	②Number of employees with overseas work experience	25 (individuals who started working overseas in fiscal 2021)			
	③Number of participants in programs to enhance English proficiency	e-learning (goFLUENT program) Participants e-learning: 1,201 Private instruction program: 159			
	④Number of cases and applicants utilizing internal job posting system	Internal posts: 6 (13 people) Applicants: 55 people			
⑤Number of career consultations	Self-career dock consultations: About 200				

Material issues	Targets		Page
Patient support and advocacy	<ul style="list-style-type: none"> Improving disease-related literacy for patients, their families, and society 		P.75
	KPIs	Fiscal 2021 progress	
	①Activities from patient perspective through healthcare professionals	Diabetes <ul style="list-style-type: none"> Held training on bringing attention to stigmatizing language (all Branch Senior Directors and Sales Office Directors) Distributed material for patients made by the Japan Association for Diabetes Education and Care Psychiatry Area <ul style="list-style-type: none"> Promoted schizophrenia patient awareness through the use of materials Promoted employment support for schizophrenia patients and increased disease awareness and diagnosis rate of bipolar disorder through the use of disease awareness website, "Kokoro Share,"-related materials Neurology Area <ul style="list-style-type: none"> Promoted disease awareness on Parkinson's disease and on dementia with Lewy bodies by providing information using VR content (daily life experiences for patients and caregivers) Provided Parkinson's disease patient education materials: rehabilitation logbooks, "Rehabili Kitchen," etc. 	
	②Level of understanding and satisfaction of participants in public lectures	Understanding: 94.2%, Satisfaction: 90.7%	
	③Number of support activities through donations and cooperation with patients' associations	Donated to 9 organizations Supported 1 organization's activity	
④Dissemination to raise awareness of diseases through our website	New contents: 23		
Material issues	Targets		Page
Local community contribution	<ul style="list-style-type: none"> Fulfilling responsibilities and contributing as a member of the community with awareness of harmony with society 		P.77
	KPIs	Fiscal 2021 progress	
	①Number of activities to support the development of the next generation and level of understanding and satisfaction of participants	Schools visited: 7, Participating students: 551 Lecturers from the Company: 13 Understanding: 95.3%, Satisfaction: 98.1%	
	②Number of donations for social contribution that lead to resolution of social issues (disasters, people with disabilities, the environment, biodiversity, etc.)	19	
③Number of charitable activities in local communities	2		
Material issues	Targets		Page
Contribution to global health	<ul style="list-style-type: none"> Development of drugs to treat malaria and antimicrobial-resistant (AMR) bacterial infections Strengthening of public-private collaboration on countermeasures against AMR and appropriate use of antibiotics Promotion of public awareness-raising activities for health, hygiene, and nutrition 		P.73
	KPIs	Fiscal 2021 progress	
	①Progress of development in infectious diseases area - Number of projects - Number of products (number of products launched)	6 projects 0 products	
	②Number of policy recommendations in infectious diseases area	8 recommendations	
	③Number of doctors and pharmacists who participated in the AMR countermeasure support program	31	
④Number of local residents assisted by maternal and child health programs in developing countries	Cooking class participants: 691 Home visits: 1,061		
Material issues	Targets		Page
Initiatives to improve access to medicines	<ul style="list-style-type: none"> Promotion of public awareness-raising activities with the aim of improving medicine-related literacy Response to requests for the development of unapproved and off-label drugs Acceleration of provision of drugs at fair prices 		P.74
	KPIs	Fiscal 2021 progress	
	①Number of programs aiming to improve medicine-related literacy	4 programs	
	②Number of responses to requests for unapproved and off-label drugs	2 products	
③Number of policy recommendations by the Company on access to medicines	11 recommendations		
Material issues	Targets		Page
Improvement of healthcare infrastructure in developing countries	<ul style="list-style-type: none"> Support for capacity building of healthcare professionals, development of healthcare networks, etc. Support for development of pharmaceutical regulations and supply chains in collaboration with local governments and international organizations 		P.74
	KPIs	Fiscal 2021 progress	
	①Number of community care volunteers trained through maternal and child health programs in developing countries	62	
②Number of partnerships working to improve healthcare infrastructure in developing countries	5 partnerships		
Material issues	Targets		Page
Measures to address falsified medicines	<ul style="list-style-type: none"> Prevention of falsified medicines and illicit distribution 		Web site
	KPIs	Fiscal 2021 progress	

Material issues that form the foundation for business continuity

Material issues	Targets			Page	
Respecting human rights	<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 			P.96	
	KPIs	Fiscal 2021 progress			Changes to KPI
	①Formulation of a basic policy for human rights	Established and put into force the SMP Group Human Rights Policy on March 1, 2022 Published the policy on our website			Delete "Formulation of a basic policy for human rights"
	②Promotion 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			
	③Encouragement 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			
Material issues	Targets			Page	
Corporate governance	<ul style="list-style-type: none"> Pursuit of highly effective corporate governance Ensuring the independence of management and protecting the interests of minority shareholders 			P.79	
	KPIs	Fiscal 2021 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	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			
	③Implementing 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.			
	④Conducting 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)			
Material issues	Targets			Page	
Risk management	<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) 			P.92	
	KPIs	Fiscal 2021 progress			
	①Implementing 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			
	②Rebuilding, 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			
	③Provision 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			
	④Number of serious information leaks and other incidents	0			
Material issues	Targets			Page	
Compliance	<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 			P.94	
	KPIs	Fiscal 2021 progress			
	①Number of serious compliance violations	0			
	②Implementation 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			
	③Implementation rate of initiatives to ensure compliance (identification of compliance risk and review of countermeasures)	100%			
	④Implementation of compliance awareness surveys	Conducted opinion concerning mindset and culture with respect to compliance (92.5% response rate)			
	⑤Level of awareness of whistle-blowing system, understanding and number of reports	Understanding: 93% / Reports made: 19			
Material issues	Targets			Page	
Fair and transparent corporate activities	<ul style="list-style-type: none"> Sincere corporate activities contributing to the enhancement of stakeholder engagement 			P.95	
	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			

Material issues	Targets			Page
Corporate regulatory compliance, quality assurance and stable supply	<ul style="list-style-type: none"> 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 			Web site
	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			Page
	<ul style="list-style-type: none"> Continuation of three Ss (safe operations, sound quality and stable supply) Strengthening of supply chain 			
	KPIs	Fiscal 2021 progress	Changes to KPI	Web site
	①Number of serious accidents	0		
	②Number of product recalls due to quality issues	0		
	③Rationalization of safety stock standards			
	④Rebuilding and strengthening of BCPs	Fully revised basic policies for manufacturing divisions based on the company-wide BCP (Basic Plan) and created BCPs at each factory	Regularly review BCPs and conduct training	
	⑤Implementation of supplier risk assessments	Gather information on risks related to the business continuity of new and existing suppliers		
Material issues	Targets			Page
CSR procurement	<ul style="list-style-type: none"> Achievement of balanced, fair, and transparent transactions 			Web site
	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		
Material issues	Targets			Page
Health, safety, and welfare of employees	<ul style="list-style-type: none"> Promotion of health through practice of the declaration of "Health Innovation" 			Web site
	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			Page
	<ul style="list-style-type: none"> Occupational health and safety activities, prevention of occupational accidents 			
	KPIs	Fiscal 2021 progress		Web site
	①Work-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		
Material issues	Targets			Page
Environmental initiatives	<ul style="list-style-type: none"> Building a low carbon society Effective use of resources (water and waste) Proper information disclosure and responding to TCFD 			P.69
	KPIs	Fiscal 2021 progress		
	①Implementation 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		
	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 76% Final disposal rate 0.3%		
	④Acquisition of third-party assurance for environmental data	Obtain third-party assurance and disclose information on the website and in the integrated report		
⑤Promotion 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			