

December 28, 2020

Sumitomo Dainippon Pharma Co., Ltd.

Sumitomo Dainippon Pharma Concludes Positive Impact Finance Agreement with Sumitomo Mitsui Trust Bank

Sumitomo Dainippon Pharma Co., Ltd. (Head Office: Osaka, Japan; Representative Director, President, and CEO: Hiroshi Nomura) announced today the conclusion of a finance agreement (hereafter, the Agreement) with Sumitomo Mitsui Trust Bank, Limited (Headquarters: Chiyoda-ku, Tokyo; President: Masaru Hashimoto) for positive impact finance (corporate lending that does not specify the use of funds) in line with the positive impact finance principles*¹ advocated by United Nations Environment Program Finance Initiative (hereafter, “UNEP FI”)*².

The objective of positive impact finance is to provide continuous financial support for corporate activities while comprehensively analyzing and evaluating their impacts (positive and negative impacts) on the environment, society and the economy. Its major features are utilizing the contribution of a company’s business activities, products and services to achieving sustainable development goals (SDGs) as evaluation indicators and monitoring based on disclosed information.

Sumitomo Dainippon Pharma’s corporate mission is “To broadly contribute to society through value creation based on innovative research and development activities for the betterment of healthcare and fuller lives for people worldwide”. We have defined its practice as “CSR-based Management” and are contributing to the achievement of SDGs through the creation of innovative pharmaceuticals and medical solutions and other corporate activities.

In concluding the Agreement, Sumitomo Dainippon Pharma obtained qualitative and quantitative evaluations of the endeavors listed below which can make an impact on the achievement of SDGs through our business activities. We have been disclosing the progress and outcomes of these endeavors mainly in Integrated Report.

Theme	Content	Goals and Indicators (KPI)	SDGs
Development of innovative products and healthcare solutions	Continuous development of pharmaceuticals in areas with high unmet medical needs	Development of innovative products on the three focus research areas (Psychiatry & Neurology area, Oncology area, and Regenerative Medicine/Cell Therapy field)	  

		<ul style="list-style-type: none"> Development of innovative best-in-class products focused on values and other areas 	
<p>Contribution to global health, healthcare infrastructure in developing countries, and improvement of access to medicines</p>	<ul style="list-style-type: none"> Contribution to global health Improvement of healthcare infrastructure in developing countries and Initiatives to improve access to medicines 	<ul style="list-style-type: none"> Development of drugs to treat malaria and antimicrobial-resistant (AMR) bacterial infections Promotion of public awareness-raising activities for health, hygiene, and nutrition 	
<p>Environmental initiatives</p>	<ul style="list-style-type: none"> Building a low-carbon society Building a recycling-oriented society Biodiversity conservation 	<ul style="list-style-type: none"> Reduce greenhouse gas (GHG) emissions (Scope 1 + 2) by 35% from fiscal 2017 level by fiscal 2030 Maintain recycling rate for waste at 80% or higher and aim for at least 85% by fiscal 2030 Maintain final disposal rate for waste at less than 1% and aim for less than 0.5% by fiscal 2030 Reduce water withdrawal by 12% from fiscal 2018 level by fiscal 2030 	

In concluding the Agreement, we sought the independent opinions*³ of Japan Credit Rating Agency Ltd. (Headquarters: Chuo-ku, Tokyo; President: Shokichi Takagi) regarding compliance of the evaluation procedures used with the positive impact finance principles, and the rationality of the evaluation indicators used.

Following the conclusion of the Agreement, in addition to contributing to the achievement of SDGs through CSR-based management, Sumitomo Dainippon Pharma aims to be a “Global Specialized

Player” in the provision of innovative, effective medicines to the people of the world by 2033.

(*1) The Principles for Positive Impact Finance

The Principles for Positive Impact Finance was developed by UNEP FI in January 2017 as a financial framework for achieving the SDGs. Companies disclose the level of contributions to achieving SDGs through KPIs. Banks then provide funding by evaluating the positive impact observed from these KPIs that is intended to guide the borrowers to increase positive impact and reduce negative impact.

The lending bank, as a responsible financial institution, will check if the impact is continuing or not by monitoring the indicators.

(*2) The United Nations Environment Programme Finance Initiative (UNEP FI)

The United Nations Environment Programme (UNEP) is an executive body for implementing the “Human Environment Declaration” and the “International Environmental Action Programme”, established in 1972 as a subsidiary body to the United Nations system. UNEP FI represents a broad as well as close partnership between UNEP and more than 200 global financial institutions. Since its establishment in 1992, UNEP FI has been working in concert with financial institutions, policy/regulatory authorities to transform itself into a financial system that integrates economic development and ESG considerations.

(*3) Independent opinions of Japan Credit Rating Agency Ltd.

Refer to details on website of Japan Credit Rating Agency Ltd. URL: <https://www.jcr.co.jp/>

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