

Our Initiatives for **SDGs**

OUR PRACTICES TO ACHIEVE THE SDGs

FY 2022 Annual Activity Report



Introduction

In March 2020, we endorsed the principles of the 'United Nations Global Compact' and announced our participation in it. We then launched internal activities using the 'Sustainable Development Goals (SDGs)' as an indicator to comply with and put into practice in the principles these activities. The initiative, which began in FY2020, has been in progress for three years, and we are deepening our efforts to achieve the goals through the activities of each division.

This report is based on the annual activity reports of each division for FY2022. For each activity, semiannual progress checks and revisions are made to revitalize activities for the year. Since the year before last, we have continued our corporate activities while implementing measures to prevent infection by the new coronavirus, and have worked to continue stable production of pharmaceutical products. In the future, measures to prevent infection by the new coronavirus will be eased under the government policy, but we will continue to enhance health promotion for our employees and make this effort a "matter of course" for each and every one of us in response to the principles of the SDGs, aiming to create a better working environment and to implement stable corporate activities. We also aim to create a better working environment and implement stable corporate activities. In order to realize "efforts to address environmental issues" and "reform of work styles and enhancement of workplace environment" in our daily activities, we believe it is necessary to aim for corporate activities based on ensuring the health of all employees and the health and safety of the local community, and also taking into consideration the protection of the global environment.

FUJIMOTO CHEMICALS Co.,LTD

ESG Promotion Department

2023年4月28日

SDGs Activity Goals for FY2022

Target Setting: 10 May 2022

ESG Promotion Department

Goal 3 : Good health and Well-being

Business goal : CSR activities via core business

- Through our contract manufacturing business of active pharmaceutical ingredients, we manufacture high-quality pharmaceuticals under cGMP control and contribute to the health of people around the world through stable supply.

【Division Goals】

- | | |
|---------------------------------|---|
| Technology Division | : Ensure production plans and deadlines are met and maintain a quality assurance system |
| Research & Development Division | : Practicing social contribution through drug development |
| Administration Division | : Ensure compliance with laws and regulations and revitalize the company |
| Sales Division | : Increase customer satisfaction |



Goal 7 : Affordable and Clean energy

Business Goal : Promoting energy conservation

- Reduce energy consumption based on energy base unit.
- Promote the introduction of low-GHG (Greenhouse gas) equipments and devices.

【Division Goals】

- | | |
|---------------------------------|--|
| Technology Division | : Practicing environmental measures through ISO 14001 and energy-saving activities |
| Research & Development Division | : Contribution to pharmaceutical manufacturing with reduced environmental impact |
| Administration Division | : Transition to New Normal Digital Management |
| Sales Division | : Improving the efficiency of sales activities |



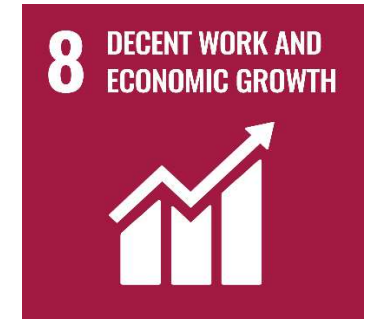
Goal 8 : Decent work and Economic growth

Business Goal : Respect for human rights and compliance with laws and regulations through business activities

- Achieve revitalization of the organization by promoting work style reforms.
- Use in-company human resources efficiently and systematically recruit employees, looking ahead to the future.
- Strengthen the CSR procurement throughout the supply chain.

【Division Goals】

Technology Division	: Reduce overtime and workload
Research & Development Division	: Execution of an ongoing training system and participation in conferences and workshops
Administration Division	: Recruitment in line with company strategy
Sales Division	: Strengthening communication skills



Goal 9 : Industry, Innovation and Infrastructure

Business Goal : Commercialization of nucleic acid pharmaceutical business

Solid phase synthesis has been established as a manufacturing method for nucleic acid drugs which are expected to be applied to rare diseases. We have newly developed a carrier (Fujimat®) for liquid-phase synthesis instead which enables inexpensive mass production of nucleic acid drugs. The technology is expected to accelerate the development of new nucleic acid drugs. After its launch, we hope to establish an integrated supply system for pharmaceuticals serving the world under our GMP management.

【Division Goals】

Technology Division	—
Research & Development Division	: Contribution to pharmaceutical manufacturing through the development of new technologies
Administration Division	—
Sales Division	: Dissemination of information on our technology



Goal 12 : Responsible consumption and Production

Business Goal : Risk management, Promote crisis management, Reduction in raw materials usage, Enhanced recycling, Development of environmentally friendly manufacturing methods

- Reduce energy consumption by promoting the stable procurement of raw materials and conducting the planned production.
- Reduce usage of harmful substances and strengthen the management of harmful substances in products.
- Promote recycling of organic solvents.
- Promote reduction of processes and raw materials by improvement of manufacturing methods.

【Division Goals】

Technology Division	: Compliance with laws and regulations related to chemical substances, waste reduction, and recycling promotion
Research & Development Division	: Promote initiatives through manufacturing process optimization studies
Administration Division	: Promote CSR and risk management
Sales Division	: Multiple sources of key raw materials and establishment of new technologies



Goal 14 : Life below water

Business Goal : Industrial wastewater management

- Complete management of the facilities of activated sludge process. Achieve the regulated value of treated wastewater for release to the Osaka Bay.
- Complete wastewater management for sewage.
- Complete control of the processing method of industrial waste generated from the facilities for high potency active pharmaceutical ingredient.

【Division Goals】

Technology Division	: KYK Used Tare and Industrial Wastewater Management
Research & Development Division	: Acquire knowledge of industrial wastewater management and water quality control
Administration Division	—
Sales Division	: Effective utilization of industrial waste



Technology Division Action Targets/Progress

	Action Items	Targets	SGD Goal	Status of Achievement	Progress
Senboku Plant	Stable production of CA and Fe	Achieve the planned quantity of goods	Goal 3	just as planned	100%
	Introduction of milling process for S product (establishment of system to increase S production).	PV completed	Goal 3	To be implemented in the next fiscal year (not evaluated)	-
	Transfer of S-process technology(establishment of system to increase S production).	Completion of technology transfer	Goal 3	Contractor PV completed and technology transfer completed.	100%
	Achievement of "zero" complaints	0 cases	Goal 3	2 quality complaints occurred.	0%
	Introduction of environmentally friendly equipments	One or more	Goal 7	1 equipment introduced	100%
	Reduction of electricity consumption	0.1% reduction	Goal 7	0.1%	100%
	Workload reduction by appropriate workforce planning and recruitments	75% or less operation rate	Goal 8	77.7%	0%
	Accident/disaster-free operations	0 case	Goal 12	0 case	100%
	Resource and energy savings by solvent recycling and other measures	1 case or more	Goal 12	1 case conducted	100%
	Thorough management of used containers for pharmacologically active materials	No exposure incident	Goal 14	0 case	100%
Trend analysis of activated sludge treatment through daily monitoring and implementation of countermeasures	Compliance with regulated standards	Goal 14	Compliance achieved	100%	
Kinraku Plant	Continued production of P products · Consideration of supplier change for difficult -to-procure materials · Change of manufacturer of raw material A, 2 raw material B, raw material C.	Study of changes for each item	Goal 3	Confirmation of change of manufacturer (use test) of raw materials A, B and C has been completed.	100%
	Monomer production capacity enhancement	Tech-transfer of OH-form Tech-transfer of T-form	Goal 3	OH-form tech-transfer completed. T-form tech-transfer completed;1 lot manufactured.	100%
	Achievement of "zero" complaints	0 cases	Goal 3	one quality complaints occurred.	0%
	Introduction of environmentally friendly equipments	three or more	Goal 7	3 equipments introduced	100%
	Reduction of electricity consumption	0.2% reduction	Goal 7	0.26% reduced	100%
	Improvement of labor productivity	70% or less operation rate	Goal 8	Production activities ceased due to raw material supply disruptions.(Not rated)	-
	Accident/disaster-free operations	zero accident	Goal 12	0 case	100%
	Wastes recycling Daily monitoring and weekly water quality testing	One or more cases Compliance with regulated standards	Goal 12 Goal 14	0 case Compliance achieved	0% 100%
CMC Planning Department	Ensure implementation of capital investment plans to increase plant productivity	New administration building project implementation.	Goal 3	Construction output as planned (as at end- March)	100%
	Implementation of environmental activities through ISO14001 and energy saving activities · Promotion of ISO14001 activities · Promotion of energy-saving activities	Zero finding at JQA audit 1% reduction of energy intensity	Goal 7 Goal 7	0 case 3.1% reduction from the previous fiscal year	100% 100%
	Compliance with Chemical Substance Related Regulations	Compliance with Chemical Substances Control and Industrial Safety and Health	Goal 12	respond in full	100%
	Promotion of EHS activities	Zero accident/disaster (both plants) Zero environmental accident (both plants)	Goal 12 Goal 14	0 case (1 case by the constructor). 0 case	100% 100%
	Quality Assurance Department	Execution of planned supplier audits	21 audits planned	Goal 3	42 audits executed

Research and Development Division Action Targets/Progress

	Action Items	Targets	SDG Goal	Remarks	Status of Achievement	Progress
Research and Development Division	• Contract manufacturing of products under development	90 products : 2030	Goal 3		Against FY2030 Targets	
	• Scale-up study	90 cases : 2030	Goal 7		Current year (+last year)	
	• No overtime work for all employees	120 times : 2030	Goal 7		3 products (+6 products)	10%
	• Participation in conferences and workshops	150 cases : 2030	Goal 8		6 cases (+7)	14%
	• Study of new technology development	30 cases : 2030	Goal 9		12 times (+12)	20%
	• Study of manufacturing method improvement	30 cases : 2030	Goal 12		30 cases (+42)	48%
	• Zero TOC abnormality in waste water	100% : 2030	Goal 14		3 cases (+5)	27%
	• Study sessions on water quality	10 sessions : 2030	Goal 14		8 cases (+7)	50%
Process Development Laboratory	• Contract manufacturing of products under development	9 products : 2022	Goal 3		Against FY2022 targets	
	• Scale-up study	9 cases : 2022	Goal 7		3 products	33%
	• No overtime work for all employees	12 times : 2022	Goal 7	conducted jointly	6 cases	67%
	• Participation in conferences and workshops	8 cases : 2022	Goal 8		12 times	100%
	• Improvement of manufacturing process	3 cases : 2022	Goal 12		18 cases	100%
	• Zero TOC abnormality in waste water	100% : 2022	Goal 14	conducted jointly	8 cases	100%
	• Study sessions on water quality	1 session : 2022	Goal 14	conducted jointly	No abnormality	100%
	Basic Technology Debelopment Laboratory	• No overtime work for all employees	12 times : 2022	Goal 7	conducted jointly	1 session
• Participation in conferences and workshops		7 cases : 2022	Goal 8		12 times	100%
• Study of new technology development		3 cases : 2022	Goal 9		20 cases	100%
• Zero TOC abnormality in waste water		100%: 2022	Goal 14	conducted jointly	3 cases in progress	100%
• Study sessions on water quality		1 session : 2022	Goal 14	conducted jointly	No abnormality	100%

Administration Division Action Targets/ Progress

	Action Items	Targets/ Goals	SDG Goal	Remarks	Status of Achievement	Progress
Administration Division	Transformation into an Ecosystem(DX)	BPR efforts for core business systems 100%	Goal 7	OBIC SMILE	Payroll cloud and core accounting information is being collected.	50%
	Realization of futuristic office	Promote electronic stamping and electronic contracting 100%	Goal 8	XPOINT Cloud Sign	Electronic contracting for new administration building implemented; cloud billing system (Bill One) already installed.	60%
		Sales accounting and payroll office centralization 100%	Goal 8		Consolidation of administrative departments to the 3rd floor of the head office.	100%
	Recruitment	Hiring of 22 new graduates and mid-careers (manufacturing 11, QC 5, R&D 4, sales 2)	Goal 8	24 new graduates hired	Employed manufacturing 14, QC 8, R&D 2, sales 2.	100%
				2 mid-career	sales 2	
				A total of 26 were hired	Continued mid-career hiring for QA and manufacturing	
	BCP review	Company-wide BCP drill	Goal 12		Company-wide training conducted on 8/18	100%
		Update of BCP documentation	Goal 12		Update work completed and distributed to each site in Nov.	100%
	Through compliance with laws and regulations	Utilization of paid holidays as required by law	Goal 3		Completed by informing employees who have taken less than five days of paid holiday.	100%
		Overtime work management (strict adherence to 36 agreement)	Goal 3		Monthly overtime totals reported to each site. No violation of 36 agreements.	100%
	Company revitalization activities	Promoting Male Maternity holiday	Goal 3		8 employees acquired in FY2022.	100%
		Conducted employee satisfaction survey	Goal 3		Conducted in conjunction with stress checks.	100%
		Certified as an excellent health management corporation	Goal 3		Certified in March.	100%
	DX to New Normal management	80 % of internal meetings to be transferred to web meetings	Goal 7	KDDI leased line TEAMS	TEAMS telecommunications network at head office completed. Improved environment and better calling environment.	100%

Sales Division Action Targets/ Progress

	Action Items	Targets	SDG Goal	Remarks	Status of Achievement	Progress
Sales Division	Customer survey	3 surveys	Goal 3		2 surveys	66%
	Promote energy-saving activities	1 case	Goal 7	Green Procurement Promotion	1 case (thorough green procurement of consumables)	100%
	Study group	Information Sharing and Skills up	Goal 8		Daily reports, young employee presentations conducted	100%
	Nucleic Acid Commercialization and Production System Development	Themes acquired (3 cases)	Goal 9		3 cases (Fujimat® sales, Fujimat® use with Company S contract signed for use, Capping Reagent for Company A)	66%
	Expansion of initial development products and Introduction of high pharmacological products	5 cases	Goal 9		3 cases	60%
	Stable supply of existing products	5 cases	Goal 12	Product A, Product Fe, Product G, Product CA, Product S	Product A: n-BuLi compatible. Product Fe: Progress management by regular meeting. Product G: Forecast confirmation. Product CA: Confirmation of future trends by confirming the client's business strategy. Product S: Ensure customer schedules and production systems.	100%
	Establishment of flow synthesis infrastructure	P Company and other CDMOs Confirmation of activities(5 cases)	Goal 9		5 cases or more(P Company made presentations to pharmaceutical companies)	100%
	New material and product development	12 cases	Goal 12	Trading company functions and Product HA inducements New cosmetic materials	8 cases(proposals for electronic materials materials) 0 case cosmetics related	66%
	Stable procurement of raw materials	5 cases	Goal 12	5 major products	Listed one company for purchase and began research	50%
Effective utilization of waste	1 case	Goal 14		2 cases (iodine, Pd recovery study)	100%	