





# Targets and KPIs for Material Issues




Material Issues	Targets	KPIs	Targets of KPIs
<p>Development of innovative products and healthcare solutions</p>  	<p>Support the betterment of healthcare and fuller lives of people worldwide by continually creating innovative products and healthcare solutions that respond to diverse medical needs, including predictive, preventive, personalized, and patient-participated medicine (i.e., solutions that enable optimization of the conventional therapeutic systems and radical cures), as we always stay close to patients</p>	<ol style="list-style-type: none"> <li>1. Number of products launched</li> <li>2. Number of products in the development pipeline</li> <li>3. Work motivation of research &amp; development staff</li> </ol>	<p>Target number of products launched by FY2027</p> <ul style="list-style-type: none"> <li>• Psychiatry &amp; Neurology: 7 products (including 2 regenerative medicine/cell therapy and 4 non-pharmaceutical solutions)</li> <li>• Oncology: 2 products</li> <li>• Others: 3 products (including 1 non-pharmaceutical solutions)</li> </ul> <p>Number of products that have achieved phase transition by FY2027</p> <ul style="list-style-type: none"> <li>• Phase 3 transition: 4 products</li> <li>• Phase 2 transition: 6 products</li> <li>• Start of corporate clinical studies for regenerative medicine/cell therapy: 5 products</li> <li>• Start of corporate clinical studies for DTx: 5 products</li> </ul> <ul style="list-style-type: none"> <li>• Use SMP Opinion*<sup>1</sup> to maintain/increase their satisfaction*<sup>2</sup> with work motivation<sup>#</sup></li> <li>• (FY2022: Authority/discretion: 3.9, CSR: 4.1, Growth opportunities: 3.8, Work appropriateness: 3.9)</li> </ul>
<p>Stable supply of high-quality pharmaceutical products</p>  	<p>Continuously work to nurture a quality-oriented culture and, under the appropriate quality assurance and manufacturing and quality management, build a resilient supply chain through cooperation with our plants and business partners, thus realizing the stable supply of high-quality products. Work on product design, quality management, and development of efficient processes with the entire product life cycle of diverse modalities in mind, thus providing new value to patients</p>	<ol style="list-style-type: none"> <li>1. Findings subject to administrative action in regulatory inspections related to our products</li> <li>2. Number of product recalls</li> <li>3. Investment in new manufacturing/quality technologies</li> </ol>	<ul style="list-style-type: none"> <li>• 0</li> <li>• 0 in any year</li> <li>• Number of new technology investments of ¥10 million or over: at least 5 each year</li> </ul>

#. Targets of KPI for Sumitomo Pharma non-consolidated

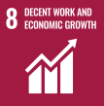

\*1. Company-wide questionnaire using Qualtrics Employee XM by Qualtrics, Inc.,

\*2. Average score out of 5 points in the research & development departments

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<p>Provision of high-quality product information and promotion of proper use</p> 	<p>Provide information on the safety and efficacy of our products based on scientific objectivity and ethics in a way that best suits target customer groups, in an effort to ensure that healthcare professionals, patients, and their families can always use our products with confidence and peace of mind.</p> <p>At the same time, gather information on the safety of our products accountably to ensure the safety of patients</p>	<ol style="list-style-type: none"> <li>1. Assessment by doctors in focus areas</li> <li>2. Ensure appropriateness of sales information provision activities</li> <li>3. Education on safety information collection</li> <li>4. Education on harmful incident concerning pharmaceuticals</li> </ol>	<ul style="list-style-type: none"> <li>• Rated number one in the focus areas of diabetes and schizophrenia in our own survey conducted by an external organization<sup>#</sup></li> <li>• Number of guidance from the Ministry of Health, Labour and Welfare's monitoring program for sales information provision activities: 0 in any year<sup>#</sup></li> <li>• At least four times a year for MRs and once a year for all employees to raise employee awareness of safety information collection<sup>#</sup></li> <li>• Number of delayed adverse drug reaction reports to regulatory authorities: 0<sup>#</sup></li> <li>• Annual educational program for all employees to form and maintain a mindset that does not cause harmful incident concerning pharmaceuticals</li> </ul>
<p>Improving access to medicines and advocacy</p>  	<p>Attempt to improve access to medicines by promoting disease awareness from patient-centered perspectives, which is expected to reduce illness stigma and facilitate early treatment, and by working to lessen a drug lag, which will increase treatment options for patients.</p> <p>Contribute to the betterment of the healthcare system in countries/regions that struggle with equal access to necessary healthcare, by developing healthcare professionals, raising awareness of the public, and making policy recommendations through collaboration with the industry, governments, and NPOs/NGOs</p>	<ol style="list-style-type: none"> <li>1. Further increase in health literacy of the public, including patients</li> <li>2. Number of products, and policy recommendations contributing to access to medicines</li> <li>3. Number of partnerships contributing to improvement in healthcare access in developing countries</li> </ol>	<ul style="list-style-type: none"> <li>• Number of public lecture participants by FY2027 cumulative total of 10,000 since FY2023<sup>#</sup></li> <li>• Total annual visits to schizophrenia and bipolar disorder disease awareness website (Kokoro Share) 40% increase over FY2022 by FY2027<sup>#</sup></li> <li>• Responding to requests for development of unapproved and off-label drugs of high medical necessity<sup>#</sup></li> <li>• Continued participation in policy recommendations<sup>#</sup></li> <li>• Constantly two or more</li> </ul>

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<p>Expansion of human capital and instillment of corporate culture</p> 	<p>Consider employees' knowledge and potential as "capital" to invest in them and instill corporate culture linked to the provision of value, thus realizing sustained enhancement of corporate value</p>	<ol style="list-style-type: none"> <li>1. Employee engagement scores</li> <li>2. Percentage of female managers</li> <li>3. Number of participants in selective training</li> <li>4. Number of career consultations</li> <li>5. Number of digital experts and data scientists</li> <li>6. Amount of investment in HR development</li> <li>7. Instillment of CHANTO</li> </ol>	<ul style="list-style-type: none"> <li>• Maintain/improve engagement scores in SMP Opinion (FY2022: 68%*1)</li> <li>• Lower the percentage of departments whose engagement scores are less than 63%*2 (FY2022: 24%) #</li> <li>• Increase the ratio to 20% or over by FY2027#</li> <li>• 80 every year#</li> <li>• 200 every year#</li> <li>• 100 citizen data scientists by FY2024</li> <li>• 150 citizen developers by FY2027</li> <li>• Maintain the amount of investment per person#</li> <li>• Implement measures contributing to employees' change of behavior every year in a bid to establish position as GSP#</li> </ul>
<p>Respect for human rights</p> 	<p>Identify human rights risks throughout the Group's business activities to prevent and mitigate them while asking business partners and other parties concerned to understand and support such initiatives, thus respecting human rights throughout the value chain</p>	<ol style="list-style-type: none"> <li>1. Implementation of human rights education and training (including e-Learning) for all employees</li> <li>2. Implementation of human rights due diligence in the value chain, including business activities of each Group company</li> </ol>	<ul style="list-style-type: none"> <li>• Implement education and training at least once a year to instill the human rights policy and raise awareness of human rights</li> <li>• Increase in cumulative number of due diligence and outreach to key business partners</li> <li>• Realization of zero occurrence of serious human rights violations</li> </ul>

#. Targets of KPI for Sumitomo Pharma non-consolidated




\*1. Percentage of positive responses to engagement questions answered on a 5-point scale

\*2. Average Engagement Score of Japanese Companies Benchmarked by Qualtrics, Inc.

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<p>Promotion of environmental initiatives</p>  	<p>Conserve the global environment, which serves as the foundation for health of people worldwide, by working to prevent environmental pollution, mitigate climate change, and circulate resources, to hand it over to future generations</p>	<ol style="list-style-type: none"> <li>Greenhouse gas (GHG) emissions (Scope 1+2)</li> <li>Water withdrawal</li> <li>Recycling rate of waste</li> <li>Final disposal rate of waste</li> </ol>	<ul style="list-style-type: none"> <li>Reduce GHG emissions (Scope 1+2) to zero by FY2050</li> <li>Reduce GHG emissions (Scope 1+2) by 42% vs. FY2020 by FY2030</li> <li>Reduce water withdrawal by 12% vs. FY2018 by FY2030</li> <li>Maintain the recycling rate at 80% or higher and increase the rate to 85% or higher by FY2030<sup>#</sup></li> <li>Maintain the final disposal rate below 1% and lower the rate to below 0.5% by FY2030<sup>#</sup></li> </ul>
<p>Enhancement of corporate governance</p> 	<p>Strive to achieve sustained growth and enhance corporate value by continuously seeking to build a highly effective corporate governance system. In so doing, work to further improve the Board of Directors' functions, protect the interests of minority shareholders, and manage Group Companies appropriately</p>	<ol style="list-style-type: none"> <li>Implementing evaluation of the effectiveness of the Board of Directors and working on priority issues based on the evaluation results</li> <li>Strengthening of Group governance</li> <li>Conducting appropriate transactions between Group Companies with consideration to protecting the interests of minority shareholders</li> </ol>	<ul style="list-style-type: none"> <li>Maintain a good level of quantitative evaluation results in the effectiveness evaluation</li> <li>Rebuild a group governance system, including the streamlined North American group companies</li> <li>The Supervisory Committee for Conflict of Interests in Transactions between Group Companies meets not only periodically (once a year) but also on an as-needed basis</li> </ul>

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<p>Strengthening of risk management</p>  	<p>Develop/promote a risk management system capable of appropriately responding to risks that could seriously impact business activities, by building an effective BCP and strengthening information security</p>	<ol style="list-style-type: none"> <li>1. Implementing risk assessment and implementing appropriate countermeasures based on assessment results</li> <li>2. Rebuilding and implementing of training and drills of business continuity management (BCM) and business continuity plans (BCPs)</li> <li>3. Provision of education and training for proper information management</li> <li>4. Events that have a significant impact on business activities</li> </ol>	<ul style="list-style-type: none"> <li>• All departments implement risk assessments every fiscal year</li> <li>• Provide education and training at departments with priority operations and update BCP at least once a year<sup>#</sup></li> <li>• Provide necessary education and training at least once a year for enhancement of knowledge and awareness concerning information management</li> <li>• Number of serious accidents: 0 in any year</li> <li>• Number of serious information leaks and other incidents: 0 in any year</li> <li>• Number of serious information technology security incidents: 0 in any year</li> </ul>
<p>Pursuing compliance</p> 	<p>Strive to nurture a mindset in everyone that urges them to unflinchingly seek consultation when in doubt about education and training designed to keep high awareness of compliance high or compliance itself and, as a member of the life science industry that requires high ethical standards, conduct transparent and fair corporate activities with a strong commitment to ethical behavior, thus further consolidating trust of stakeholders</p>	<ol style="list-style-type: none"> <li>1. Implementation of compliance education and training</li> <li>2. Level of awareness and understanding of the whistle-blowing system</li> <li>3. Number of serious compliance violations</li> </ol>	<ul style="list-style-type: none"> <li>• Provide training designed to enhance the latest knowledge and raise compliance awareness at least once a year</li> <li>• Awareness: Maintain current level (FY2022 98%)<sup>#</sup></li> <li>• Understanding: Increase to the same level as awareness by FY2027 (FY2022 78%)<sup>#</sup></li> <li>• 0 in any year</li> </ul>