

Our Initiatives for SDGs

OUR PRACTICES TO ACHIEVE THE SDGs

FY 2021 Annual Activity Report



Introduction

In March 2020, we endorsed the principles of the "United Nations Global Compact" and announced our participation. In order to comply with and put the principles into practice, we started to using the Sustainable Development Goals (SDGs) as indicators for our activities.

This report is based on the annual activity reports of each division for FY2021. The status of achievement for each target is described in numerical figures, which will drive further activities in FY2022. Since last year, we have continued corporate activities by implementing infection prevention measures against the new coronavirus to sustain stable production of pharmaceutical products. We will continue to enhance our infection prevention measures. We will also ensure all of our employees will work together to internalize the principles of the SDGs so that they can naturally practice them in their jobs. Our goal is to create a better working environment and to ensure the stable corporate activities.

FUJIMOTO CHEMICALS Co,LTD

ESG Promotion Department

31 April 2022

SDGs Activity Goals for FY2021

Target Setting: 10 May 2021

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	: Increased 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



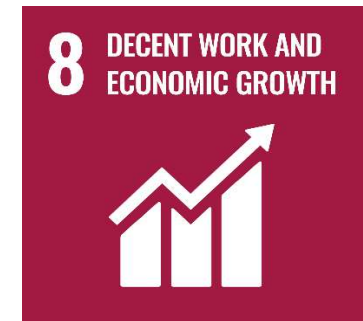
Goal 8 : Decent work and Economic growth

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
Administration Division	—
Sales Division	: Dissemination of information on our technology



Goal 12 : Responsible consumption and Production

Business Goal : Risk 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	Introducion of new manufacturing method G2	PV completion	Goal 3	PV completed、 all shipped	100%
	Introduction of new product F	PV completion	Goal 3	PV completed、 all shipped	100%
	Introduction of OH form	Production completion	Goal 3	Completed production of 2 lots	100%
	Achievement of zero complaint	No complaint	Goal 3	3 complaints received	0%
	Introduction of environmentally friendly equipments	One or more	Goal 7	4 equipments introduced	100%
	Reduction of electricity consumption	0.1% reduction	Goal 7	0%	60%
	Workload reduction by appropriate workforce planning and recruitments	75% or less operation rate	Goal 8	72.5%	100%
	Accident/disaster-free operations	0 case	Goal12	1 incident	0%
	Resource and energy savings by solvent recycling and other measures	1 case or more	Goal12	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	<ul style="list-style-type: none"> Continued production of P products Consideration of supplier change for difficult -to-procure materials 	Study of changes for each item	Goal 3	Material A: temporarily postponed due to reduced product production, Material B: use test completed,change control in progress with no quality issue, Material C: poor quality of Chesense material and improvement was requested while Japanese material was of good quality and thier supply capability was under investigation, Material D: sample was requested	50%
	Monomer production capacity enhancement	Tech-transfer of OH form	Goal 3	In progress as planned	83%
	Zero complaint	No complaint	Goal 3	No complaint	100%
	Introduction of environmentally friendly equipments	One or more	Goal 7	3 cases	100%
	Reduction of electricity consumption	0.2% reduction	Goal 7	0.55% reduced	100%
	Improvement of labor productivity	Production output improvement by 1%, efficiency improvement by 0.5%	Goal 8	Both targets not achieved	0%
	Accident/disaster-free operations	zero accident	Goal12	One incident (burn)	0%
	Wastes recycling	One or more cases	Goal12	0 case	0%
Daily monitoring and weekly water quality testing	Compliance with regulated standards	Goal 3	Compliance achieved	100%	

	Action Items	Targets	SGD Goal	Status of Achievement	Progress
CMC Planning Department	Introduction of new production method G2	PV completion	Goal 3	Completed	100%
	Introduciotn of new product F	PV completion	Goal 3	Ccompleted	100%
	Cost reduction by improved monomer productivity	One proposal	Goal 8&9	A system of thin film concentration unit was studied. No progress of implementation due to low production volume.	50%
	Improvement of acetylated sodium hyaluronate productivity	One proposal	Goal 8	Implementation postponed due to low production volume	0%
	Execution of capex plans to improve production outputs (progress of drying building and new administration building project)	Implementation of plans (progress)	Goal 3&7	Construction of drying building and new administration building in progress as planned No delay from plan	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	Goal 7	Audit completed	100%
		1% reduction of energy intensity	Goal 7	FY2020 energy intensity reduced by 96.8% year-on- year	100%
	Promotion of EHS activities	Zero accident/disaster (both plants)	Goal 3,8&12	2 cases occures (both plants)	0%
Zero environmental accident (both plants)		Goal 14	None	100%	
Quality Assurance Department	Execution of planned supplier audits	24 audits planned	Goal 3	40 audits executed	100%

Research and Development Division Action Targets/Progress

	Action Items	Targets	SDG Goal	Remarks	Status of Achievement	Progress
Research and Development Division					Against FY2030 Targets	
	• Contract manufacturing of products under development	90 products : 2030	Goal 3		6 products	7%
	• Scale-up study	90 cases : 2030	Goal 7		7 cases	8%
	• No overtime work for all employees	120 times : 2030	Goal 7		12 times	10%
	• Participation in conferences and workshops	150 cases : 2030	Goal 8		42 cases	28%
	• Study of new technology development	30 cases : 2030	Goal 9		5 cases	17%
	• Study of manufacturing method improvement	30 cases : 2030	Goal 12		7 cases	20%
	• Zero TOC abnormality in waste water	100% : 2030	Goal 14		No abnormality	10%
• Study sessions on water quality	10 sessions : 2030	Goal 14		1 session	10%	
Process Development Laboratories					Against FY2021 targets	
	• Contract manufacturing of products under development	9 products : 2021	Goal 3		6 products	67%
	• Scale-up study	9 cases : 2021	Goal 7		7 cases	78%
	• No overtime work for all employees	12 times : 2021	Goal 7	conducted jointly	12 times	100%
	• Participation in conferences and workshops	8 cases : 2021	Goal 8		25 cases	100%
	• Improvement of manufacturing process	3 cases : 2021	Goal 12		7 cases	100%
	• Zero TOC abnormality in waste water	100% : 2021	Goal 14	conducted jointly	No abnormality	100%
• Study sessions on water quality	1 session : 2021	Goal 14	conducted jointly	1 session	100%	
Basic Technology Debelopment	• No overtime work for all employees	12 times : 2021	Goal 7	conducted jointly	12 times	100%
	• Participation in conferences and workshops	7 cases : 2021	Goal 8		24 cases	100%
	• Study of new technology development	3 cases : 2021	Goal 9		5 cases	100%
	• Zero TOC abnormality in waste water	100%: 2021	Goal 14	conducted jointly	No abnormality	100%
	• Study sessions on water quality	1 session : 2021	Goal 14	conducted jointly	1 session	100%

Administration Division Action Targets/ Progress

	Action Items	Targets/ Goals	SDG Goal	Remarks	Status of Achievement	Progress
Administration Division	DX to new normal management	100% electronic transition of documents under responsibility of Administration Division	Goal 7	XPOINT、EVALUE	With electronic bookkeeping capability, electronic conversion to be promoted from January (only for accumulated paid holidays).	50%
	Recruitment	Hiring of 19 new graduates and mid-careers (manufacturing 11、 QC 5、 R&D 3)	Goal 8		21 new graduates hired (manufacturing10、 QC 8、 R&D 3)	100%
	BCP review	Company-wide BCP drill	Goal 12		Not implemented	0%
		Update of BCP documentation			BCP documentation update completed	100%
	Through compliance with laws and regulations	Utilization of paid holidays as required by law	Goal 3		Average 7.8 days of paid holidays through August Eligible employees took more than 5 paid holidays	100%
		Overtime work management (strict adherence to 36 agreement)	Goal 3		Monthly tally of overtime for all employees and communication to each base no agreement violation throughout the year	100%
	Company revitalization activities	`Kurumin Mark ` acquisition	Goal 3		Publication of the status of paid holiday utilization and compliance with revised Child Care and Family Care Leave Law - target achieved 1 year earlier	100%
		Certification of Healthy Management Company	Goal 3		Certification obtained	100%
	DX to New Normal management	80 % of internal meetings to be transferred to web meetings	Goal 7	TEAMS	Web meetings promoted by creating meeting channel on MS TEAMS	100%

Sales Division Action Targets/ Progress

	Action Items	Targets	SDG Goal	Status of Achievement	Progress
Sales Division	Customer survey	2 surveys	Goal 3	1 survey (nucleic acid questionnaire)	50%
	Active use of WEB meetings		Goal 7	Teams、 Zoom utilization, cloud-based sales management system (introduction of Smile V)	100%
	Introduction of customer meeting briefing memo (daily report)	Information sharing	Goal 7	Daily report introduced for information sharing	100%
	Enhancement of presentation skills	Monthly training X 12	Goal 8	Monthly themes were selected jointly and presentation materials were created and presented at the training sessions.	100%
	Awareness promotion on nucleic acid technology and sales result increase	Quarterly presentation to customers	Goal 9	<ul style="list-style-type: none"> Search for potential partners for contract oligonucleotide synthesis - business alliance proposal under consideration Data acquisition for Fujimat® application (amidite blocks), presentation materials (updates)created and presented on HP and to customers 	100%
		Sales of Fujimat® reagent (for distribution agreement)		Conclusion of reagent sales agreement with Fujifilm Wako Pure Chemical Corporation	100%
		Participation in new theme -projects for nucleic acid drugs (2 themes)		2 themes obtained (nucleic acid contract , Fujimat® supply, discussion on amidite blocks)	100%
	Re-presentation on facility for pharmacologically active materials	1 new contract	Goal 9	1 contract obtained	100%
	Establishment of material procurement network	4 cases	Goal 12	<ul style="list-style-type: none"> Addition of aldehyde suppliers Addition of new suppliers (solvents, reagents. search for key raw material suppliers, information sharing with manufacturers) Study of contracting out intermediate production, listing up auxiliary raw materials and investigation of manufacturers Study of second contractor for manufacturing transfer 	50%
	Establishment of flow synthesis infrastructure	JV participation, information gathering		<ul style="list-style-type: none"> Completed study of flow of main materials JV participation (full-scale sales activities to start on April 1) 	100%
	New material and product development			6 cases (asphalt materials, adhesives for optical fiber, new electronic materials, application development of AcHA)	85%
	Effective utilization of waste liquid	1 case	Goal 14	2 cases (study of THF waste liquid、 evaluation of methylene chloride effluent of OH form and charging for it)	100%