



Sysmex Sustainability Data Book 2022

Fiscal 2021 (April 1, 2021 to March 31, 2022)



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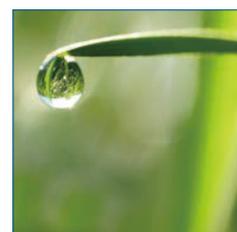
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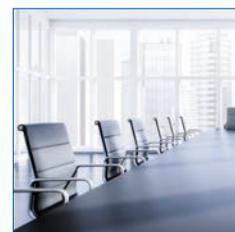
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Editorial Policy

Sysmex publishes the Sysmex Report, an integrated report that provides a concise summary of financial and non-financial information in terms of value creation over the medium- to long-term. The Sustainability page on our website serves as a reporting tool to complement the Sysmex Report. It presents all our specific efforts to address priority issues (materiality) in sustainability and is periodically updated. We also publish an annual report titled Sustainability Data Book, which summarizes the details provided on our website. The website and Data Book serve as engagement tools for all stakeholders, and thus they refer to disclosure items specified by the GRI Sustainability Reporting Standards in order to ensure exhaustive disclosure. Regarding climate change, we disclose various types of information in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Disclosure System

Financial Information	Non-Financial Information
Integrated Report: "Sysmex Report" (Annual report)	
IR Information Site https://www.sysmex.co.jp/en/ir/index.html This site discloses details of financial, stock, and shareholder information. • Financial Reports & Presentations	Sustainability Site https://www.sysmex.co.jp/en/csr/index.html • Sustainability Data Book (annual report) (PDF) https://www.sysmex.co.jp/en/csr/report/sustainability2022_all_e.pdf
	Corporate Governance Report https://www.sysmex.co.jp/en/corporate/governance_e.pdf

Guidelines Referenced

- GRI (Global Reporting Initiative) "GRI Sustainability Reporting Standards"
- SASB (Sustainability Accounting Standards Board) "SASB Standards"
- The Japanese Ministry of the Environment's Environmental Reporting Guidelines (2018 ed.)

Organizations Covered

Sysmex Group (Sysmex Corporation and its subsidiaries both in Japan and abroad). In this report, "Sysmex" refers to the Sysmex Group as a whole. "Sysmex Corporation" refers to the Company on a stand-alone basis.

Independent Practitioner's Assurance

We obtained an Independent Practitioner's Assurance for observation of the AA1000 AccountAbility Principles, as well as environmental and social data.

▶ Independent Practitioner's Assurance

Period Covered

Primarily fiscal 2021 (from April 1, 2021 to March 31, 2022). Some activities conducted outside this period are also included.

* For the most recent information, we keep information on our sustainability site updated as it becomes available.

Date of Publication

October 2022

Note on the Forecasts

Statements in this report pertaining to Sysmex's future plans, forecasts, and other items are based on currently available information and involve uncertainties. Actual results may differ materially from those planned or forecasted in these statements.

ABOUT SYSMEX

About Sysmex

With our business centered on the field of *in vitro* diagnostics, Sysmex provides instruments, reagents, and software to medical institutions and other customers worldwide. We have created a structure for consistent research and development, production, sales, service and support in response to the diversified needs of our customers with various issues. In addition to producing high-quality instruments, reagents, and software for *in vitro* diagnostics, this structure allows us to offer high value-added products and services with regard to system products, online support, and advanced scientific information, which have been highly evaluated by our customers worldwide.

Sysmex's Main Business Domains (*In Vitro* Diagnostics)

Prevention
Examination
Diagnosis, Treatment and Monitoring
Recovery

In Vitro Diagnostics

- **Hematology***
 Testing that measures and analyzes the number, type, and size of red, white and other blood cells
 (Anemia, leukemia, thrombocytopenia, etc.)
- **Hemostasis**
 Testing that measures the ability of blood to clot at wound sites and dissolve clots
 (Hemophilia, myocardial infarction, cerebral infarction, etc.)
- **Urinalysis***
 Testing to determine the presence of sugar, proteins or blood in the urine
 (Kidney stones, kidney disease, diabetes, etc.)
- **Immunochemistry**
 Testing for the quantities and status of viruses, hormones and proteins
 (Infectious diseases (hepatitis B and C), thyroid disease, various cancers, myocardial infarction, hepatitis, atopic dermatitis, etc.)
- **Clinical chemistry***
 Testing to determine the state of metabolism-related organs by studying sugars, lipids, proteins and others
 (Diabetes, arteriosclerosis, liver dysfunction, kidney dysfunction, etc.)
- **Gene testing**
 Through the detection and analysis of cancer genes, this testing contributes to decisions on treatment protocols and drug administration.
 (Breast cancer, lung cancer, colorectal cancer, etc.)

* Diagnostics used for medical checkups as well

Company Profile

- Name : SYSMEX CORPORATION
- Established : February 20, 1968
- Paid-in Capital : ¥14,112.0 million (As of March 31, 2022)
- Listings : Tokyo Stock Exchange, Prime Market (Ticker Code: 6869)
- Directors : Chairman and CEO Hisashi Ietsugu
- Head Office : 1-5-1 Wakinohama-kaigandori, Chuo-ku, Kobe, Hyogo 651-0073, Japan
- Lines of Businesses : Development, manufacture, sales and export/import of diagnostic instruments, reagents and related software
- Main Customers : National and other public hospitals, private hospitals, universities, research institutes, other medical institutions, etc.
- Export Destinations : More than 190 countries and regions

Financial Performance

■ Net Sales

¥363.7 billion
(Up 19.2% year on year)

Reagent sales grew substantially, thanks to a recovery in testing demand. Net sales also rose significantly, owing to an expansion of our direct sales area, an increase in the installed instrument base and a boost in demand for testing related to COVID-19.

■ Net Sales by Destination

* EMEA: Europe, the Middle East, and Africa

■ Sales by Business

Non-Financial Performance

👤 **9,812**
Employees
(Group total)

🏢 **77**
Companies
(Group total)

SUSTAINABILITY MANAGEMENT

► Basic Policy and Structure

Materiality

Status of Sustainability Targets

Sustainability Management Basic Policy and Structure

Message from the CEO

The “Sysmex Way”, the corporate philosophy of the Sysmex Group, defines our mission of “Shaping the advancement of healthcare.” With its business centered on the field of *in vitro* diagnostics (IVD), which has been its focus since the Company’s founding, Sysmex works to resolve global medical issues. The value Sysmex provides to society includes the extension of healthy lifespans, improvement in accessibility to healthcare, and advancement of medical care. We respond to the universal human desire to live long and healthy lives.

One key action under our mid-term management plan is to “formulate a vision and roll out measures to reinforce and implement sustainability management.” Sysmex regularly reviews its materiality based on changes in the external environment, societal expectations and demands, and the progress of its strategies. In fiscal 2021, we revisited our KPIs alongside our new mid-term management plan, and set the reviewed KPIs as our new sustainability targets. Society’s expectations and demands are growing by the day with respect to the materiality items Sysmex has identified, such as the environment, diversity and inclusion (D&I), supply chain management, human rights, and governance. In light of these changes, Sysmex believes that sustainability management is of the utmost importance in order to build a sustainable structure while promoting efforts to address each issue from a long-term perspective and aligning the vector of our management strategy with these social trends. In product development, it has become essential to create products that increase testing value while also being environmentally friendly. For example, new products in the hematology field that we launched in 2021 shorten the time to

diagnosis, improve laboratory work efficiency, and lower environmental impact by reducing power consumption by 40%* compared to conventional products. With D&I, it is important to have employees with diverse values and backgrounds who can share different ideas, and for each of them to demonstrate their abilities. For the Group as a whole, we will accelerate D&I initiatives. We will also promote human resource development and human resource strategies that leverage diversity from a D&I perspective. Gender is also an issue, especially in Japan, where the economic world has long been male dominated. We are working to create an environment and culture in which female employees can easily demonstrate their abilities, and are striving to increase the ratio of women among our employees and managers.

Corporate culture and human resources are of particular importance for enhancing corporate value. Sysmex positions human resources as the source of value creation. Accordingly, we are focused on revamping our HR system, attracting a diverse workforce, and cultivating the next generation of managers. Looking beyond strategy and system design, we also emphasize the accumulation of various types of experience and opportunities and an environment that allows employees to build diverse contacts, including with customers. Underpinning these efforts is the “Sysmex Way”, the corporate philosophy of the Sysmex Group. Our ideal is for employees to think and draw up strategy in terms of the Sysmex Way, and to align our corporate culture with this philosophy. Sysmex’s management is unwavering in its corporate stance toward this philosophy; we share the Sysmex Way when recruiting human resources and conduct awareness activities at each Group location. In corporate culture surveys of employees, the rate of penetration for the Sysmex Way has remained at around 70%

for the past few years. To improve this further, we will continue to promote dialogue with employees and increase engagement. We strive toward the realization of a sustainable society and engage in initiatives to enhance corporate value, based on our mission as expressed in the Sysmex Way, of “Shaping the advancement of healthcare.” We would like to ask our stakeholders for their continued support and understanding of our endeavors.

* Sample transportation system modules



Hisashi Ietsugu
Chairman and CEO

- Corporate Philosophy and Core Behaviors
- Sysmex Report (Sysmex’s Value Creation)

SUSTAINABILITY MANAGEMENT

► Basic Policy and Structure

Materiality

Status of Sustainability Targets

Management Structure

Sysmex has established a specialized Sustainability Promotion Department for planning, drawing up proposals for, and promoting sustainability activities, as well as disseminating ESG-related information both inside and outside the company. The department's activities are conducted under the control and management of a senior managing director and member of the Managing Board.

We have also identified priority issues (materiality) with a view to realizing a sustainable society and achieving sustainable growth for the Group. In fiscal 2020, we reviewed materiality while working on our mid-term management plan (fiscal 2021 to 2023), taking account of changes in economic, environmental, and social issues. We also revisited our KPIs linked to materiality and set the reviewed KPIs as our new sustainability targets. Our departments roll out their execution plans and activities to achieve these sustainability targets. They also report their progress regularly at management meetings, including the Managing Board meetings. The targets are then reviewed, and new measures are considered in a PDCA cycle.

The UN Global Compact

Sysmex Corporation signed the United Nations Global Compact in February 2011 to proactively promote its CSR initiatives. When identifying priority issues (materiality) and promoting CSR activities, Sysmex refers to the Ten Principles of the Global Compact and the Sustainable Development Goals (SDGs) that the United Nations adopted in September 2015.



The UN Global Compact



Logo for the Sustainable Development Goals (SDGs)

► [The UN Global Compact's Ten Principles](#)

SUSTAINABILITY MANAGEMENT

Basic Policy and Structure

► Materiality

Status of Sustainability Targets

Sustainability Management Materiality

Systemex has identified priority issues (materiality) with a view to realizing a sustainable society and achieving sustainable growth for Systemex.

Systemex's materiality items are priorities we have identified by taking into account the needs and expectations elicited through stakeholder engagement and Systemex's internal and external operating environments. We identified these priorities by making an overall assessment along two axes, the "degree of importance for Systemex's stakeholders" from a medium- to long-term perspective, and from the perspective of risks and opportunities, the "degree of importance for Systemex." In addition, we review and verify these items when formulating mid-term management plans. These were previously verified in fiscal 2020. Some of the content was updated to reflect changes in the operating environment, such as growing demands from outside the Group.

To make progress toward our targets more visual and effective, in the fiscal 2021 revision we set "sustainability targets" as specific KPIs in line with the mid-term management plan. We also developed action plans and activities for responsible divisions. Members of the Managing Board confirm progress toward sustainability targets, which is reported regularly by each department at meetings of the Managing Board and at quarterly management meetings. In addition, the entire Company works together on initiatives when discussing new measures.

As our business expands, our stakeholders have grown more diverse. Nevertheless, our fundamental management philosophy of instilling confidence among our stakeholders has remained unchanged. As a Group conducting business in the healthcare sector, Systemex works alongside its business

partners and employees to provide products and services to medical institutions and other customers in an effort to resolve healthcare issues.

Systemex will continue to engage proactively in dialogues with stakeholders to co-create value in a sustainable manner.

	Materiality		SDGs Targets			
Society	Resolution of Medical Issues through Products and Services	Resolution of medical issues through innovation				
		Improvement in accessibility to healthcare				
	Responsible Provision of Products and Services	Pursuit of quality and trust				
		Strengthening of supply chain management				
	Realization of an Attractive Workplace	Provision of a comfortable working environment				
		Promotion of diversity and inclusion				
Development of human resources						
Environment	Environmental Consideration	Environmental consideration through product lifecycle				
		Reduction in environmental burden through activities at business offices				
Governance	Strengthening of Governance	Corporate governance				
		Compliance				
		Risk management				

► The Process of Identifying Materiality

Sustainability Management

Status of Sustainability Targets

Materiality	KPI	Target		Results					Progress and Future Initiatives		
		Fiscal 2023	Fiscal 2025 (Eco-Vision)	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021			
Resolution of medical issues through products and services	Hematology market share ^{1, 5}	Percentage of consolidated sales to market size of instruments, reagents, and services in a single year in the field of hematology	—	—	52.7%	53.8%	54.7%	55.6%	55.7%	Though the impact of the COVID-19 pandemic remains in some regions, our share of the hematology market slightly increased in fiscal 2021 compared to the previous fiscal year, as sales of hematology products grew due to the expansion of direct marketing and service areas. In the future, new flagship models will be sequentially introduced. In addition, the number of tests for breast cancer using the OSNA method increased because the number of surgeries has returned to its previous level. In conjunction with business activities, the numbers of patents held and patent applications have steadily increased.	
	Number of patents	Total number of patents, utility model rights and design rights obtained	—	—	2,709	2,987	3,143	3,485	3,680		
	Number of new patents	Total number of patents, utility model rights and design rights applied for	—	—	301	346	306	287	298		
	Number of cancer genomes analyzed ²	Number of cancer genomes analyzed by the NCC OncoPanel	—	—	—	—	—	1,6 thousand	1,6 thousand		
	Number of breast cancer tests using the OSNA™ method	Number of breast cancer tests using the OSNA method	—	—	—	—	—	46 thousand	54 thousand		
Improvement in accessibility to healthcare	Sales in emerging and developing markets	Consolidated sales in emerging and developing markets	—	—	—	—	¥122.0 billion	¥143.0 billion	In fiscal 2021, sales grew by approximately 12% for several reasons, including favorable business in the direct marketing and service areas in emerging countries such as India and the number of tests returning to its previous level in areas where the demand had fallen due to the COVID-19 pandemic. We are also taking actions to improve the quality of healthcare in collaboration with international institutions such as the WHO and JICA.		
Responsible provision of products and services	Pursuit of quality and trust	Number of recalls	Number of voluntary recalls/repairs for products sold (instruments and reagents)	—	—	—	4	2	There were only two recalls in fiscal 2021, which was half the number as in the previous fiscal year. Of these recalls, none were Class I; two were Class II (one for an instrument and one for a reagent). As in the previous fiscal year, no FDA warning letters were issued. As well as constructing a framework to fully comply with regulations in each country around the world, defective products are prevented from entering the market by conducting regular quality audits, timely collection of information from the market through our global quality complaint processing system, and full investigations into the causes of defective products. We will maintain and improve the safety and quality of our products in the future.		
	Number of FDA warning letters	Number of FDA warning letters issued to Sysmex	—	—	—	0	0				
	Strengthening of supply chain management	CSR survey response rate	Percentage of raw material suppliers that responded to CSR surveys (primary suppliers in Japan and overseas)	90%	—	81%	84%	85%	89%	90%	The CSR survey response rate was 90% in fiscal 2021. This was a high rate, as in the previous fiscal year. The number of training sessions for suppliers increased from two in the previous fiscal year to five. We held BCP training for business partners, assuming a Nankai Trough megathrust earthquake, as well as explanatory meetings on sustainability, including SDGs and environmental issues, and approximately 250 business partners in total participated in these activities. We will continue to strengthen relationships between the Group and our business partners.
		Number of training sessions for suppliers ³	Number of briefings, training, and other training sessions for domestic suppliers (single year)	6	—	—	—	2	5		
	Third-party certification rate of suppliers ³	Percentage of primary raw material suppliers (domestic) obtaining third-party certification for manufacturing and product quality	—	—	—	—	86%	88%			
Realization of an attractive workplace	Engagement score	Corporate climate survey result	75%	—	72%	—	—	66% (except EMEA ⁴)	65% (except EMEA)	The engagement score in fiscal 2021 decreased by 1% compared to the previous fiscal year. This was mainly due to a decrease in the scores in China and West Asia. The turnover rate increased by 0.6%. This is a result of activation of the human resource market, which had slumped due to the COVID-19 pandemic. However, our turnover rate is lower and the employee retention rate is considered to be high compared to an average turnover rate of about 9% in the manufacturing industry. We will continue to promote establishment of a globally consistent job-based human resource management system, conversion to a globally competitive remuneration system, securing and training talented personnel, creating a comfortable working environment, and engaging in labor-management dialogues in the future.	
	Turnover ratio ²	Turnover ratio of regular employees, excluding those who have reached the mandatory retirement age	—	—	—	—	2.7%	3.3%			
	Provision of a comfortable working environment	Percentage of days of paid leave taken ²	Percentage of days of annual paid leave taken per regular employee	—	—	—	—	61.3%	62.4%	The outcome for fiscal 2021 increased by 1.1% compared to the previous fiscal year. Several measures were taken, including setting recommended dates for paid leave, sharing the results of this with division managers, and proactively encouraging employees to take paid holidays. In addition to activities to raise awareness amongst our employees, we aim to increase the rate at which annual paid leave is taken due to improved productivity.	
		Percentage of men taking childcare leave ³	Percentage of male employees (including part-time workers) taking childcare leave after their spouse bears a child	30.0%	—	—	—	33.8%	57.1%		
	Promotion of diversity and inclusion	Female managers ratio	Ratio of women at director level or above	17.0%	—	15.2%	15.2%	15.5%	16.2%	17.3%	The outcome for fiscal 2021 increased by 1.1% compared to the previous fiscal year. The achievement rate increased particularly in the Japan region due to the introduction of a job-based personnel system and "smart work" system. We promote the establishment of a comfortable working environment and the use of diversity training to facilitate diverse working patterns.
		Percentage of employees with disabilities ²	Percentage of employees with physical, intellectual or mental disabilities	2.38%	—	2.04%	2.21%	2.30%	2.30%	2.31%	

1 Some figures have been revised from previous reporting. 2 Target: Group companies in Japan 3 Target: Sysmex Corporation on a non-consolidated basis 4 EMEA: Europe, the Middle East, and Africa 5 Source: Clearstate and Sysmex's assumption

Materiality	KPI			Target		Results					Progress and Future Initiatives
				Fiscal 2023	Fiscal 2025 (Eco-Vision)	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021	
Realization of an attractive workplace	Development of human resources	Training time per employee	Average training time per employee for training provided by HR and each division (including online training)	40.0 hours		—	—	—	24.5 hours	31.4 hours	The outcome for fiscal 2021 increased by 6.9 hours compared to the previous fiscal year. Expansion of mission leader training, on-board training, and online training was carried out in Japan, and specialized education was enhanced in each division. We will continue to expand and enhance our employee training in the future.
	Promotion of health and occupational safety	Total annual working hours ²	Total annual hours worked per regular employee	1,950 hours	—	—	—	—	2,030 hours	2,045 hours	The outcome for fiscal 2021 increased by 15 hours compared to the previous fiscal year. We were not able to alleviate staff shortages in response to the COVID-19 pandemic while also taking actions for technological innovation and business restructuring. In the future, we aim to reduce working hours by introducing a system to monitor a value-added labor productivity index, in addition to promoting "smart work" system, managing working hours, and conducting employee training.
		Lost-time injury frequency rate ²	Number of employee death or injuries resulting from work-related accidents per million hours actually worked	0.58		—	—	—	0.78	0.91	The lost-time injury frequency rate increased by 0.13 points for fiscal 2021, and there were seven industrial accidents (six in the previous fiscal year), including injuries in factories. As a measure to prevent industrial accidents, we held training sessions by industrial physicians to prevent falls.
		Lost work day rate ²	Number of days absent from work due to work-related injuries per 1,000 hours actually worked	0.02		—	—	—	0.05	0.04	In order to reduce the lost-time injury frequency rate, we are enhancing risk forecast training and will continue to provide training sessions by external lecturers in the future.
Environmental consideration	Environmental consideration through product lifecycle	Reduction of CO ₂ emissions (instruments)	Percentage reduction of CO ₂ emissions per instrument unit with FY2016 as the base year	Cut 20%	Cut 15%	Cut 12%	Cut 10%	Cut 2%	Cut 8%	Cut 22%	CO ₂ emissions per instrument decreased by 14% in fiscal 2021 from the previous fiscal year. This reduction was mainly due to increased sales of power-saving products and global improvement in CO ₂ emission factors. Going forward, we will continue to promote reductions in CO ₂ emissions and water consumption by developing and selling new products requiring less electricity and water.
		Reduction of water consumption (instruments)	Percentage reduction of water consumption per instrument unit with FY2016 as the base year	Cut 10%	Cut 15%	Cut 8%	Cut 2%	Cut 4%	Cut 6%	Cut 13%	
		Reduction of CO ₂ emissions (shipping)	Percentage reduction of CO ₂ emissions per S-Corp sales with FY2016 as the base year	Cut 20%	Cut 15%	Cut 17%	Up 1%	Cut 17%	Cut 25%	Cut 1%	The outcome for fiscal 2021 increased by 24% from the previous fiscal year. This increase was mainly due to delays in instrument production due to a shortage of semiconductors and an increase in the use of air transport in response to a fire at a contracted distribution center. We are reducing CO ₂ emissions associated with product transport by promoting modal shifts and a shift in reagent production from Japan to local production sites.
		Reduction of packaging and labeling materials	Percentage reduction of total packaging material weight with FY2019 as the base year	—	—	—	—	—	Cut 4%	Up 9%	The outcome for fiscal 2021 increased by 13% from the previous fiscal year. This was due to an increase in product packaging materials (paper packages) due to growing reagent sales. We are promoting a reduction in packaging materials by downsizing boxes to best fit products and changing packing methods.
	Reduction in environmental burden through activities at business offices	Reduction of CO ₂ emissions (business activities)	Percentage reduction of CO ₂ emissions from business activities per consolidated sales with FY2016 as the base year	Cut 40%	Cut 50%	Cut 14%	Cut 17%	Cut 13%	Cut 35%	Cut 44%	The Scope 1 and 2 emissions in fiscal 2021 increased by approximately 2% from the previous fiscal year, because CO ₂ emission factors worsened at our main business locations in Japan, and there was an increase in PCR tests after our CoviLab started operation at the Research and Development Center. CO ₂ emissions per unit were reduced due to an increase in consolidated sales. We continue to promote optimization of our operations and energy-saving measures. At the same time, we are strengthening our approach to achieving carbon neutrality by gradually switching the electricity consumed at our business locations to renewable energy sources.
		Reduction of water consumption (business activities)	Percentage reduction of water consumption from business activities per consolidated sales with FY2016 as the base year	Cut 5%	Cut 15%	Cut 8%	Cut 7%	Up 6%	Cut 7%	Cut 19%	The outcome for fiscal 2021 increased by approximately 3% from the previous fiscal year due to an increase in production. Water consumption per unit decreased by 12% due to an increase in consolidated sales. We are taking actions to reduce water consumption by revising production methods and introducing equipment to optimize the efficiency of water usage and using recycled water at each business site.
		Recycling rate	Resources recycled per total waste generated	85% or higher	93% or higher	89%	76%	67%	78%	79%	The recycling rate for fiscal 2021 increased by 1% from the previous fiscal year. The total volume of waste increased by approximately 11% due to an increase in PCR tests after starting operation of the CoviLab at our Research and Development Center, while waste generated per unit decreased due to an increase in consolidated sales. We are continuing to take measures to reduce waste and to increase recycling rates by utilizing recyclable materials and consumables, implementing appropriate inventory management, and extending expiry dates for reagent products.
		Reduction of total waste ¹	Percentage of reduction of total waste generated by business activities per consolidated sales with FY2019 as the base year	Cut 10%		—	—	—	Cut 8%	Cut 15%	
		Ratio of product waste to sales	Ratio of product waste caused by expiry and other reasons to consolidated sales	—		—	—	—	0.6%	0.6%	
	Strengthening of governance	Corporate governance	Number of meetings with investors and analysts ³	Number of meetings with institutional investors and securities analysts	—		—	—	—	506	485
Compliance		Number of internal reports	Number of internal reports of incidents received	—	—	32	14	11	12	28	There were 14 unethical incidents in fiscal 2021, but none were significant violations. A total of 28 internal reports were received in Japan and from overseas. We conducted investigations regarding these reports and dealt with each of them appropriately. We conduct training and educational activities for our employees as a foundation to promote and ensure compliance, and provide continuous training to employees to act in accordance with the Global Compliance Code.
		Number of unethical incidents	Total number of incidents in which the violations of the law were found, and disciplinary actions were taken for the violation of the Global Compliance Code	—		—	9	7	5	14	
Risk management		Number of information security trainees ²	Number of participants in information security training (gross)	—		—	—	—	2,720	3,601	In fiscal 2021, we held e-learning on cyber security in multiple languages for all our Group employees, as well as temporary employees and independent contractors. We provide regular training for employees to strengthen the information security management structure throughout the Group.
	Participation rate in disaster drills ²	Percentage of participants in training using safety confirmation tool assuming a disaster, etc. (including employees on long-term leave)	—		—	—	—	98.7%	98.7%	In fiscal 2021, disaster drills and e-learning were conducted. We continue to enhance our response to risks in business continuity by conducting regular exercises and training, introducing a system to confirm employees' safety, and setting out rules and manuals to respond to disasters.	

SOCIETY

► Resolution of Medical Issues through Products and Services

- Resolution of Medical Issues through Innovation
- Improvement in Accessibility to Healthcare
- Responsible Provision of Products and Services
- Pursuit of Quality and Trust
- Strengthening of Supply Chain Management
- Realization of an Attractive Workplace
- Human Resource Management
- Human Resource Development Programs
- Promotion of Diversity and Inclusion
- Provision of a Comfortable Working Environment
- Promotion of Health and Occupational Safety
- Corporate Citizenship Activities

Why It is Important

With the backdrop of aging populations, the need to reduce medical costs and extend healthy lifespans has been growing across the world in recent years. Furthermore, with the COVID-19 pandemic, the importance of addressing issues related to global health has increased around the world. To achieve universal health coverage (UHC)* as raised in Goal 3 of the SDGs (“Good health and well-being”), the establishment of medical infrastructure and the development of medical personnel is essential. Consequently, this has increased the expectations for initiatives taken by global corporations to resolve medical issues.

Under these conditions, the *in vitro* diagnostics (IVD) domain, which plays an important role in disease prevention, early detection, and determining courses of treatment, is expected to create high-value testing and diagnostic technologies and solve medical issues through the wide use of testing. By addressing issues such as these, Sysmex works to contribute to the development of healthcare and the healthy lives of people while also enabling the acquisition of new business opportunities and the achievement of sustainable growth.

* “UHC” means a condition in which all people have access to affordable and proper services to improve their health, prevent or treat illnesses, and recover functions.

Policy

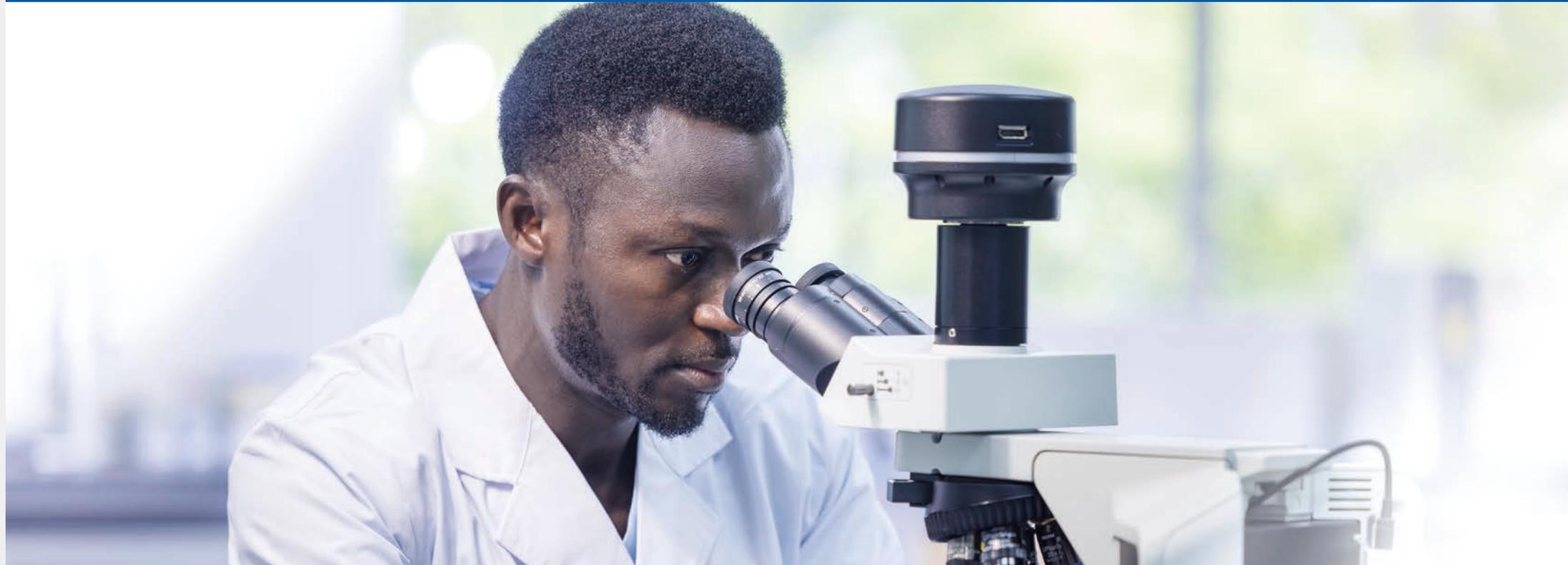
In the Group mid-term management plan (fiscal 2021 to 2023), in addition to the hematology field, which is the greatest source of earnings for the Group, hemostasis, immunochemistry, and life sciences were determined to be priority fields. Consequently, we will enhance our research and development activities by prioritizing resource allocations to create new value and expand our product lineup.

► Sysmex Report
(Strategy for Value Creation)

Framework

The Global Strategy Committee, which consists of the CEO and executive officers in charge, discusses and reviews the Group’s mid- and long-term management directions as well as key strategies and challenges.

► Sysmex Report
(Corporate Governance)



**Results
(fiscal 2021)**



1,6 thousand
Number of cancer genomes analyzed



54 thousand
Number of breast cancer tests using OSNA method



143.0 billions yen
Sales in emerging and developing markets



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Resolution of Medical Issues through Products and Services

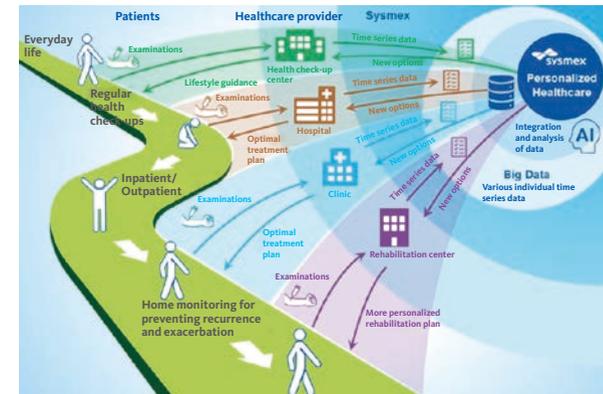
Resolution of Medical Issues through Innovation

Initiatives for Digital Medicine

The recent advent of innovative medical care modalities and innovative technologies, such as Artificial Intelligence (AI) and the Internet of Things (IoT), has brought about advances in digital medicine; for example, digitalized medical information for monitoring patient medication and treatment based on individual pathologies, and treatment apps that have obtained regulatory approval. Various data analyses related to medical care, and digital transformation utilizing their results, are intimately connected with personalized medicine providing optimal medical care for each patient. The overall information of patients is managed in the process (patient journey) which begins when they are still healthy and includes information regarding testing and diagnosis after disease onset, treatment, measures to prevent recurrence and exacerbation, and terminal care. It enables medical professionals to provide the best support at each stage during the process and opens up new possibilities for medical care.

Systemex Corporation is collaborating with OPTiM Corporation, a company with strengths in AI and IoT, to accelerate the commercialization of digital medicine that supports next generation medical care and diagnostic systems. In June 2020, we established D'PULA Medical Solutions Corporation as a joint venture. This company aims to develop and operate a medical AI/IoT platform for seamlessly connecting previously segmented medical information as well as digital medical solutions based on scientific evidence. The Medical AI/IoT platform forming the core is an open platform under which AI is used to analyze information obtained from medical instruments connected to the network. It facilitates collaboration among various vendors and user companies, as well as the

development and installation of treatment applications. Leveraging synergies with OPTiM, Systemex will continue to contribute to advances in healthcare and the realization of healthy lives for people through the development and commercialization of medical IT solutions and platforms utilizing advanced AI and IoT technologies.



Application of AI Technology in Medical Testing

With the aim of further improving clinical testing, Systemex has been proactively acquiring technologies for the analysis of cells, genes, and proteins with high accuracy and sensitivity. A cell analysis platform is already incorporated in various Systemex products. However, we are continuing our efforts to develop cytotoxic analysis technology to provide more accurate analysis using various information obtained from cells, such as functions and reactivity, in addition to the rapid cell analysis that was previously available.

In May 2021, Systemex Corporation and ThinkCyte, Inc. concluded joint development and capital tie-up agreements in order to proceed with the full-scale development of AI-based cell analysis technology. Both companies are working on the practical application (including for research) of cytometric instruments and clinical test methods utilizing Ghost Cytometry technology in the *in vitro* diagnostics area. ThinkCyte, a venture company, possesses Ghost Cytometry technology that enables cytomorphologic information to be obtained simply and rapidly. This technology provides a much greater quantity of information than conventional testing using flow cytometry,¹ allowing more precise cytomorphologic information to be obtained. In addition to the number and morphology of cells, if Ghost Cytometry technology can be used to analyze the detailed characteristics and functions of each cell, it will be extremely effective in determining pathological statuses from blood and other samples. It is therefore expected to contribute not only to improving accuracy in general diagnosis, but also in personalized medicine.²

Systemex and ThinkCyte will integrate Systemex's wide knowledge and expertise in *in vitro* diagnostics with ThinkCyte's highly innovative Ghost Cytometry technology to develop new cytometric technologies and testing methods, with the aim of contributing to the advancement and evolution of global healthcare.

- 1 Flow cytometry: A technology in which cells or fine particles are passed through an instrument, allowing individual cells or particles to be analyzed optically.
- 2 Medical care in which the optimal treatment method is selected for each patient according to their individual characteristics based on data from genetic testing or other examinations. Personalized medicine represents an advance in conventional treatment, in which treatment for each disease is uniform and predetermined.

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Initiatives for Alzheimer's Disease

Globally, the number of dementia patients exceeded 50 million in 2019 and is predicted to reach 152 million by 2050.*

Alzheimer's disease accounts for 60% of dementia cases. Its onset is thought to be triggered by an accumulation of plaque consisting of a protein called amyloid-beta ($A\beta$) in the brain before cognitive impairment appears. Therefore, early diagnosis and interventions are considered to enhance effectiveness of treatment targeting $A\beta$. However, at present, imaging of the brain (PET imaging) and cerebrospinal fluid testing to identify accumulation of $A\beta$ are expensive and institutions offering these procedures are limited. There is also a significant physical burden on patients.

Sysmex has been engaged in the development of an easy-to-use technology to identify the accumulation of $A\beta$ in the brain to help solve these issues. In February 2016, Sysmex and Eisai Co., Ltd. entered into a comprehensive, non-exclusive collaboration agreement for the creation of new diagnostic reagents in the field of dementia. By utilizing each other's technologies and knowledge, Sysmex and Eisai have been engaged in the development of next-generation diagnostic reagents that will enable the early diagnosis of dementia, the selection of treatment options, and the monitoring of treatment effects.

We are conducting product development toward practical use on diagnostic reagents that aid determination of $A\beta$ accumulation in the brain by measuring $A\beta$ levels in the blood. These reagents will be used with our automated immunoassay systems based on the chemiluminescence enzyme immunoassay (CLEIA) principle.

Going forward, we will continue to create new diagnostic technologies for the prevention and treatment of dementia, aiming to contribute to improving the quality of life (QOL) of patients and their families.

* World Alzheimer Report 2018

Stakeholder's Voice

Shigeki Iwanaga, Vice President of Central Research Laboratories



Up until now, it has been very difficult to collect brain information with blood tests, but if we can establish this technology to measure $A\beta$ in blood, it would be regarded as a milestone in the accurate measurement of brain information with blood tests. My dream for the next 10 to 20 years is to come up with new testing and diagnostic techniques that can help not only patients with known conditions, but also those suffering from diseases of unknown etiology.

Please click here for details:

► [Contributing to the Early Detection and Treatment of Alzheimer's Disease](#)

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Improvement in Accessibility to Healthcare: Approaches to Global Health and Universal Health Coverage

At present, there are many issues affecting people's health on a global level. In addressing these, international cooperation is required. Many issues stem from underdeveloped healthcare environments and systems which, by making it difficult to receive proper healthcare, threaten people's health in many parts of the world.

Sysmex strives to solve global health issues in testing and diagnosis, our main area of business. One of Sysmex's responsibilities as a global company is to help improve access to proper healthcare so that as many people as possible can benefit from it. We will contribute to achieving universal health coverage (UHC)* by making high quality testing widely available in emerging and developing countries.

* UHC means providing all people access to affordable, proper services for health improvement, prevention, treatment of diseases, and recovery of function.

Contribution to Malaria Elimination

Transmitted by mosquitoes, malaria is one of three major infectious diseases defined by the World Health Organization (WHO), and is prevalent mainly in tropical and subtropical regions. As blood samples are used in testing for malaria, applying technology accumulated in the hematology area, Sysmex developed an automated hematology analyzer to support standardization and optimization of malaria testing. Malaria is a disease in which the number of deaths can be reduced through early detection and treatment. By providing an instrument for use in clinical settings that can swiftly and conveniently produce useful results for diagnosis, Sysmex is contributing to the elimination of malaria.

Innovation in Testing for Malaria

The current mainstream method of testing for malaria uses a rapid diagnostic kit or a microscope. But both options pose problems such as the time required, ranging from 15 to 30 minutes, including pretreatment, and requiring skilled techniques in microscopic testing. In contrast, our hematology analyzer identifies red blood cells infected with the malaria parasite and determines the percentage of infected cells without pretreatment, automatically performing both processes in about one minute¹ with a high degree of accuracy.² In addition, since our hematology analyzer calculates eight CBC parameters³ that are measured in normal hematology testing at the same time, it can provide clinicians with data on other aspects such as anemia and nutrition status, in addition to detecting malaria. Through the use of this technology and product, Sysmex is supporting clinical settings in areas where malaria is endemic.

Sysmex has been involved in the initiatives of the Malaria Consortium, which consists of research institutes and enterprises that have been combating malaria since 2016. In the field of testing and diagnosis, we contribute to project activities conducted through industry-government-academia partnerships in Asia and Africa.

- 1 Time from specimen setting to judgment of outcome.
- 2 Testing by the analyzer does not mean replacement of malaria diagnosis by microscopic testing. Nor does it mean a diagnosis can be made through the outcome of analyzer testing alone. Diagnostic confirmation is based on a doctor's comprehensive judgment, which includes other clinical information.
- 3 Red blood cell count (RBC), white blood cell count (WBC), hemoglobin volume (Hb), hematocrit value (Ht), mean corpuscular volume (MCV), mean corpuscular hemoglobin (MCH), mean corpuscular hemoglobin concentration (MCHC), and platelet count.

Mainstream Testing for Malaria

About 15 to 30 minutes

Microscopic testing

Testing requires skilled technicians



Rapid diagnostic kit

Easier to perform than microscopy in testing, but results are less accurate



Testing for Malaria Using Sysmex Analyzer

About one minute

· Identifying red blood cells infected with the malaria parasite and determining their numbers automatically and with high accuracy

· 8 CBC parameters including RBC, WBC, Hb, and platelet count are calculated at the same time



Supports early detection and treatment of malaria

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Interview of a Medical Professional in Nigeria



Nigeria is one of the places where malaria is endemic. With conventional microscopic testing it can sometimes take an hour to obtain an accurate result because it is affected by many factors, including the technician's experience and the number of processing stages. Sysmex's analyzer provides results which are comparable to those of microscopy, but in a much shorter time. It also precisely determines the rate of blood cells infected with the malaria parasite. In addition, the technology can be used to differentiate between fever due to malaria and that due to other diseases such as COVID-19.

Please click here for details:

- [The 8th Nikkei FT Communicable Diseases Conference Sysmex: "Innovation in Testing for Emerging and Re-emerging Infectious Diseases"](#)

► **Our Contributions to the Quality of HIV Diagnosis and Treatment**

Contribution to Strengthening Healthcare Systems

Emerging and developing countries need to develop the abilities of medical professionals (capacity building) to solve health and medical issues. Sysmex continuously provides products, services, and support to medical institutions while increasing opportunities to provide training and scientific information to medical professionals. We contribute to the early detection and treatment of diseases as well as improving diagnoses and treatment methods, by emphasizing the significance and clinical value of testing and the dissemination of technology.

Training for Medical Professionals

Sysmex has established an in-house training center called Sysmex Academy. In addition, we provide globally unified educational content and skill management tools through our Caresphere™ Academy for online training, which enables us to conduct educational programs on clinical value and training sessions on instrument maintenance for sales distributors and medical professionals. In Africa, we offer mentorship training that we developed to ensure that laboratories' quality management systems conform to the international standard ISO 15189.

- Pursuit of Quality and Trust
► Technical Support to Provide High-quality Test Data

Public-Private Partnership Project with JICA

Sysmex conducted the Project for the Dissemination of Automated Urinalysis Diagnosis Technology between August 2018 and February 2022 as part of the Japan International Cooperation Agency (JICA) Collaboration Program with the Private Sector for Disseminating Japanese Technology for the Social and Economic Development of Developing Countries. We installed a fully-automated urinalysis testing system in the Komfo Anokye Teaching Hospital (KATH), Ghana's national teaching hospital, and organized seminars and symposiums, which were attended by 860 local healthcare professionals. This project was recognized as an effort toward the attainment of Sustainable Development Goals (SDGs), and Sysmex was certified as a "JICA-SDGs Partner".* We will remain committed to educating local healthcare professionals on the clinical value and effectiveness of automated urinalysis diagnosis technology in our efforts toward high quality clinical testing in Ghana and other developing countries.

* From August 2020 to February 2022



Achievement presentation of JICA's collaboration program



Instruments at KATH

- **Acceptance of JICA Trainees**

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Partnership

At present, establishing medical infrastructures in response to issues at each stage of economic development is a major task for developing countries, but their healthcare markets are expected to see growth in the future. As accurate test results are a starting point for proper healthcare, Sysmex has been building relationships with the health ministry and medical institutions in each country and region, as well as creating systems for promoting high quality testing and establishing testing environments. We have also been making efforts to create new value by utilizing international cooperation and public-private partnership frameworks, and collaborating with other companies.

Cross-Industry Collaborative Co-creation Project: Contributing to Universal Nutrition Health Coverage

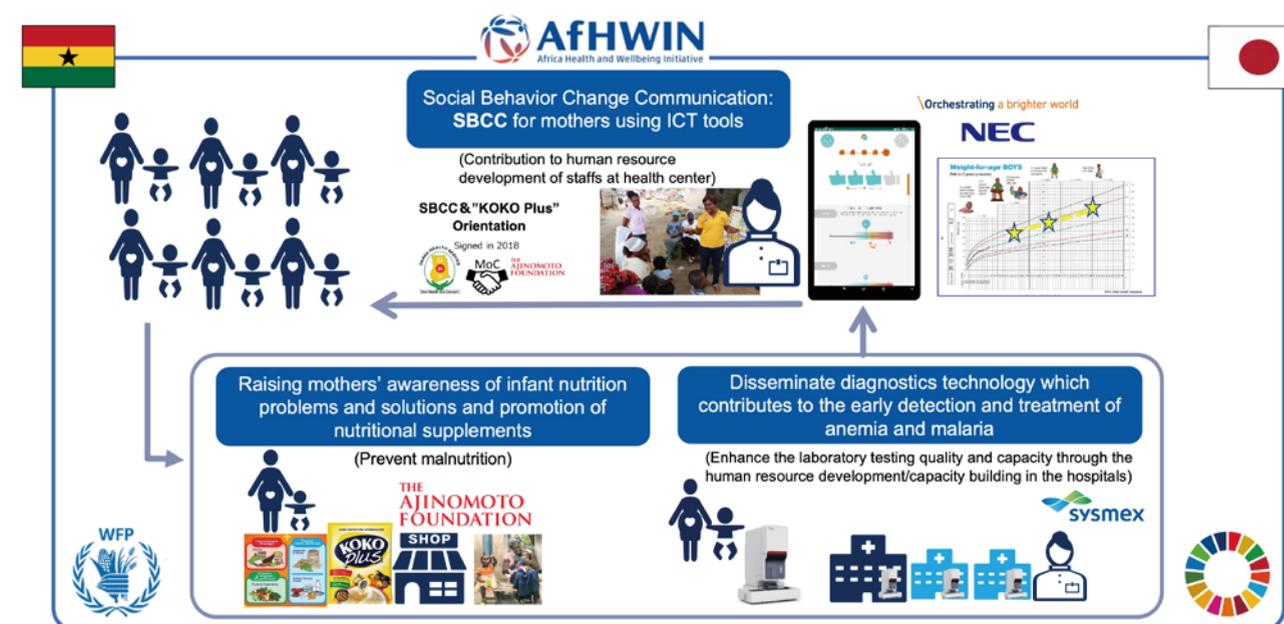
In Ghana, malnutrition is the greatest risk factor for death and disability, while malaria is the leading cause of death,¹ and both represent serious healthcare problems. Malnutrition inhibits growth and delays development of the body and brain in both fetuses and infants, and causes anemia, which increases the severity risk for malaria. In addition, since the health of children under the age of five years and pregnant women is particularly damaged by malaria,² an integrated approach for nutrition, anemia, and malaria is required.

Sysmex Corporation has initiated a co-creation project for improving the health and nutrition of mothers and children in Ghana in collaboration with the Ajinomoto Foundation and

NEC Corporation. This project is based on existing activities of the Ajinomoto Foundation together with Ghana Health Service, which includes behavior modification for mothers and the recommendation of nutrition supplements. By combining high-quality testing with ICT from Japan, we aim to create a system for improving the health and nutrition of mothers and children. Sysmex will be responsible for the installation of diagnostic instruments for malaria in medical institutions as well as personnel development and educational activities for medical professionals.

1 The Institute for Health Metrics and Evaluation (IHME)
<https://www.healthdata.org/ghana>

2 Children under five years old are particularly vulnerable to both malaria and malnutrition, and malaria may be more severe in malnourished children. Additionally, malaria increases the risk of poor outcomes for mothers and newborns such as anemia and death in pregnant women, miscarriages, stillbirths, low-birthweight infants and newborn and infant death. Nutrition and Malaria: Integrated approach for effective case management
<https://endmalaria.org/related-material/malaria-and-nutrition-thematic-brief>



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Initiatives of Global Health Business Leader Coalition

In April 2022, the Global Health Business Leader Coalition, a group of volunteers consisting of executives of Japanese companies which aims to contribute in the global health area,* delivered a written request titled “Global Health as a New Growth Industry for Japan: Global Development of a Virtuous Circle for Growth and Distribution” to Japanese Prime Minister Fumio Kishida. Hisashi Ietsugu, Chairman and CEO of Sysmex Corporation, was one of the volunteers signing this written request.

The written request was an appeal to the government to take various actions: double ODA in the global health area, position global health as a principle growth strategy for “New Capitalism”, and strengthen initiatives enabling Japanese companies to contribute in this area.

* Support and business development in healthcare on a global level, particularly in the areas of public health and measures against infectious diseases.

Participating in the Global Health Innovative Technology Fund (GHIT Fund)

Since 2015, Sysmex Corporation has participated in the Global Health Innovative Technology Fund (GHIT Fund), which states its vision for action as “one in which the crushing burden of infectious disease no longer prevents billions of people in the developing world from seeking the level of prosperity and longevity now common in the industrialized world”. The GHIT Fund has entered its second phase of activity (2018–2022),

shifting from its initial focus on product development to activities to provide products to the people who need them. We will continue to participate in the Fund’s second-phase efforts. By promoting initiatives aimed at developing and

providing new reagents for infectious diseases through Japanese technological innovation, we will contribute to the eradication of infectious diseases in developing countries.

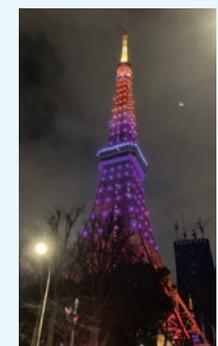
Initiatives for Neglected Tropical Diseases

Neglected tropical diseases (NTDs) affect over one billion people living in poverty worldwide, mainly in tropical and subtropical areas, and are a major cause of poverty and health disparity. The WHO defines 20 diseases as NTDs. Sysmex has been investigating dengue fever, one of the NTDs, to provide more accurate information on its pathological status. Dengue fever is caused by infection by the dengue virus and causes thrombocytopenia. It can be severe in some patients. In collaboration with the University of Malaya in Malaysia, Sysmex conducted research on the immature platelet fraction (IPF) which is thought to be a useful supplemental factor in the diagnosis of thrombocytopenia, and published an article on this issue in the International Journal of Infectious Diseases, with a view to promoting the use of IPF in clinical practice. At present, platelet count is used as a recovery marker for dengue fever. However, the above research, involving 287 patients, indicated that IPF predicts recovery from dengue fever two to three days earlier than indicated by platelet count. This will enable more appropriate medical

interventions for patients and contribute to reducing medical costs.

Sysmex has also published a scientific guide for medical professionals entitled “Emerging and re-emerging infectious diseases which medical professionals should know about: Dengue Fever”, and participated in educational campaign events for World NTD Day.

► **Evaluation of immature platelet fraction as a marker of dengue fever progression (ijdonline.com)** [🔗](#)



World NTD Day event (Tokyo Tower lit up)

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Why It is Important

Quality issues and problems that threaten the reliability of products are making society more vigilant about the quality and safety of products and services. In addition, the scope of corporate responsibility has expanded to the entire supply chain, which includes business partners. Furthermore, the Sustainable Development Goals (SDGs) identify responsibility for sustainable production and raise targets for working environments. Sysmex conducts business in the medical sector, which plays an important role in human life and health. Accordingly, we are called upon to provide products and services of increasing quality and safety, as well as to manage our supply chain appropriately. We believe such activities are important, as they help improve the quality of healthcare and enhance customer satisfaction, thereby building brand strength.

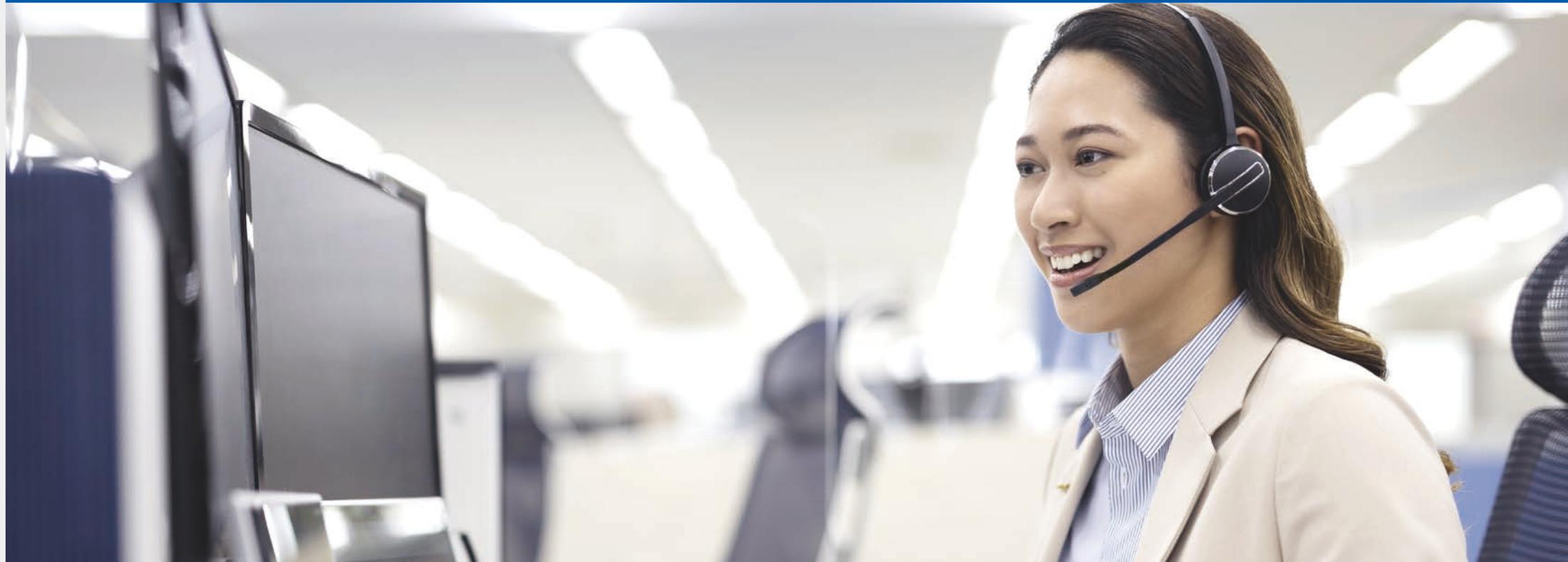
Policy

Sysmex offers safe products and services of high quality in accordance with the Quality Policy of helping to create a fulfilling and healthy society through global business activities in the healthcare domain. We also promote CSR-oriented procurement according to our Procurement Policy in order to achieve sustainable growth with our business partners.

▶ Click here for our policies on the responsible provision of products and services.

Framework

Under the supervision and management of our CEO, the quality assurance department leads our quality management efforts. We also promote supply chain management by the production and the SCM departments, which is managed by a senior executive officer.



Targets
(fiscal 2023)



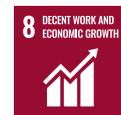
90%

CSR survey response rate (primary suppliers in Japan and overseas)



6

Number of training sessions for suppliers



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Quality Management

Group Quality Management System

At Sysmex, under the supervision and management of the CEO, the Quality Assurance Department leads our quality management efforts.

More specifically, we hold a quality meeting each month at which the managers of our Development, Production, and Marketing, and Service Departments explore what we can do to monitor the quality, effectiveness, and safety of products and services, along with improvement measures. We also hold Quality System Committee meetings regularly to review quality targets, responses to inspections by regulatory bodies, and a management review of instructions for output. This is part of our efforts to maintain the Group's quality management system and promote activities for improvement. All our production facilities for final products* have obtained ISO 9001 or ISO 13485 certification. Out of the 79 companies in the Sysmex Group, 33 have been ISO 9001 certified and 21 have been ISO 13485 certified. In fiscal 2021, 11 cases of nonconformity were identified in an internal quality audit and five cases during an external quality audit. Remedial action is being taken.

Since fiscal 2021, we have been making further efforts to improve quality by setting the numbers of recalls and FDA warning letters as indicators for monitoring progress of sustainability targets.

* Wholly owned subsidiaries

► **Status of Sustainability Targets**



► For details, refer to ID 0910589004 on www.tuv.com/japan/en/.

The applicable scope of activities and website vary according to the standard.

► [Quality Policy](#)

► [Product Security Policy](#)

Sustainable Improvement Programs

Compliance with Related Laws and Regulations in Each Country

Used in laboratory testing, Sysmex's products play a vital role in protecting people's lives and health. Sysmex has created a system which allows us to thoroughly comply with regulations worldwide, including the In Vitro Diagnostic Medical Devices Regulation in the EU, the U.S. FDA's Quality System Regulation and the Regulations on the Supervision and Administration of Medical Devices in China, as well as maintaining and improving the safety and quality of our products.

► [Chemical Substance Management for Products](#)

Reinforcing Structures for Maintaining and Enhancing Quality

In the product development process leading up to market launch, Sysmex verifies product quality by setting five "quality gates".¹ We also conduct quality- and safety-related risk assessments during the design and development phases of a new product, as well as when changes are made to the design of an existing product. If any high-risk event is noted, we act to eliminate it. Also, when marketing products that are manufactured by other companies, we verify their quality by conducting audits of the manufacturers and meticulously

inspecting their products. In addition to these efforts, in the unlikely event of a product defect, we have systems in place to quickly identify and respond to any problems.

At factory sites, each month we monitor manufacturing processes and the status of supplier conformity. We stipulate appropriate quality improvements for suppliers with high nonconformity rates, and we have a system to ensure quality through regular quality audits. In addition, our global quality complaint processing system allows us to gather quality information in a timely manner from markets around the world. When we receive information about a problem or malfunction, we immediately investigate the cause and cease distribution of the product in question. If we need to take any corrective or preventive actions regarding a problem or malfunction, we promptly plan these actions in accordance with the Group's regulations, carry out the plan, and later verify the validity and effectiveness of the actions taken. In 2021, in order to ensure the quality and traceability of our products, we started to utilize the Global Positioning System (GPS) and temperature data loggers² for the transportation of some reagents used in genetic testing. In the future, we will sequentially expand the use of these methods to diagnostic reagents that require high-quality assurance.

¹ Product design assessment, process design assessment, evaluation by product quality control department, quality management system (QMS) checks during manufacturing process, and inspections for mass produced items

² Measurement device equipped with a thermometer and a data logger

► [Product Quality and Vigilance Control System](#)
 ► [Project for Promoting Digitalization: Product Quality Improvement Activities Based on Reforming Services and Support](#)

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Providing High Quality Products and Services through Third-Party Certification

To enhance credibility, we are strengthening our quality assurance system regarding product inspection results. Sysmex International Reagents is ISO Guide 34 (now ISO 17034) certified. This international standard relates to the competence of reference material producers. This was the first such certification granted in the hematology field in Japan. It recognizes a manufacturer's competence to provide reference materials of proper quality. This certification strengthens our credibility concerning the quality of data of our products and services, enabling our customers in global clinical laboratories to verify their own competence to provide proper test data.

Employee Training

Focusing on Specialized Quality and Safety Training

In addition to Quality Policy training, Sysmex provides regular quality management training for related departments, and specialized training on laws and regulations for employees in specific departments or job categories. In fiscal 2021, we provided quality training to a total of about 3,100 employees across Japan in the Group companies' various development, production, and marketing and service departments, as well as in ISO-certified business offices. We also held quality training at all production facilities for final products and ISO-certified business offices managed by our Group companies overseas. As a company that provides products and services in more

than 190 countries and regions around the world, we conduct training on the regulatory systems of individual countries for engineers in development departments, ensuring that we develop products in accordance with applicable laws and regulations.

Quality and Safety Information

Sharing Customer Feedback within the Group

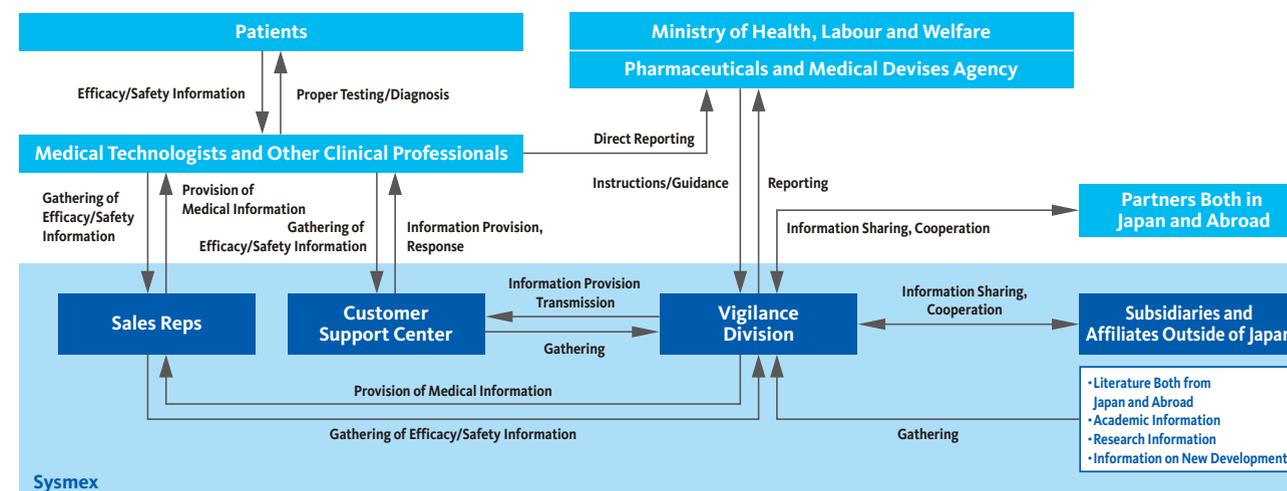
Sysmex established the Post-marketing Quality Assurance Department, which controls information regarding the quality and safety of our products. Its function is to field inquiries it

receives from outside the Company, as well as to investigate and analyze the information it receives; to share this information with the Design, Manufacturing, and other divisions; and to improve quality. In addition, we have put in place a structure for incorporating this information in the next generation of products.

Product Recall and Repair Information Posted on Our Website

Sysmex posts information about product recalls and repairs on its website under "Important Product Notices".

Product Quality and Vigilance Control System



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Working Aggressively to Stamp Out Counterfeit Reagents

To assure accurate testing results, Sysmex asks its customers to use Sysmex-branded instruments and reagents together. In recent years, however, counterfeit Sysmex reagents have been found in circulation in some areas. The use of such reagents endangers the reliability of testing results and, in some cases, can be harmful to patients' health. For this reason, Sysmex continuously monitors markets for counterfeit reagents. When they are discovered, we work with local government institutions and judicial bodies to ensure the swift and thorough enforcement of our intellectual property rights. We also caution medical institutions against the use of counterfeit reagents by placing advertisements in newspapers.

► Intellectual Property-related Activities to Protect Business Models (Japanese)

Enhancing Customer Satisfaction

Conducting Customer Satisfaction Surveys in Japan and Overseas

Sysmex conducts customer satisfaction surveys in various countries and regions, including China and Japan as well as major countries in the Americas, EMEA,* and the Asia Pacific region. These surveys use indices customized for each country and region in accordance with the products and services offered in them.

Sysmex America has received the Best Customer Satisfaction award for 15 consecutive years, as well as the Best System Performance and the Best Service awards in the hematology system manufacturer category, in the IMV ServiceTrak Awards organized by IMV, a specialist provider of market research to

the medical imaging processing and the laboratory diagnostic industry.

Sysmex Shanghai won several awards for excellence at the Chinese Medical Device Industry Conference in July 2022 in recognition of superior product quality and after-sales service.



* EMEA: Europe, the Middle East, and Africa

► Performance Data for the Results of Our Customer Satisfaction Surveys

Efforts to Incorporate Customer Feedback in Our Products and Services

Requests and comments from customers are gathered by the Voice of the Customer (VOC) Group. After analyzing this information from various perspectives, the results are provided as feedback to related divisions so they can be utilized in new product development and operational improvements. In fiscal 2021, we gathered some 14,000 customers' feedback in the Japanese market. We have received a positive response to instruments with new functions and equipment that we have added as a result of customer input, which is indicated by the VOC mark in our product catalog.



Voice of Customer = お客様からのご意見・ご要望を製品開発に活かす取り組み。
日本国内で主要な機器・試薬の、研究開発から製造、販売、サービス&サポートまでを一貫して提供するシスメックスならではの取り組みです。

Providing Highly Satisfying User Training

Sysmex provides training on instrument operation and maintenance for customers in each region as part of customer support. In response to the "new normal", we have provided an online training system in each global region, where participation in training can be live-streamed and on an on-demand basis.

Sysmex America has set up the Center for Learning, an online training system, which has received several awards for high customer satisfaction, including silver awards in the Brandon Hall Group's Excellence in Technology Awards consecutively since fiscal 2020. Sysmex Europe has set up the Sysmex Academy Online, which received a bronze award in the Best Customer Training Program category in the Brandon Hall Group awards. In addition, these training programs will be integrated into a branded program called Caresphere™ Academy, which will be provided as a unified global program.



Virtual training via the Center for Learning

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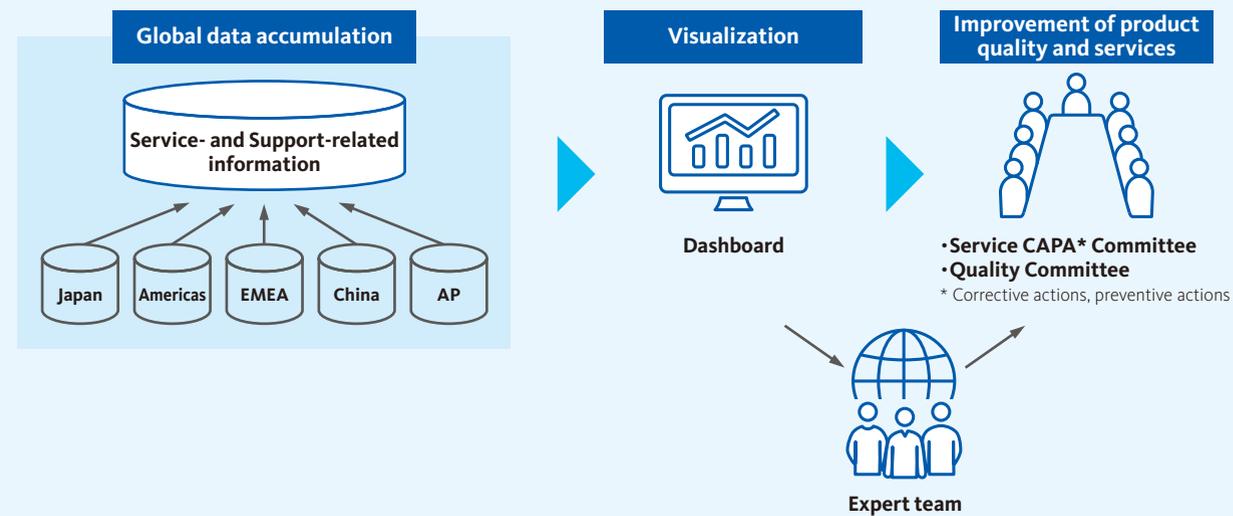
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Project for Promoting Digitalization: Product Quality Improvement Activities Based on Reforming Services and Support

Sysmex supplies its products in over 190 countries and regions around the world. However, in the past it has been difficult to obtain accurate information on instrument failure and service statuses. To address this issue, in 2019 the people involved in services and support at each regional headquarters came together and started a project for restructuring services and support.



In this project, we began accumulating global data on instrument failure and service status through the use of common global codes created for service- and support-related information in each region. At the same time, a team of experts was formed to monitor the data, which led to speeding up quality improvement processes for our products and services. We believe that proactive detection of instrument defects through these activities will reduce instrument failure rates, leading to greater customer satisfaction.

Disseminating Useful Information

Sysmex disseminates information that is useful for its customers in the Support Information section of its website. Up-to-date information is distributed using an email subscription service. We also offer a “Personal Page” function for managing content and viewing history. In these ways, we are continuously enhancing functionality to facilitate customer satisfaction.



Support Information website

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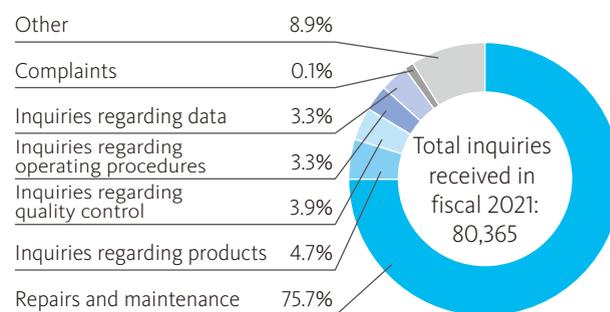
Corporate Citizenship Activities

Responding to Inquiries Rapidly and Responsibly

The Sysmex Group has established regional customer support centers to reply quickly and carefully to inquiries, as well as to respond promptly to customer requests.

In Japan, Sysmex Corporation has established a Customer Support Center, where experienced staff members with expert knowledge respond to customer inquiries 24 hours a day, 365 days a year (separate agreement required for use). By creating a database containing maintenance histories and the details of past inquiries from customers for quick reference, the center responds to inquiries and requests rapidly and carefully.

Responding to Inquiries at the Customer Support Center



Scientific Activities

Sysmex holds scientific seminars to impart the latest information about clinical testing in various countries and regions across the world. In Asia, we work with government

agencies including countries' health ministries and major academic societies in order to conduct scientific activities designed to help improve the quality of clinical testing.

Holding Scientific Seminars for Medical Professionals

Sysmex has held an annual Scientific Seminar since 1978, to discuss topics selected from a range of medical research areas and provide opportunities to share the latest information and knowledge gained. In 2021, a Sysmex Scientific Seminar on the theme of microorganisms and medical treatment/healthcare worldwide. In 2022, a seminar on the theme of hematologic diseases was held in hybrid form, with both online and onsite participation, and around 3,500 people attended. In addition, we have conducted participant surveys in each country in order to determine medical issues and interests specific to countries and regions. This information is utilized to decide on themes of future seminars or for Group initiatives. We have held many other seminars globally, with total participation at around 60,000. Through these initiatives, we aim to build trust-based relationships with medical professionals and help improve the quality of medical care.



Sysmex Scientific Seminar 2022

► Scientific Support Activities to Standardize and Raise the Quality of Clinical Testing

Activities for Patients and the General Public

In fiscal 2021, Sysmex set up an online scientific information website titled "Medical meets Technology" to provide information on the varied roles of technology in healthcare from a scientific viewpoint, in an easy-to-understand format. In addition, from the viewpoint of informed consent, product information for the NCC Oncopanel, a testing system for cancer genome profiling, has been revised with easier to understand explanations for patients and their families. This information was previously only available to medical professionals.

In response to issues related to antimicrobial resistance (AMR), we are conducting a variety of initiatives, which include the global implementation of "#AMRfighter", an awareness-raising activity, and widely distributing a scientific booklet titled "Proper Use of Antibiotics", directed at patients and the general public.



Scientific information website

- [Medical meets Technology \(Japanese\)](#)
- [Things You Should Know about Testing Using NCC Oncopanel System \(Japanese\)](#)
- [What Is Antimicrobial Resistance \(AMR\)?](#)

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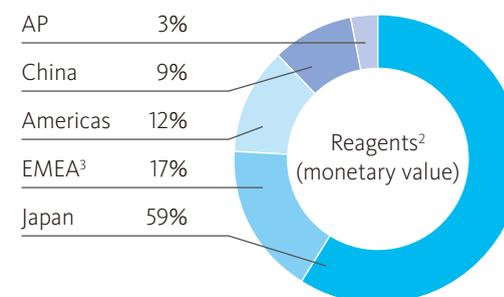
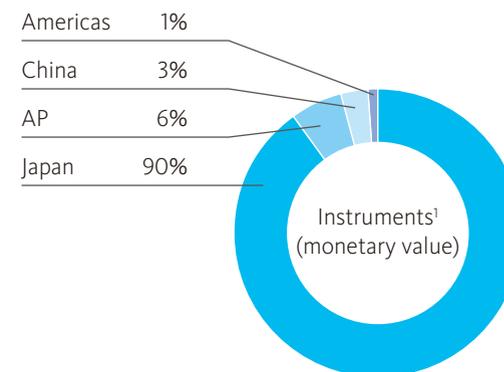
Stable Supply of Products

In Japan, Sysmex has developed an efficient production system for instruments by utilizing ICT to overcome global cost competition and ensure high quality for our products. The production of reagents, which are essential for daily testing carried out by medical institutions, has been expanded globally.

In order to ensure a stable supply of our products, we procure key raw materials from multiple sources and select production locations in accordance with the concept of “local production for local consumption”, thereby dispersing risks. In addition, for cases of emergency, we have created mutual supply systems among factories and secured alternative transportation routes. In fiscal 2021, we were affected in various ways by COVID-19, when cases started to increase again. In a tight supply situation for various raw materials, we obtained the cooperation of the suppliers in prioritizing materials for healthcare products. As a result, we could secure the purchase amounts of materials and increase inventories, enabling us to maintain a stable supply of products. We also managed to maintain stable supplies during the prolonged disruption of global distribution, through the use of new sea routes and other measures.

► Establishment of Business Continuity Plan (BCP)

Procurement Region Analysis (Fiscal 2021)



1 Analysis of procurement regions for parts

2 Regional analysis of Group companies that purchase raw materials (excluding purchased products)

3 Europe, the Middle East, and Africa

Conducting CSR Surveys

Sysmex conducts CSR surveys of its business partners. For surveys of existing business partners, we use the CSR/Sustainable Procurement Self-Assessment Tool Set developed by Global Compact Network Japan, which covers a wide range of issues such as human rights, labor practices, corruption, and the environment. We elect not to conduct business with new partners who have inadequate CSR initiatives. In addition to CSR surveys, we hold management interviews with new business partners. We undertake the same sort of initiatives for overseas partners. In particular, personnel in charge of procurement make local visits to determine the status of child labor and workplace environment in order to confirm that no problems exist.

Each Group company also conducts regular surveys of its business partners. Sysmex Europe conducts CSR surveys of all new business partners regarding such aspects as human rights and green procurement. Jinan Sysmex also holds quarterly meetings with its business partners to conduct risk assessments, in addition to carrying out environmental and occupational safety and health surveys.

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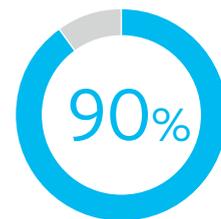
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Fiscal 2021 Results

The response rate for surveys of primary raw material suppliers conducted in fiscal 2021 was 90%, maintaining the previous fiscal year's high response. Based on the results of the CSR surveys in fiscal 2020, we identified items with low scores or high risks and followed up with our business partners with suggestions for improvement. In addition, we ascertained the management status of secondary suppliers with 13 of our primary suppliers, and conducted CSR surveys of 40 secondary suppliers jointly with two of these primary suppliers.

CSR Survey Response Rate (Fiscal 2021)



- [CSR/Sustainable Procurement Self-Assessment Tool Set](#)
A common CSR survey form created by Global Compact Network Japan (Japanese) [↗](#)
- [Status of Sustainability Targets](#)

Improving the Quality of Supplied Parts and Raw Materials

Systemex provides a quality assurance agreement that clearly states our requirements for the quality of goods, and concludes agreements with business partners after confirming their understanding of our procurement policy. We perform quality assessments of supplied goods and audits of business partners regularly to ensure that proper quality control is being carried out.

Relations in the Supply Chain

At Systemex, we strive to strengthen our relationships with trading partners so we can conduct business together based on their understanding of our business and procurement policies.

In fiscal 2021, we held BCP training for business partners in the event of a Nankai Trough megathrust earthquake, as well as explanatory meetings on sustainability, including SDGs and environmental issues. In total, around 250 partner companies participated in these activities.

We also hold regular meetings with overseas business partners to strengthen collaboration. Systemex Malaysia holds monthly meetings with local distributors to discuss the needs and issues of customers, with the aim of improving product quality and customer satisfaction.

Conducting Internal Awareness Activities to Ensure Compliance with Legislation

Systemex uses an electronic procurement system to prevent undue reduction in payments and return of products. In addition, all members of the procurement department undergo training on the Subcontract Act. For people newly assigned to this department, we also provide training on our procurement policy, CSR, green procurement, and procurement risks.

- [Procurement Policy](#) [📄](#)
- [Green Procurement Standards](#) [📄](#)
- [Anti-Slavery and Human Trafficking Policy](#)

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Why It is Important

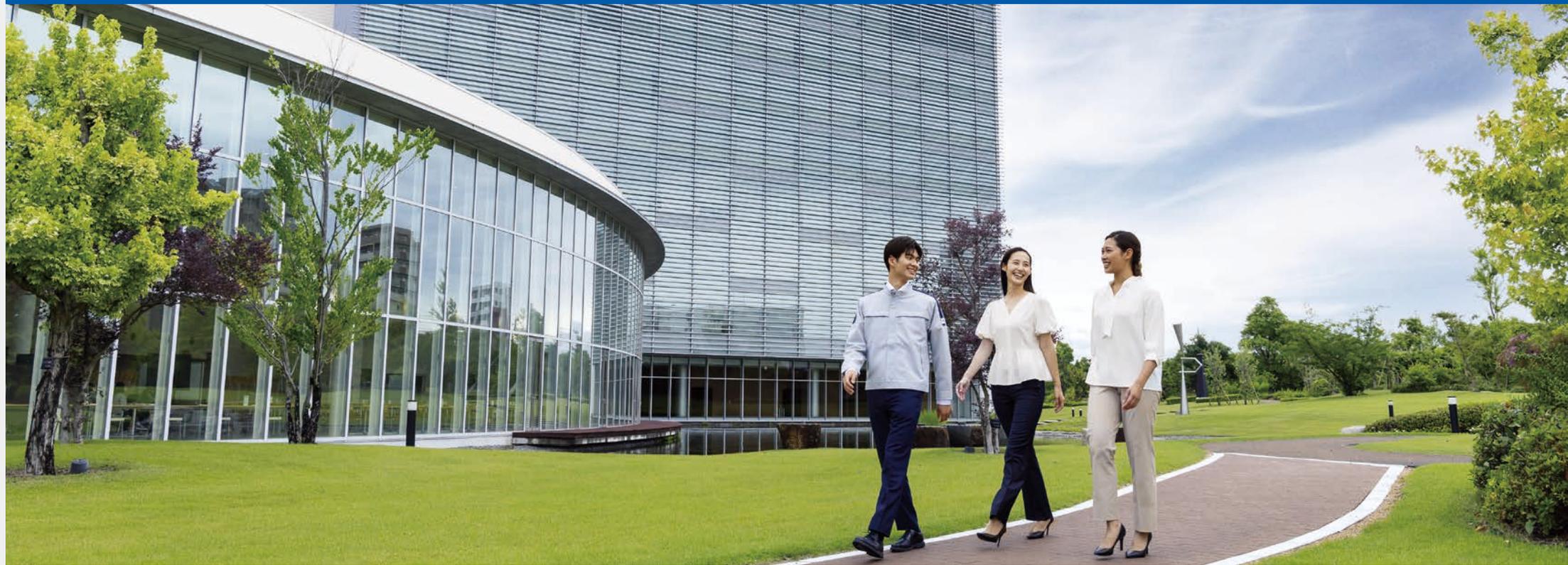
In recent years, the external environment has changed drastically due to the globalization of economic activities, the progress of digitalization, and a shrinking working population. Even in the healthcare market, competition is intensifying with new players, such as new entrants to the market from outside the industry. To strengthen its external competitiveness, Sysmex believes that acquiring and developing high-level, specialized personnel and next-generation leaders, as well as continuing to provide an attractive workplace, are important challenges.

Policy

The Core Behaviors of the Sysmex Way promises employees that Sysmex “honors diversity, respects the individuality of each employee, and provides them with a workplace where they can realize their full potential. We value the spirit of independence and challenge, provide employees with opportunities for self-fulfillment and growth, and reward them for their accomplishments”. Based on this, we have in place a human resource development system that develops capabilities in an ongoing and systematic manner. We promote diversity and inclusion, and we have introduced various systems in an effort to create a corporate culture that provides diverse employees with a sense of unity globally and the ability to maximize their skills.
► Policies for the realization of an attractive workplace

Framework

Sysmex has established diversity promotion and human resources development functions in the Human Resources Division under the supervision of a senior executive officer and senior managing director to provide an attractive workplace.



**Targets
(fiscal 2023)**

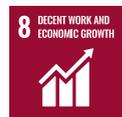

75%
Engagement score


0.58
Lost-time injuries frequency rate


0.02
Lost work day rate


17.0%
Female managers ratio


40.0 hours
Training time per employee



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Human Resource Strategy

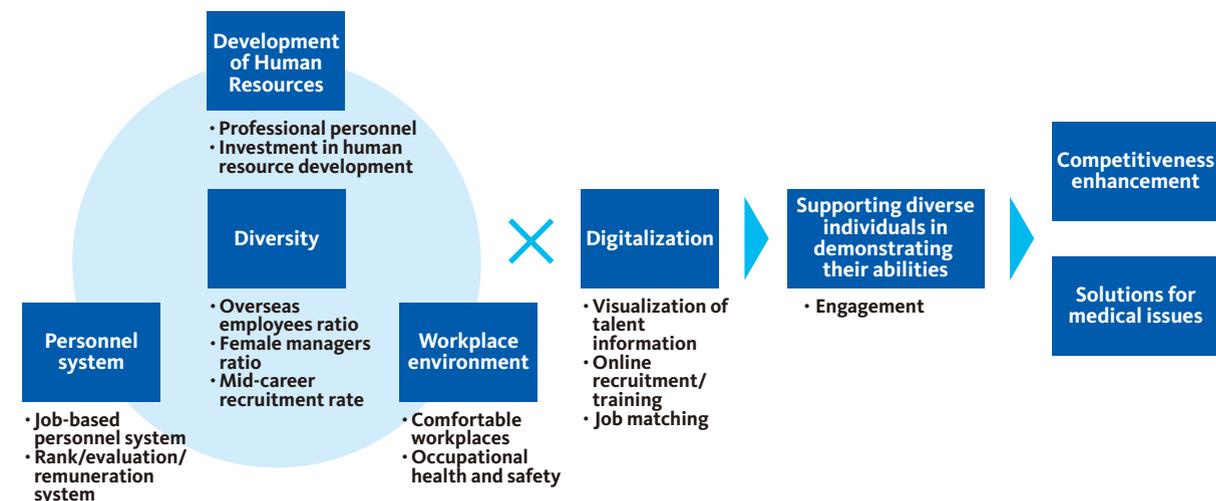
Sysmex strives to create a corporate culture that enables diverse individuals to feel a sense of unity and security in fulfilling their potential.

In order to support our businesses spanning over 190 countries and regions, we recruit diverse individuals who are highly familiar with each market. Our employees vary greatly in culture, beliefs, values, and previous work experience, and we make continuous efforts to provide a work environment in which employees respect each other and demonstrate their abilities to the full. We have set "Encourage entrenchment of the globally consistent job-based human resource management system" as a key action in our mid-term management plan to promote the transition to a globally unified human resource management system.

We strengthen corporate competitiveness by having all our employees demonstrate their individual abilities to achieve high productivity and good results. This also allows us to create solutions to medical issues through our business activities.

Human Resource-related Initiatives to Enhance Competitiveness

Sysmex attracts people with a strong desire to contribute to solving medical issues.



Our employees have a strong sense of commitment and a wide range of backgrounds. They are an important management resource for supporting sustainable growth, and are one of our strengths.

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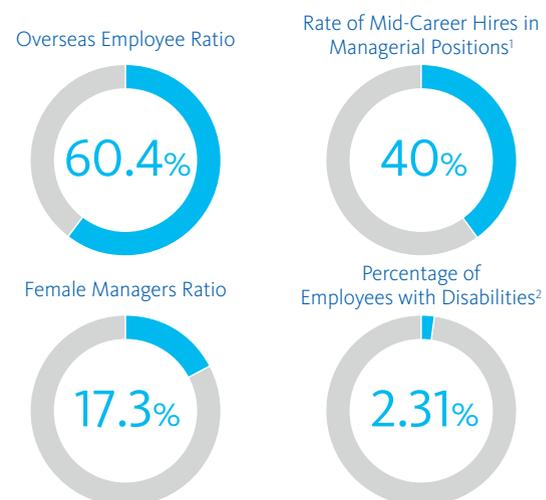
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Diversity and Inclusion

Systemex has progressed to practicing “diversity and inclusion” which creates an inclusive working environment that is suitable for a wide variety of people.

We have a policy of employing people based on personality regardless of nationality, race, gender, age, employment histories, or presence of disabilities, and set sustainability targets for female manager ratio and percentage of employees with disabilities. By doing this, we promote the recruitment of diverse individuals and their personal development as well as improvement of workplace environments. Additionally, we are proactive in making efforts to understand and accommodate sexual minorities, examples of which are the introduction of a partnership registration system and participation in Tokyo Rainbow Pride 2022, the biggest LGBTQ event in Japan.



¹ Systemex Corporation on a non-consolidated basis

² Group companies in Japan

► Promotion of Diversity and Inclusion

Personnel System

In April 2020, Systemex began addressing the “Introduction of globally consistent personnel management system and creation of global personnel database”, a key action in our mid-term management plan. The aim of this is to clarify requirements for employees by providing and disclosing job and mission descriptions which define the duties of, and skills necessary, for each position or team, to help employees achieve an optimum career path that is in line with their values and intentions.

We will also implement a grading system, evaluation system, and human resource development plan for all positions and teams in the Group according to our Group-wide HR policy, in order to achieve consistent human resource management that is applied to all Group companies. In addition, we will switch to a more externally competitive compensation system in order to hire and develop talented human resources capable of working anywhere in the world, which will enable Systemex to achieve sustainable growth.

► Global HR Policy

Development of Human Resources

Systemex has implemented various measures, including the creation of a sense of unity and developing next generation leaders, based on our Group-wide Global Human Resource Development System.

We provide our employees with opportunities to improve their career prospects; for instance, training to develop selected personnel as global leaders and an apprentice system which allows employees to work in their desired positions for a specified period. We also hold a Systemex Innovation Forum annually to present research results and research initiatives, with the aim of enhancing the skills and motivation of personnel working in research and development. In addition, we have a system of awards for individuals, divisions, or teams that make exceptional contributions to the Group, including the Group CEO Award, Patent Grand Prize, and Quality Award.



Systemex Innovation Forum 2021 (presentation and discussion)

► Human Resource Development Programs

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Workplace Environment

Systemex has implemented a “smart work” system in which our employees are able to choose the times and places of work depending on their duties and personal lifestyles, and a support system for balancing work and child/nursing care. In April 2020, we drew up the “Systemex Declaration of a Healthy Company” and have been taking measures to ensure occupational health and safety, as well as maintaining employee health and support of a good work-life balance. Our Group companies also engage in various initiatives to provide a comfortable working environment. Systemex Europe, Systemex Deutschland, Systemex Belgium, Systemex Nederland, and Systemex Turkey have all received the Great Place to Work* award for their excellent workplace environment and employee satisfaction.

* Rankings of companies announced by Great Place to Work (GPTW), a research institute that specializes in studies and analyses of corporate employees' job satisfaction. GPTW publishes in influential media the names of companies and organizations in about 60 countries that have been judged to meet certain standards.

- ▶ Provision of a Comfortable Working Environment
- ▶ Promotion of Health and Occupational Safety

Promotion of Digitalization: HR × DX

Systemex promotes digitalization of internal business processes to achieve optimization and efficiency across the region and function of the Group. We are also promoting digitalization in many aspects of personnel management including recruitment, human resource development, personnel systems, and engagement surveys.

Many actions have been taken. These include holding online internships, increasing opportunities of online training for employees, and introducing “smart work” system, a hybrid work style which combines onsite working (at offices, etc.) and remote working from home. We have also introduced a new system by which career paths can be autonomously selected for new recruits using a job-matching algorithm. By these initiatives, we were selected as a finalist in the “People Analytics” category of the Digital HR Competition organized by the People Analytics & HR Technology Association.



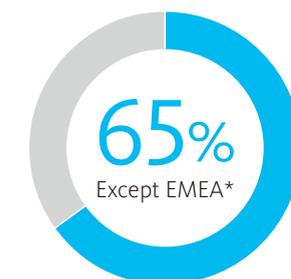
Efforts to Enhance Employee Satisfaction

Every year, Systemex conducts an engagement survey of all employees across the Group. Results are fed back to individual divisions, which implement measures to enhance the level of employee engagement, through PDCA cycles including drafting and executing action plans for improvement, and monitoring them.

In fiscal 2021, a pulse survey, a simple survey covering a shorter period, was introduced to allow the progress status of measures and the opinions of employees to be incorporated more rapidly. In addition, the results of each engagement survey are used as engagement scores through setting sustainability targets and we promote initiatives using them.

▶ Status of Sustainability Targets

Engagement Scores (Fiscal 2021)



* EMEA: Europe, the Middle East, and Africa

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Global Human Resource Development

Our Approach to Human Resource Development

Under its Group-wide global human resource development system, Sysmex cultivates a sense of unity between business activities and the workplace, while developing next-generation leaders. Efforts are also made to reinforce networks within the Group and foster cross-cultural understanding, for which various measures are taken.

Based on the four human resource development concepts of “Link training, evaluation, and work (produce results)”, “Promote globalization of the Sysmex Group”, “Continuous investment in human resource development”, and “Be a company that cultivates human resources and personal growth”, we aim to nurture personnel in a planned and steady manner while investing in human resources according to our financial condition, in accordance with our human resource development investment policy.

Three Core Training Systems

Training Type	Objective	FY2021 Results
Selective training	<ul style="list-style-type: none"> • Cultivate global leaders • Cultivate future management personnel 	To discover potential next-generation leaders at an early stage and prepare them for leadership, training requires employees to accept the challenge of stretch goals (those involving formidable obstacles). Other purposes are to acquire the ability to develop a vision and formulate strategies, and improve practical skills. Number of trainees: 25
Rank-based training	<ul style="list-style-type: none"> • Deepen our employees' understanding of the Group's corporate philosophy and history • Acquire an understanding of, and expertise in, management and issue resolution required at each level • Promote communication between departments 	Number of programs: 48; number of trainees: approx. 3,600
Elective training (Sysmex College)	<ul style="list-style-type: none"> • Obtain practical expertise, knowledge, and skills in business execution • Gain business and management expertise 	This training offers practical business courses and other programs designed to develop trainees' competencies, including strategic thinking, team building, negotiation, and problem solving. The program also provides knowledge training conducted by in-house instructors. Number of programs: 42; number of trainees: approx. 2,000

Human Resource Development Programs in the Age of the “New Normal”

Sysmex is working on the introduction of human resource development programs suited to the “new normal” age, in response to the need for diverse working styles amid the COVID-19 pandemic.

To be more specific, we have developed a system for online classes and are improving the content of programs to make them more suitable for an online setting. Furthermore, “smart work” system, which was introduced to facilitate diverse working styles, encourages employees to spend 15 minutes of their working hours per day on self-study. The total number of persons participating in training in fiscal 2021 was about 15,000. We have also introduced an apprentice system in which our employees can take on new duties when there are vacant positions, and are implementing measures to improve employees' career prospects, including support for increasing expertise. Under the newly introduced learning management system, supervisors monitor how their staff are doing in the programs they are taking, give advice on career development, and provide opportunities for dialog.

Digitalization Training: Data Journey

In fiscal 2021, we conducted a series of programs under the title “Data Journey” for employees to learn about trends and mechanism in cutting-edge technologies and how to deal with data. Five training sessions were conducted by external lecturers. Around 200 people participated in each one and, using the chat function, there was lively communication between lecturers and participants.



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Introduction of Internal Awards Systems to Stimulate Value Creation

Sysmex introduced the Group CEO Award system to recognize individuals, divisions, or teams that contribute most significantly to the realization of the Sysmex Way, our Group corporate philosophy, sharing these achievements throughout the Company. We provide awards to one individual and one group each year.

To motivate R&D engineers and heighten awareness of intellectual property, we have also introduced the Patent Grand Prize/Patent Prize of Distinction, the Patent Meister, and the Filing Commemoration Prize. In addition, we present the Quality Award for achievements in quality improvements. Separate commendation systems have been introduced in each global region to achieve penetration of the Sysmex Way.

Training for Research and Development Personnel

Sysmex actively conducts specialized training for research and development personnel.

In fiscal 2021, in order to actively stimulate innovation, some of our employees participated in external programs. This included the Japan Biodesign Fellowship Program, whose objective is to cultivate individuals who can provide solutions to issues by being involved in product development from the initial stage, starting from the needs of clinical settings, and the Female Participation and Advancement in Innovation Program organized by Osaka University.

We also conducted programs for development project

personnel to learn international standard project management methods, as well as voluntary cross-divisional bottom-up activities. In these activities, which continued for six months, R&D personnel addressed medical and technological issues free of the confines of organizational frameworks.

▶ [General Incorporated Association, Nihon Biodesign Gakkai \(jamti.or.jp\)](https://www.jamti.or.jp) 

Sysmex America Training Program Receives International Human Resource Development Awards

Sysmex America has a training program called Sysmex University for all employees in the United States, Canada, and Latin America. It offers a number of programs related to business skills, such as leadership skills, and specific professional skills. In fiscal 2021, Sysmex University received a gold award for the excellent content and usability of its programs in the Excellence in Learning awards organized by Brandon Hall Group¹, a global research company. This was the second fiscal year in a row that Sysmex University received a gold award. Sysmex America also won the 2021 BEST Award organized by the Association of Talent Development (ATD)² in the United States.



1 ▶ <https://www.brandonhall.com/> 

2 ▶ <https://www.td.org/about> 

Sysmex EMEA* Campus

For all employees in the EMEA region, Sysmex has established EMEA Campus, a training space offering various online and off-line training programs. EMEA Campus plans lectures and workshops on various themes, including general business skills and technical skills, with the goal of developing future leaders, enhancing skills, and creating internal networks. In addition, "Ready to Lead", a customized leadership training program for leaders, was set up in EMEA to help them master team management skills. In fiscal 2021, around 50 new leaders participated in this training.

* EMEA: Europe, the Middle East, and Africa



▶ [Other Key Human Resource Development Programs](#)

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Promotion of Diversity and Inclusion

Supporting Diverse Human Resources in Pursuing Careers

Systemex considers human resources an important management resource for achieving sustainable growth, and we have evolved to practicing "diversity and inclusion". This new approach involves creating an inclusive working environment that is suitable for a wide variety of people.

Systemex Corporation has a diversity promotion function that delivers information and engages in activities to promote an understanding of diversity. We also conduct an employee opinion diversity survey to incorporate the views of personnel into the measures we implement.

In order to support our business spanning over 190 countries and regions, the people we require are those acquainted with the markets in each region, not simply the Japanese market. We employ such people based on personality regardless of nationality, race, gender, age, employment histories, or disability. Furthermore, we have established processes that allow us to employ talented human resources in and outside Japan at the right time. We hire job applicants straight out of overseas universities, and we appoint women employees and employees with foreign citizenship as officers on the management team. In March 2021, Systemex Corporation was selected as a winner of the New Diversity Management Selection 100 by the Japanese Ministry of Economy, Trade and Industry (METI). The Selection honors progressive companies that engage in diversity management.

- New Diversity Management Selection 100 by METI (Japanese) 
- Recruitment Policy (Japanese)



Supporting Women's Career Activities

Systemex Corporation works to provide a comfortable working environment by establishing a system to support employees in pursuing their careers while raising children, among other supportive actions. We also engage in leadership training for women. In fiscal 2020, we launched an Action Plan based on the Act on the Promotion of Female Participation and Career Advancement in the Workplace. This Plan targets* a female manager rate of at least 15% of all managers and less than 1,950 annual working hours by fiscal 2024.

We have set the target percentage of women managers across the Group and the target rate of childcare leave taken by male employees as sustainability targets. We are determined to continue actions to empower women in the workplace. Our initiatives in fiscal 2021 included unconscious-bias training, a training program to support career motivation, and a training program to promote understanding of the empowerment of women in the workplace for newly appointed managers. We also held seminars on the theme of "working women and health", conducted by health and productivity management advisors, and other seminars regarding the importance of men being involved in parenting and on work-life balance conducted by external lecturers.

* Target: Systemex Corporation



Eruboshi certification given to an excellent company based on the Act on the Promotion of Female Participation and Career Advancement in the Workplace. Systemex received Level-3 certification, the highest grade.

- Action Plan under the Act on the Promotion of Women's Active Participation (Systemex Corporation) 
- Act on the Promotion of Female Participation and Career Advancement in the Workplace (Ministry of Health, Labour and Welfare) (Japanese) 

Understanding of Sexual and Gender Minorities and Our Response

Systemex has incorporated a rainbow flag in the profile images of the official social media account for each Systemex Group company to demonstrate our understanding of and support for LGBTQ people.¹

In fiscal 2020, Systemex Corporation established a partnership registration system, under which partners in same-sex relationships are recognized as spouses. We also participated in Tokyo Rainbow Pride 2022, the biggest LGBTQ event in Japan.

We have a dedicated intranet site for sexual minorities in order to promote a better understanding of their situation. During fiscal 2021, we held a diversity roundtable discussion² on the theme of "LGBTQ+³ and Gender" and distributed "Ally" stickers for people to show their support for LGBTQ people.



- 1 During a specified period in fiscal 2021
- 2 Roundtable discussions are held to exchange opinions on a wide range of topics, including work-life balance and cross-cultural understanding, as well as to provide opportunities for interdepartmental community building.
- 3 General acronym whose letters refer to sexual minorities regarding orientation/gender identification (lesbian, gay, bisexual, transgender, questioning/queer; the "+" represents other diverse sexualities).

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Supporting People with Disabilities

By creating a workplace where people with various physical, intellectual, and psychological disabilities can work in keeping with their abilities, we aim to foster an environment in which everyone, regardless of disabilities, can work and grow together enthusiastically and comfortably.

Systemex Harmony, a special subsidiary,* provides manufacturing support for our instruments and reagents, including packaging for instrument accessories and parts and the folding of reagent package inserts. This company is also responsible for packaging PCR test kits, which saw an increase in demand due to the COVID-19 pandemic. Systemex Harmony assigns its employees to work based on their individual abilities and ensures close communication between employees and their instructors through regular interviews. Consequently, the company has maintained a zero-employee turnover rate (as of March, 2022).

Systemex Europe works with an organization that endeavors to support the independence of people with disabilities. The company subcontracts packaging work in the manufacturing line of its reagent factory in Germany to such persons.

* A subsidiary that has been certified by the director of a Public Employment Security Office for special consideration in the employment of people with disabilities. Subsidiaries with labor regulations different from those of the parent company can give more consideration to the work capabilities and labor conditions of people with disabilities in their labor regulations and workplace environment, which makes it easier to increase employment of these workers.

Stakeholder's Voice

Chikage Shoji, Full-Time Instructor, Systemex Harmony
I was awarded the President's Encouragement Prize in the painting and photography competition* held yearly in the "Month for Supporting Employment for People with Disabilities". The purpose of my photograph was to show the conscientious looks on the faces of my colleagues while working at Systemex Harmony. I would like to continue supporting my colleagues in fulfilling their individual potential, making a contribution to society, and achieving a sense of independence, enjoyment and motivation through working at Systemex Harmony.

* Organized by the Japan Organization for Employment of the Elderly, Persons with Disabilities and Job Seekers



Prize-winning entry "Getting Test Reagents to Hospitals"

Seniors in the Workforce

In March 2021, Systemex Corporation raised the retirement age from 60 to 65,* and established a system that allows employees nearing retirement to work shorter hours, have a side job, and/or work concurrently for a different company. Our employees are also entitled to work as senior contract employees until they turn 70.

We have launched a Career Development Support Program as one of our efforts to assist senior employees in career development. This program is designed to provide basic knowledge and promote understanding of views needed in career planning. It combines e-learning, group training, and individual consultations to support participants in their autonomous career planning and specific behavior changes.

* Each employee can choose his/her retirement age between 60 and 65.

Diversity Education

Systemex Corporation publishes a monthly in-house magazine called the "Diversity Newsletter" to share information with employees and promote their understanding of diversity issues. In fiscal 2021, we organized roundtable discussions on diversity and inclusion, LGBTQ+, as well as support for people with disabilities, working women and health, and involvement of men in parenting. We also provided "unconscious bias" training designed to help employees recognize and address their unconscious biases, and held a seminar on universal etiquette to learn the mindset and actions required for interacting with people of diverse backgrounds.

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Human Capital: Realization of an Attractive Workplace Provision of a Comfortable Working Environment

Accommodating Diverse Working Styles

Joint Achievement of Comfortable Working and Productivity Enhancement

In fiscal 2021, Sysmex Corporation introduced a “smart work” system to respect the diversity of individual employees, as well as to respond to the new normal business environment and realize productivity enhancement.

It adopts a hybrid workstyle combining onsite (office) and remote (from home, etc.) working. In addition, we promote time management to realize a good work-life balance by allowing our employees to combine flextime, staggered office hours, and “stepping out from work” according to their business duties and individual lifestyles.

▶ Introducing “Smart Work” System (Sustainability Topics)



Encouraging Paid Leave and Ensuring Continuous Employment

Sysmex Corporation uses various measures to encourage employees to take paid leave. They include introduction of recommended dates for paid leave and a half-day paid leave system. Other measures include allowances paid under the “Cafeteria Plan”* (our welfare program) to employees who take paid leave for travel, leisure, or courses at culture centers. In addition, we have a leave of absence and re-employment program designed to offer a wide range of opportunities for employees who leave our employment due to their spouses’ overseas assignment or for other personal reasons, so that they can return to work.

* The Cafeteria Plan provides Cafeteria Points, which entitle employees to select and sign up for certain programs (e.g., parenting support, care assistance, health improvement, and certification) on their own. This system is applied to both full-time employees and contract employees.

Supporting a Balance between Work and Child-Rearing

Sysmex Corporation has introduced several programs to provide family support, from pre-natal care to child-rearing. These programs include leave for fertility treatment or morning sickness, a spouse’s childbirth, and nursing children. When childcare leave expires upon an employee’s child turning two years of age, employees are entitled to the reduced working hours program and the work-from-home program, until the child enters junior high school. To support employees returning to work after childcare leave, we hold seminars before their return. We also send out newsletters to employees

currently on childcare leave to keep them informed of work issues.

Technopark, our R&D site, has an in-house daycare center called Sysmex Kids Park. It is also available for temporary use when employees’ spouses work part-time, a child’s guardians is sick, or an employee is arranging a funeral.

We have received the next-generation support certification logo (nicknamed *Kurumin**) as a “company that supports child-rearing” from the Ministry of Health, Labour and Welfare.

* Based on the Act on Advancement of Measures to Support Raising Next-Generation Children, companies that formulate business plans as general business operators, meet the targets designated by such plans, and satisfy certain standards may receive *Kurumin* certification as a “company that supports child-rearing” from the Minister of Health, Labour and Welfare.



Sysmex Kids Park



Next-generation support certification logo (*Kurumin*)

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Encouraging Male Employees to Take Childcare Leave

Systemex Corporation implements measures to increase the number of male employees taking childcare leave. We have distributed the booklet “Guidebook for Fathers on Childcare Leave” and held seminars with external lecturers to explain the present status of childcare by men, the importance of men being involved in parenting, work-life balance, and the essentials of childcare, and have held discussions of these issues.



Stakeholder's Voice

Yosuke Ishii, DX Strategy
Development Division



I took six month's childcare leave for my first child and three month's childcare leave for my second. I have also used “smart work” system to combine office work and work-from-home to make better use of my time after returning from childcare leave, as my wife and I share housework and parenting. It was very rewarding to take childcare leave and share the hard work of raising children in infancy with my wife.

Other Systems to Support Work-Life Balance

Supporting Nursing Care, Corporate Citizenship Activities, and Others

Systemex Corporation has introduced a program that allows employees who need to attend to family members in the hospital to take short-term nursing care leave and accumulated paid leave for up to 40 days in half-day increments. We also have a work-at-home system that enables employees to care for family members who require nursing care or other types of support. In addition, we have an income indemnity system for employees on nursing care leave lasting one month or longer, and a program for re-employment of those whose careers have been interrupted by nursing care. In order to promote our nursing care systems, we hold explanatory sessions on nursing care every year to explain important points when a family member requires care to hear the experience of the people who have used them. Volunteer leave and donor leave programs are also available as support systems intended to make it easier for employees to take leave for particular purposes.



Participation in corporate citizenship activity
“Sysmex Forest” using volunteer leave

Activities at Group Companies

Our Group companies also engage in various initiatives to provide a comfortable working environment. Systemex Europe, Systemex Deutschland, Systemex Belgique, Systemex Nederland, and Systemex Turkey received the Great Place to Work* award for their excellent workplace environments and employee satisfaction.

► Activities at Other Group Companies



Internal communication magazine (Systemex Deutschland)

* Rankings of companies announced by Great Place to Work (GPTW), a research institute that specializes in studies and analyses of corporate employees' job satisfaction. GPTW publishes in influential media the names of companies and organizations in about 60 countries that have been judged to meet certain standards.

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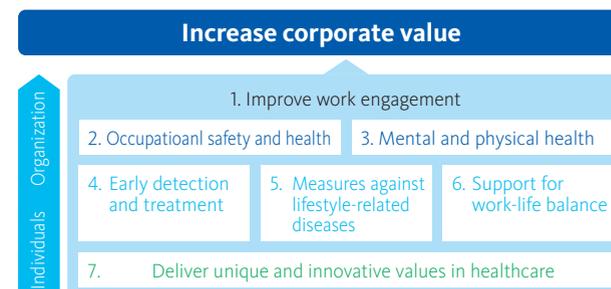
Promotion of Health and Occupational Safety

Declaration of a Healthy Company

Systemx Declaration of a Healthy Company

Systemx regards the promotion of a healthy company as a management issue. Our goal is that our employees, who are the foundation for the practice of the Group's corporate philosophy, will have fulfilling lives both physically and mentally. The Systemx Declaration of a Healthy Company, drawn up in April 2020, specifies matters of critical importance regarding such aspects as occupational health and safety and mental and physical health (materiality of health and productivity management). This has prompted Systemx to make continuous efforts toward employee health enhancement, create working environments where diversity is valued, and provide workplaces that employees feel proud of.

Materiality of Health and Productivity Management:



► [Systemx Declaration of a Healthy Company](#)

Our Efforts towards Health Enhancement

Efforts towards Employees' Health Enhancement

Systemx Corporation provides regular medical checkups for its employees, together with complete physical examinations and health screening for female-specific cancers. If an employee needs to receive long-term medical examinations and treatment, we make work-at-home arrangements for them among our efforts to help them continue to work. Moreover, in addition to mandatory annual medical checkups, we provide our own biannual checkups that include tests for hepatitis B and C for employees engaging in work involving infectious substances. This is to ensure early detection and treatment of any illnesses.

Systemx is registered as a partner company in the Ministry of Health, Labour and Welfare's "Cancer Screening Corporate Action" and "Know about Hepatitis Project". We have also signed the "Agreement to Promote an Increase in the Rate of Cancer Screening" with Hyogo Prefecture. These are some of our activities to educate employees about diseases and increase the rate of employees taking medical checkups. As a measure against passive smoking, Systemx removed smoking areas at business offices retained by its Group companies in Japan. We also provide allowances to cover stop-smoking services and attendance at smoking-cessation seminars.* Additionally, we conducted workplace vaccinations twice as a measure against COVID-19.

* Employees can apply for allowances that cover a medical consultation or a health-related seminar from the "Cafeteria Plan" welfare program.



Workplace vaccinations taking place

► [Cancer Screening Corporate Action \(Japanese\)](#)

► [Know about Hepatitis Project \(Japanese\)](#)



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Efforts to Ensure Employees' Mental Health

Systemex Corporation performs "Kokoro no Health Checks" annually to confirm employees' mental health and uncover any harassment-related situations. We track results over time and strive to make workplace improvements. We also provide channels for health consultations with industrial physicians and public health nurses, together with an Employee Assistance Program (EAP) for mental health, to ensure that external professionals are available to our employees when they need help. In fiscal 2021, we had industrial physicians conduct several seminars on mental health issues during the COVID-19 pandemic, such as anger management, to raise employee awareness of the need for self-care.

Efforts for Employees' Active and Healthy Lives

Systemex Corporation has welfare facilities to encourage employees to stay healthy - among them sports grounds and tennis courts, and a gymnasium with fitness equipment on the premises of our Solution Center, which provides customer services and support. We also hold events and seminars to raise employee awareness of physical health maintenance. In addition, we have introduced the "Cafeteria Plan" welfare program that includes programs to promote health, such as systems for assistance in using sports facilities. We also offer healthy menu options at employee cafeterias. Moreover, we have organized initiatives such as walking events and consultation services for specific health guidance during working hours as collaborative health efforts with our corporate health insurance society.



Tennis courts, gymnasium (Solution Center)

Recognition as a Company that Excels in Health and Productivity Management

Systemex Corporation undertakes various initiatives for health and productivity management, and we have an established framework for our activities that encompasses Group companies in Japan. These efforts have received positive responses and in March 2022 we were recognized for the sixth time by the Ministry of Economy, Trade and Industry as a "Company that excels in health and productivity management".



Activities at Other Group Companies

Systemex Group companies also engage in various initiatives to promote employee health. Our Group company, HITADO, has created an in-house fitness center to provide various fitness programs for all employees, such as yoga and Pilates. It also provides COVID-19 self-tests at any time free of charge in an in-house test center.



In-house fitness center (HITADO)

► **Activities at Other Group Companies**

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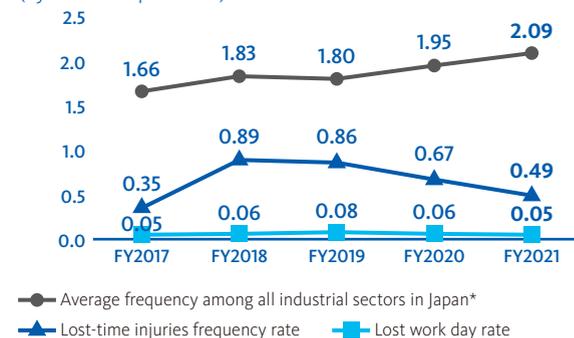
Framework and Promotion of Occupational Health and Safety

Framework for Promoting Occupational Health and Safety

To ensure the health and safety of its employees, Sysmex has formulated Regulations on Safety and Health, and it strives to create a safe working environment. We have the Central Health and Safety Committee for Group companies in Japan. The Committee aims to reinforce and enhance these Group companies' occupational health and safety systems. To this end, the Committee formulates policies and targets, ascertains the status of occupational health at individual business sites, and considers improvement measures. We also set targets for lost-time injury frequency rates and lost workday rates as sustainability targets, and report the status to the Managing Board semiannually.

► Status of Sustainability Targets

Lost-Time Injuries Frequency Rate/Lost Work Day Rate (Sysmex Corporation)



Note: Lost-time injuries frequency rate: number of employee deaths or injuries resulting from work-related accidents per million hours actually worked
 Lost work day rate: number of days absent from work due to work-related injuries per 1,000 hours actually worked

* Source: "Survey on Industrial Accidents," Ministry of Health, Labour and Welfare

Initiatives for Occupational Health and Safety

Health and Safety Committee meetings are held regularly at each Sysmex business office, and preemptive measures are taken from both short- and long-term perspectives based on the risk management concept, which includes eliminating risks identified through walk-around checks.

In addition, employees are given safety training on appropriate emergency and evacuation measures to be taken in the event of an accident or an employee suddenly falling ill, as well as on handling potentially dangerous machinery and raw materials and safe driving. We also hold comprehensive fire drills based on hypothetical large-scale disaster scenarios, conduct training on the use of automated external defibrillators (AEDs), and offer courses to train citizen emergency medical technicians, on a regular basis. We hold initial-response drills in the event of a disaster, which involve quickly confirming and ensuring employee safety and sharing information on the damage status at business offices.

The Sysmex Group as a whole holds labor compliance training for all executives and employees to enhance their awareness of labor law compliance.

Sysmex Brazil has acquired ISO 45001 certification, an international standard for Occupational Health and Safety management systems.

► Our Response to COVID-19 to Protect Our Employees

Preventing Overwork

To prevent overwork, we focus on reducing long working hours, which can impair physical and mental health. In addition to complying with relevant laws and regulations, we have established internal standards that are more rigorous than the guidelines issued by the Ministry of Health, Labour and Welfare. When employees exceed the specified limits set by internal standards, we communicate this fact to their superiors and ask the employees to submit a self-check form so that improvements can be made in their work situations. They are also entitled to meet an industrial physician when necessary. As for working hour management, we log employees' working hours with an IC card that they use to enter and leave the office, and with the times at which they start and shut down their computers. Time management training by external lecturers for executives, and e-learning programs for employees, are conducted to enhance understanding of the need for improvement regarding overwork. The average total annual working hours per person for fiscal 2021 was 2,030 hours,¹ an increase of 15 hours from the previous fiscal year. The main reasons for this increase were staff shortages that were not resolved due to the need to respond to the COVID-19 pandemic, and initiatives in technological innovation and business restructuring. In addition, training time for enhancing individual skills increased with the switch to a job-based personnel system, and the time for such training could not be taken within normal working hours. From fiscal 2022, adding to existing measures, we will make further efforts to reduce working hours by implementing a regular checking system using a value-added labor productivity index.²

¹ Full-time employees in Group companies in Japan

² (Operating profit + labor cost + depreciation)/working hours

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▶ Corporate Citizenship Activities

Corporate Citizenship Activities

Corporate Citizenship Activities

Sysmex contributes to the creation of a healthy society and the establishment of a vibrant community through activities based on “To Society” as defined in the Sysmex Way’s Core Behaviors and our Policy on Corporate Citizenship Activities and Philanthropy.

- ▶ Corporate Philosophy and Core Behaviors
- ▶ Policy on Corporate Citizenship Activities and Philanthropy 

Our Group-wide Contributions to Healthcare

When Sysmex celebrated its 50th anniversary in 2018, we created our global theme of “Aim for a Healthier Society” based on our Policy on Corporate Citizenship Activities and Philanthropy. All Group companies have since been working together on our social contribution programs. In fiscal 2021, we offered two Group-wide programs: the Sysmex Gives Back Challenge from June to September, and the Sysmex Gives Back Day from October to January. As part of these programs, in addition to blood donation and environmental activities, we also conducted corporate citizenship activities in response to COVID-19. A total of more than 5,900 employees worldwide participated in our corporate citizenship activities through these programs. We will continue our Group-wide efforts to promote a fulfilling and healthy society.

Our Contributions to Healthcare through Blood Donation Campaigns

Sysmex Corporation registered as a “Blood Donation Supporter Company” in fiscal 2014 and has actively led blood donation campaigns since.

We also conduct regular blood donation campaigns in other parts of the world, and about 700 employees throughout the Group donated their blood during fiscal 2021.



Social Contribution Point Program

Sysmex has declared its support for employees’ volunteer activities in our Policy on Corporate Citizenship Activities and Philanthropy and established a volunteer leave system. It has also introduced a program to encourage employees to participate in volunteer activities on their own initiative. Under this program, employees earn points for social contribution activities in local communities, as well as social contribution events sponsored by the company, and we make donations based on the number of points accumulated. In fiscal 2021, around 900 employees of Japanese Group companies (23% of the total) participated in this program.

Around 900 employees of Group companies in Japan participated in the program

COVID-19 emergency donations: Donated cool boxes for vaccines, face masks for medical professionals, etc. (UNICEF)

Support for pediatric cancer patients and their families (Japan Heart)

One of the recipients of the donations under our Social Contribution Points Program is International Medical Volunteers Japan Heart, an incorporated nonprofit organization. In support of their “SmileSmilePROJECT”, our employees provide assistance to pediatric cancer patients and their families through volunteer activities. In fiscal 2021, our employees voluntarily participated in several events, such as invitation events at Universal Studios Japan and KidZania Koshien and a coffee seminar for children and parents. Our volunteers accompanied the children and their families and took photographs for them.

The employees of each business office planned corporate citizenship activities, which included donating used goods and clothes to NPOs.



©UNICEF/UN0412502/Wilander
Courtesy of Japan Committee for UNICEF



SmileSmilePROJECT (Invitation event at KidZania Koshien)

Contributing to Biodiversity Preservation through the “Sysmex Forest”

As part of the “Enlist the Participation of All Citizens in Creating Woodland” project promoted by the Hyogo Prefectural Government, Sysmex took responsibility for a two-hectare portion of the 17-hectare Kawai Kaiteki Forest near our reagent factory in the city of Ono, Hyogo Prefecture. We dubbed this portion the “Sysmex Forest” and aim to make this area a place of tranquility for people and wildlife, through employee’s volunteer activities including tree thinning.



Sysmex Forest (forest maintenance activities)



▶ Corporate Citizenship Activities in Other Countries

ENVIRONMENT

Materiality

Environmental Consideration

Why It is Important

Adapting to and mitigating climate change and protecting water resources and biodiversity are major environmental issues that need to be addressed by the entire world. In healthcare, there is increasing concern regarding increases in medical costs and pressure on the medical infrastructure due to an expansion of areas where tropical diseases are endemic as a result of temperature rise, or increases in respiratory diseases are caused by air pollution.

As a company with global operations, Sysmex recognizes increasingly serious environmental issues as having high priority. We recognize large-scale natural disasters and droughts due to climate change as serious risks affecting the stability of product supplies. However, we also believe that approaches to environmental issues, such as developing environmentally friendly products and greater efficiency in product transportation, are opportunities for enhancing our competitive advantage in the market.

Policy

To guide Group environmental management over the long term, Sysmex has formulated "Sysmex Eco-Vision 2025", with goals to be achieved by fiscal 2025, in accordance with our Environmental Policy. This policy specifies that, by shaping the advancement of healthcare, our global environmental conservation activities contribute to the creation of a fulfilling and health society. The Sysmex Group has designated "Formulate a vision and roll out measures to reinforce and implement sustainability management" as a key action in the Group mid-term management plan to be achieved by March 2024, and has been carrying out initiatives to reduce environmental impacts.

▶ [Environmental Policy](#) 

Framework

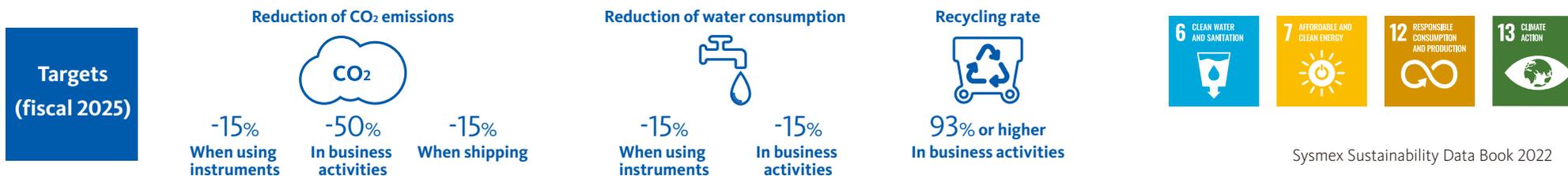
Under the supervision and management of the Environmental Management Officer (a senior executive officer) appointed by the CEO, the Environmental Management Committee leads the Group's environmental management.

▶ Environmental Consideration

Environmental Management

Environmental Consideration through Product Lifecycle

Reduction in Environmental Burden through Activities at Business Offices



ENVIRONMENT

Environmental Consideration

► **Environmental Management**

Environmental Consideration through Product Lifecycle

Reduction in Environmental Burden through Activities at Business Offices

Materiality

Environmental Consideration Environmental Management

Systemx Eco-Vision 2025

Formulating Systemx Eco-Vision 2025

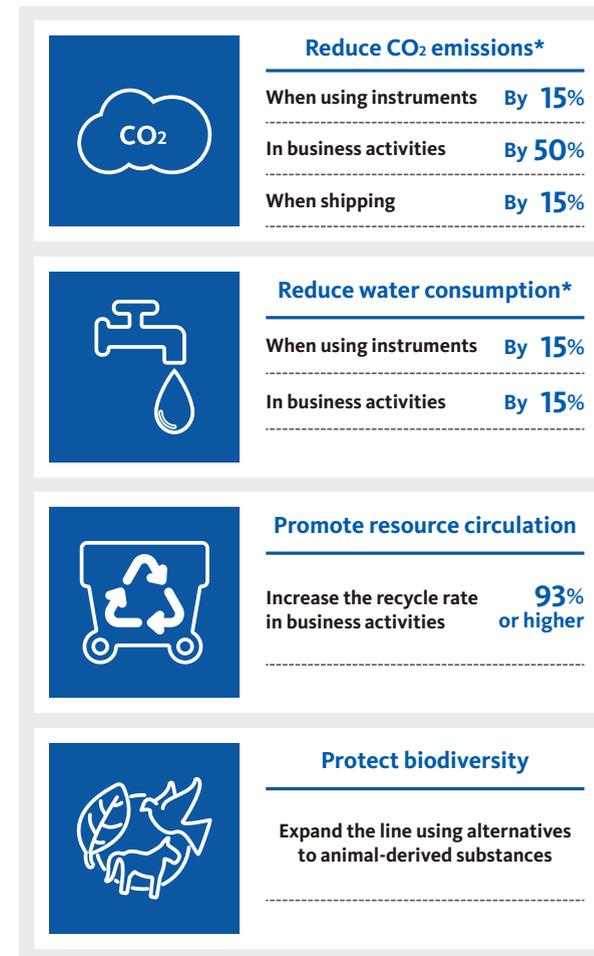
In May 2018, Systemx formulated "Systemx Eco-Vision 2025" in line with the established long-term management goals for the Systemx Group. This sets forth the long-term environmental vision that Systemx aims to attain by 2025 and requires us to promote environmental conservation more than ever throughout the product/service lifecycle and across the entire value chain of our business activities.

Long-Term Environmental Vision

Systemx remains committed to protecting the global environment by setting environmental objectives for the product/service lifecycle and the value chain of its business activities through the fiscal year ending March 31, 2026.

1. We will reduce CO₂ emissions to contribute to the prevention of climate change.
2. We will promote resource consumption reduction and resource circulation to help to enhance the sustainability of natural resources.
3. We will contribute to biodiversity protection under a full awareness of the impact of our business activities on the natural environment.

Long-Term Environmental Objectives (Fiscal 2025)



* The per-unit target, taking fiscal 2016 as the base year

► Status of Sustainability Targets

Declaration of Achieving Carbon Neutrality by 2040

Systemx has set new "Carbon Neutral Targets" with the aim of achieving zero emissions of greenhouse gases in real terms from the offices of the entire Systemx Group by 2040.¹ We will continue to promote optimization of our operations and energy-saving measures. At the same time, we will implement measures to reduce greenhouse gas emissions, including a gradual switching to renewable energy-sourced electricity at our business offices.²

In addition, we will set targets for 2030 based on SBT (Science Based Targets),³ and engage in activities to reduce greenhouse gas emissions from supply chains in addition to those from our business offices.

- 1 Applies to direct greenhouse gas emissions due to use of fuel by the company (Scope 1) and indirect greenhouse gas emissions arising from the use of electricity and heat purchased by the company (Scope 2)
- 2 Excluding small business locations such as properties rented for sales offices
- 3 Targets for reduction of greenhouse gas emissions with a scientific evidence, consistent with levels set out in the Paris Agreement. We will set targets in fiscal 2023.

ENVIRONMENT

Environmental Consideration

► Environmental Management

Environmental Consideration through Product Lifecycle

Reduction in Environmental Burden through Activities at Business Offices

Information Disclosure Based on TCFD

In recent years, climate change has begun to pose a major risk to financial markets. In December 2015, the Financial Stability Board, an international organization tasked with fostering financial system stability, established the Task Force on Climate-related Financial Disclosures (TCFD). In June 2017, the TCFD issued final recommendations for companies to follow in disclosing the impact of climate-related risks and opportunities on their corporate finances.

In January 2021, Sysmex expressed its support for the TCFD recommendations. We carry out information disclosure based on the TCFD framework.



1. Governance

Sysmex understands that global environmental issues such as climate change require a high-priority response. We drew up Global Environmental Management Regulations to clarify the responsibilities and roles of each Group company. Under the oversight and management of the environmental management officer (a senior executive officer), appointed by the CEO, we engage in environmental management initiatives as a Group, centered on the Environmental Management Committee. The Committee supervises environmental activities within the Group, among them reducing CO₂ emissions, and discusses environmental issues including climate change. The Committee reports and makes proposals at Managing Board meetings. We have integrated environmental objectives into the Group Management Plan as sustainability targets, and report to the Managing Board meetings semiannually on the progress made.

2. Strategy

Sysmex identifies climate-related risks and opportunities using both a 2-degree¹ and a 4-degree scenario² and carries out analysis and evaluation for the business of the Group overall.³ The financial effects of identified climate-related risks and opportunities have been evaluated according to their impact on operating profit in fiscal 2030 using three grades. The analysis showed that risks related to regulatory changes were relatively high for the 2-degree scenario, and the impact from physical risks such as natural disasters was relatively high for the 4-degree scenario, while the impact on opportunities related to products and services was relatively high for both scenarios.

- 1 IEA 2DS Scenario, IPCC-RCP2.6, etc. Scenario assuming that increase in global average temperature will be kept below 2°C compared to pre-industrial levels by taking strict measures against climate change.
- 2 IPCC-RCP8.5, etc. Scenario assuming that increase in global average temperature will be kept below 4°C compared to pre-industrial levels by maintaining present measures against climate change.
- 3 The analysis was conducted not only for the Group but for the entire supply chain including upstream (raw materials, distribution, etc.) and downstream (use of products, etc.)

3. Risk Management

Within the risk management system for the Group overall, we conduct an exhaustive assessment of risks every two years, which includes environment- and climate change-related risks, to identify those with a significant impact on the business of the Group. We have created a structure for devising measures for dealing with these risks.

In addition, the Environmental Management Committee reviews environment-related risks and opportunities, including

those arising from climate change, twice a year, with the Committee and respective departments playing leading roles in taking necessary actions in response.

► Risk Management Structure

4. Metrics & Targets

Sysmex has set “Carbon Neutral Targets” with the aim of achieving zero emissions of greenhouse gases in real terms from the Group’s business locations by 2040. Our long-term environmental vision “Sysmex Eco-Vision 2025” aims to reduce CO₂ emissions by 15% for instrument use, 50% for business activities, and 15% for shipping by fiscal 2025. In order to achieve these objectives, in addition to managing energy consumption, we make various efforts at every stage of the product lifecycle including research and development, production, distribution, and disposal. These efforts toward climate change have been highly evaluated, with Sysmex received for the CDP2021 climate change A- score.

Targets and Results

KPI	Results		Target		
	Fiscal 2020	Fiscal 2021	Fiscal 2023	Fiscal 2025 (Eco-Vision)	
Reduction of CO ₂ emissions	Instruments	Cut 8%	Cut 22%	Cut 20%	Cut 15%
	Shipping	Cut 25%	Cut 1%	Cut 20%	Cut 15%
	Business Activities	Cut 35%	Cut 44%	Cut 40%	Cut 50%

* Base year: Fiscal 2016

► Status of Sustainability Targets

► Environmental Data

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Risks and Opportunities

Risks	Scenario	Financial effect		Approach
		2°C	4°C	
Transition Risks	- Product supply will become difficult as a result of the prohibition of certain substances and technologies due to regulatory changes.	H	L	- RA/QA divisions have been established at each regional headquarters, and dedicated staff respond to the laws and regulations of each country.
	- Transition to materials and technologies with low environmental impact, including a reduction in the use of plastics, will add to R&D costs and CapEx.	M	L	- Product and technology development is being pursued based on hospital laboratory requirements as well as market and industry trends.
	- Energy and raw material costs will increase.	M	L	- Energy saving measures and greater efficiency of equipment have been introduced. - We have introduced renewable energy.
	- Changes in customers' environmental awareness will lead to criticism of the environmental impact of our products and reduce demand.	L	L	- We have established a system that utilizes customer feedback for product development and quality improvement (VOC: Voice of the Customer).
Physical Risks	- Large natural disasters will make it difficult to provide a stable supply of products and services.	M	H	- We have formulated a business continuity plan (BCP) to disperse risks such as those associated with raw material supply, supply systems, and transportation routes.
	- Regional shortages of water due to drought will disrupt the stable supply of products.	L	M	- We are reducing the risk by periodically monitoring water-related risks and establishing BCPs.
Opportunities	Scenario	Financial effect		Approach
		2°C	4°C	
Resource Efficiency	- Optimization of use of transportation methods and operations using IoT. - Review of packaging and product design will lower raw materials costs and waste.	M	L	- Review processes and systems in response to diversification of logistics and promote CO ₂ reduction through remote services. - We will save resources by reviewing material and packaging options.
Energy Source	- Reduction of energy costs through energy saving and shifting to low-carbon energy, which will improve social evaluation.	M	L	- Energy saving measures and greater efficiency of equipment have been introduced. - We have introduced renewable energy.
Products and Services	- Changes in customers' environmental awareness will promote the purchasing of environmentally friendly products. - There will be creation of new testing opportunities and expansion of demand due to long-term disease-trend changes.	M	M	- We continue to promote environmentally friendly product development. - We undertake new product development, such as products contributing to the eradication of malaria and other infectious diseases.
Markets	- Our initiatives for climate change and disclosures will earn us a greater reputation and higher expectations in financial markets.	M	L	- We support the TCFD and disclose environmental data via the Sysmex Sustainability Data Book and other means.
Resilience	- A stable supply of products and services in the event of a natural disaster improves customer trust.	L	M	- We implement a global supply system and backup system through multiple raw material procurement measures.

* H: High, M: Middle, L: Low

Environmental Initiatives to Realize a Sustainable Society

Takashi Ono, Environmental Management Officer



I'm of the opinion that environmental initiatives are sources of innovation for businesses. If each business starts to think more flexibly, firmly determined to change the approaches they have been taking, I expect new technologies to develop one after another, which will drastically alter the ways we do business or manage companies, eventually changing the shape of countries and the world as a whole. After all, we all live under the same sky. I will be delighted if we can help to shape a future where businesses network with each other beyond organizational boundaries and join hands in creating a sustainable society.

Please click here for details:

► [Environmental Initiatives to Realize a Sustainable Society](#)

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Environmental Management System

Group Environmental Management System

► "1. Governance" of Information Disclosure Based on TCFD

Promoting the Acquisition of ISO 14001 Certification

Systemex is working toward the acquisition of ISO 14001, the international standard for environmental management systems, by the Group's principal affiliated companies. As of March 31, 2022, 21 Group companies had acquired ISO 14001 certification, and these companies account for 70% of the net sales of the Group. By centralizing the environmental activities of certain Group companies, we are working to ascertain the state of progress on activities and issues as well as reinforcing management activities, and four companies (Systemex Corporation, Systemex International Reagents, Systemex RA, and Systemex Medica), accounting for nine locations, have obtained integrated certification. As a result, we are now able to systematically share information related to environmental management.

Status of ISO 14001 Certification

Region	Company
Japan	Systemex Corporation, Systemex International Reagents, Systemex Medica, Systemex RA
Americas	Systemex America, Systemex Reagents America, Systemex Brazil
EMEA*	Systemex Europe, Systemex Deutschland, Systemex France, Systemex Espana, Systemex UK, Systemex Belgium, Systemex Nederland, Systemex Hungaria
China	Systemex Wuxi, Jinan Systemex
AP	Systemex Asia Pacific, Systemex India, Systemex New Zealand, Systemex Australia

* EMEA: Europe, the Middle East, and Africa



► For details, refer to ID 0910589004 on www.tuv.com/japan/en/.

The applicable scope of activities and website vary according to the standard.

Conducting Environmental Auditing

In line with environmental management system requirements, we perform regular internal and external environmental audits at locations that have obtained ISO 14001 certification. In fiscal 2021, neither internal nor external environmental audits at our domestic Group locations (for which certification has been integrated) revealed any cases of nonconformity.

Environmental Education

Conducting Environmental Education and Training

Systemex conducts general education for all employees to foster an awareness of the impact of the Group's environmental activities and individual operations. We conduct specialized training to raise operational knowledge for individuals designated by their divisions as personnel responsible for environmental management system promotion. We also conduct specialized and emergency response training for each division, as necessary.

In fiscal 2021, we provided general environmental e-learning training for all employees at our business offices with integrated ISO certification, and for staff members in charge of environmental matters at our overseas offices. We also held seminars on laws and regulations for staff members in charge of business offices and those in the product lifecycle departments.

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► **Environmental Consideration through Product Lifecycle**

Reduction in Environmental Burden through
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Product Lifecycle and Initiatives at Each Stage

Sysmex undertakes a variety of initiatives at different stages of its business activities toward reducing environmental impact throughout product lifecycles. In fiscal 2021, we set up Group-wide working groups with different objectives including “eco-friendly product design” and “reduction in CO₂ emissions in transportation”, in order to facilitate further activities.



Environmental Management Working Group

Eco-friendly
Reagent Design

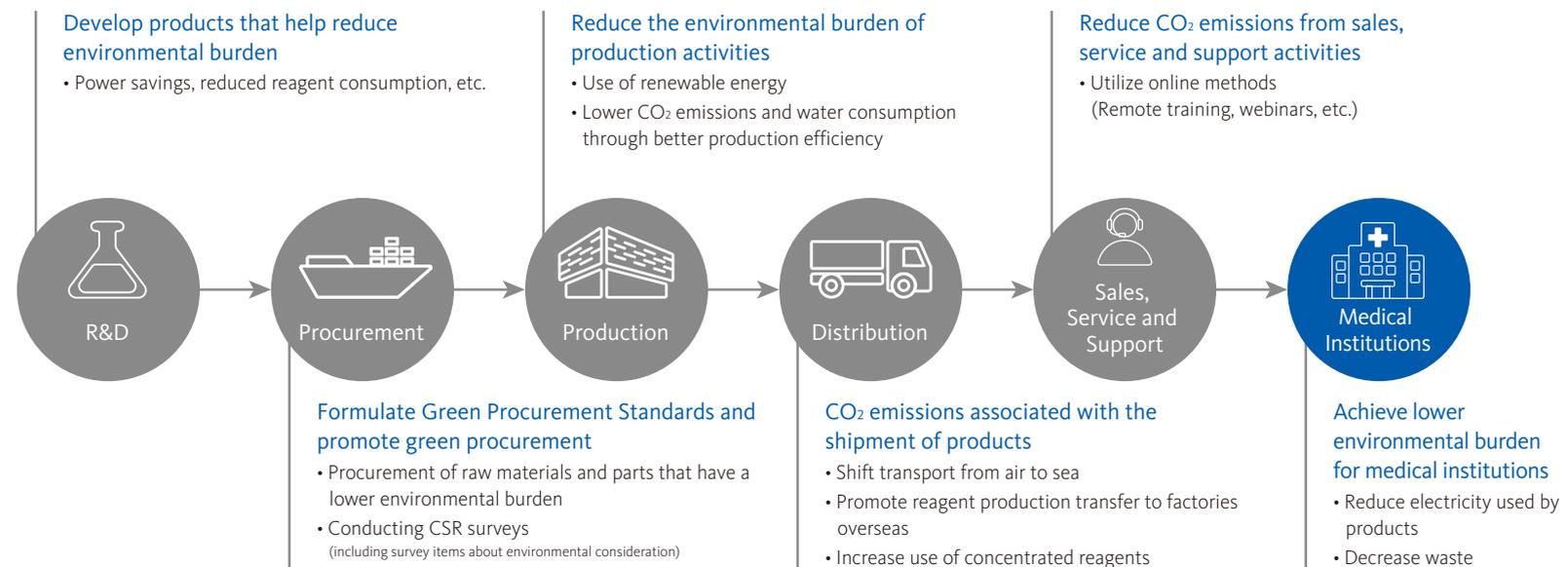
Energy-saving
Design

Business Offices
(Including Overseas
Factories)

Supply Chain

Reducing
Environmental
Burdens in the
Healthcare
Market, etc.

Key Initiatives



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► Environmental Consideration through Product Lifecycle

Reduction in Environmental Burden through Activities at Business Offices

Environmental Friendliness in Product Design

Development of Smaller, Power-saving Products

In our global regulations concerning product lifecycle management, Sysmex specifies efforts to protect the environment that it believes appropriate in terms of its business at each stage of the product lifecycle. Our goal is to help reduce the energy needed by our customers to use our products and to reduce waste from their use. Accordingly, we strive to develop products designed to save electricity and reduce reagent use.

Our hematology sample transportation system modules launched in 2021 was 15% smaller in size and reduced electricity consumption by 40% compared to the previous system, realizing an eco-friendly design.



Decrease of footprint, environmental burdens

Size: 15% width reduction
Electricity consumption: 40% reduction



* Comparison with previous instruments

► Status of Sustainability Targets

Biodiversity Consideration in the Production of Raw Materials

To reduce the use of natural resources, Sysmex has established a reagent production method using recombinant silkworms as an alternative to animal-derived proteins. In the past, producing these substances required substantial amounts of energy. However, as silkworms can be cultivated at room temperature, simply by using shelves and breeding containers and providing them with food, we can establish a stable supply as well as energy savings and waste reduction.

We use proteins produced by silkworms in the reagents for hemostasis tests that we launched in fiscal 2017. This is the first reagent using proteins from silkworms to receive manufacturing and marketing approval in Japan. We also offer protein production contracting services using this technology and provide raw materials to pharmaceutical companies, universities, research institutions, and other entities.

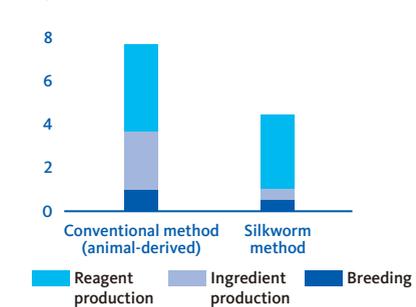


Production of raw materials using silkworms

Comparison of Reagent Production Using Silkworm Proteins to Conventional Methods (Reagents for Hemostasis Tests)

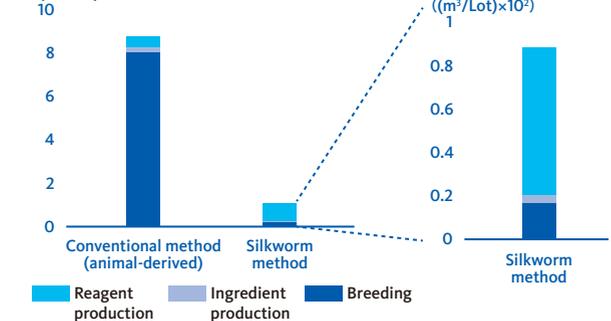
CO₂ Emissions

((kg-CO₂eq/Lot)×10³)



Water Resources

((m³/Lot)×10²)



* Comparison of in-house product (through joint research with Tokyo City University)

ENVIRONMENT

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▶ Environmental Consideration through Product Lifecycle

Reduction in Environmental Burden through Activities at Business Offices

Environmentally Conscious Procurement

Promoting Green Procurement

Systemex has established Green Procurement Standards, which set out the company's fundamental stance on environmental considerations in procurement activities. We promote the procurement of raw materials and parts that have a low environmental impact. We are expanding our business with suppliers who act to protect the environment. We also conduct annual CSR surveys of our business partners to confirm that they have environmental management policies in place, as well as targets and plans for CO₂ reduction and energy conservation.

- ▶ Procurement Policy 
- ▶ Green Procurement Standards 
- ▶ Supply Chain Management

Chemical Substance Management of Products

Systemex complies with laws and regulations in each country such as the RoHS Directive. At the same time, based on its Green Procurement Standards, Systemex discloses actions it is taking regarding any prohibited substances, or substances that are to be reduced (environmentally hazardous substances), contained in the parts, devices and materials constituting manufactured products and products for sale.

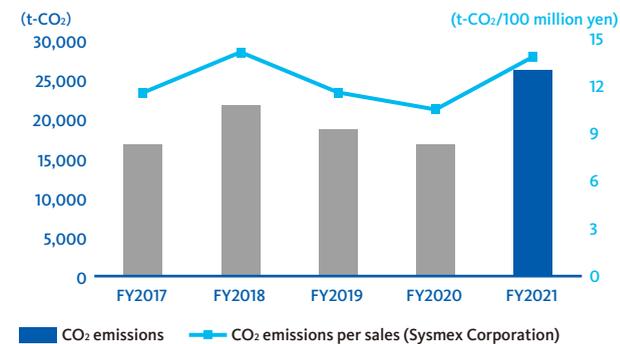
- ▶ Prohibited Substances 
- ▶ Substances to be Reduced 

Environmental Considerations in Product Transportation

Efforts to Lower CO₂ Emissions in Domestic and Inter-regional Transportation of Products

Systemex takes measures to reduce CO₂ emissions in product transportation; for example, switching from air to sea or rail transportation (modal shift), improving container loading rates for more efficient transportation, and reducing transportation between regions by transferring the production of reagent products to local areas.

CO₂ Emissions and CO₂ Emissions per Sales from Logistics



▶ Status of Sustainability Targets

Realization of Ultralow Temperature Transportation Without Dry Ice

Systemex had faced high transportation costs, and issues in distribution flexibility and convenience, for genetic testing reagents. Requiring strict quality and thermal management, they were transported using chartered trucks and through other special arrangements. In addition, the dry ice needed for cold storage is made from CO₂ released in the oil refining process. We explored measures to improve this situation from an environmental perspective.

To solve this issue, we developed, together with Yamato Transport Co., Ltd., dry ice-free transportation system of reagents for gene testing in consolidated cargo at the ultralow temperature (-70°C), with quality control conforming with Good Distribution Practices (GDP)*. This is the first such initiative in the *in vitro* diagnostic industry in Japan. Going forward, we will gradually increase the number of target items and distribution areas in Japan, to further advance the use of high-quality, eco-friendly cold chains.

* A basic scheme for assuring the quality of pharmaceuticals in the distributive process, from shipment from a manufacturing plant to delivery to medical institutions



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► Environmental Consideration through Product Lifecycle

Reduction in Environmental Burden through Activities at Business Offices

Environmental Considerations for Distribution Packaging

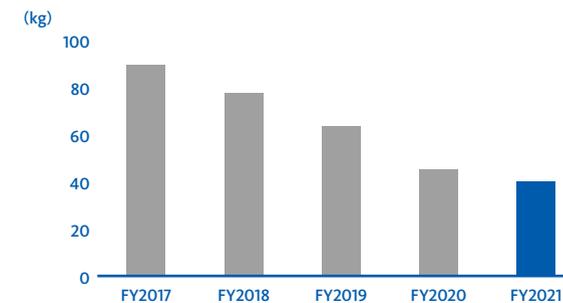
With growing exports of bio-diagnostic reagents from Japan, we began the reuse of cold storage materials necessary for transportation globally, and we are working toward reusing plastic cold storage materials to reduce waste. In fiscal 2021, we implemented such reuse between Japan and China, Singapore, and Europe, which led to a reduction of approximately 8.0 tons of waste.

Systemex International Reagents is working with its suppliers to promote a transition from cardboard to returnable boxes (plastic containers) for transporting materials, and reduced all packing material waste by 30%.

Saving Resources by Revising Packaging Materials

Systemex is continuing to work on reducing packing materials to conserve natural resources. We have downsized our packaging boxes through optimization and steadily changed part cushioning materials from vinyl to bogus paper. We have also switched from bag-shaped cushioning materials to plastic film for packaging. Through these measures, in fiscal 2021, we were able to reduce the amount of petroleum-based cushioning materials by about 56% on fiscal 2017. In addition, Systemex Deutschland uses recyclable materials for all its packaging.

Volume of Petroleum-Based Cushioning Materials Used (Monthly Average)



* Applicable to packaging maintenance parts and consumable goods

Initiatives at Group Companies: Collaboration with Distribution Partners Considering Environment

In its selection criteria for distribution partners, Systemex Europe includes a certified environment management system and use of green distribution. HITADO, a Systemex Group company, selects distribution partners who proactively use renewable energy and electric vehicles, while Systemex Malaysia uses reusable vacuum insulation boxes for product transportation requiring thermal management, reducing CO₂ emissions by saving electricity and generating less polystyrene box waste.

► Activities at Other Group Companies

Environmental Considerations in Sales, Service, and Support Activities

Systemex reduces CO₂ emissions from travelling by providing online systems for instrument maintenance, user training, and scientific seminars in each world region.

In 2019, we initiated a project for reforming services and support worldwide, and have been working on increasing the online rate for user training through e-learning and virtual training.

► Pursuit of Quality and Trust > Enhancing Customer Satisfaction



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► **Environmental Consideration through Product Lifecycle**

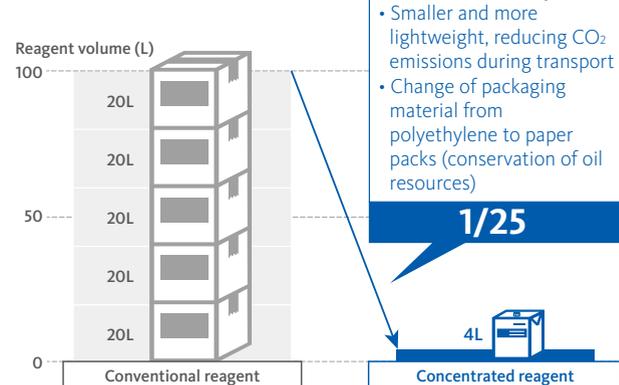
Reduction in Environmental Burden through Activities at Business Offices

Environmentally Conscious Use and Disposal of Products

Use of Concentrated Reagents

For some analysis devices in the hematology field, reagents that are 25 times more concentrated than traditional reagents can be used. Such concentrated reagents not only contribute significantly to improving usability by reducing the frequency of reagent replacement in laboratories and saving warehouse space, but also enable us to reduce the amount of disposed containers and packing materials and reducing CO₂ emissions during transportation. Since fiscal 2021, we have also been making efforts to further reduce environmental impact by increasing the adoption rate of concentrated reagents and transferring reagent production to local sites as sustainability targets.

Reagent with 25 Times Concentration



Stakeholder's Voice

Yusuke Mori, Vice President, Reagent Production Division



I was involved in the development of reagents for hematology analyzers for around 20 years and is currently responsible for manufacturing technology. With growing environmental awareness worldwide, regulations on the use of poisonous and deleterious substances used in raw materials for reagents are becoming stricter. This is particularly true in Europe, making it difficult to supply products unless they fully comply with the regulations of individual countries. The onus on companies is to keep abreast of environmental regulations and respond to changes in them as soon as possible. Sysmex does not just comply with regulations; we are also proactive in designing, developing and supplying reagents that are environmentally friendly.

Please click here for details:

► [Challenge of Environmentally Compatible Reagents that Are Friendly to Both People and the Environment](#)

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► Reduction in Environmental Burden through Activities at Business Offices

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Reduction in Environmental Burden through Activities at Business Offices

Reducing Greenhouse Gas Emissions

Efforts to Reduce Greenhouse Gas Emissions at Business Offices

We are working on energy conservation through the introduction of equipment such as highly efficient air conditioning systems, LED lighting, and motion sensors, as well as demand-control systems for measuring and monitoring the amount of electricity needed, aiming to reduce direct and indirect greenhouse gas emissions from our business offices.

Production sites are making efforts to reduce their environmental impact by setting targets for reducing energy consumption through improved productivity. i-Square, our instrument manufacturing factory, has revamped its manufacturing processes and installed a “takt production system”¹ to reduce lead times. In addition, it has reduced electricity consumption by around 3% by switching all lighting to LED.

Sysmex Europe’s reagent manufacturing factories have installed ice thermal storage air conditioning systems² in addition to solar panels, which provides around 70% of energy requirements for reagent production. i-Square has also installed solar panels. In addition, Sysmex business locations in EMEA³ and the Americas have been increasing their usage of electricity derived from renewable energy.

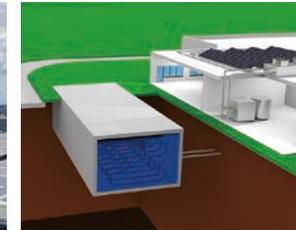
¹ Type of production line system in which each production stage proceeds according to a particular “takt” (rhythm)

² Technology for storing thermal energy using ice

³ EMEA: Europe, the Middle East, and Africa



Solar panels (i-Square)



Ice thermal storage air conditioning system (Sysmex Europe)



Electric vehicle (Sysmex TMC)

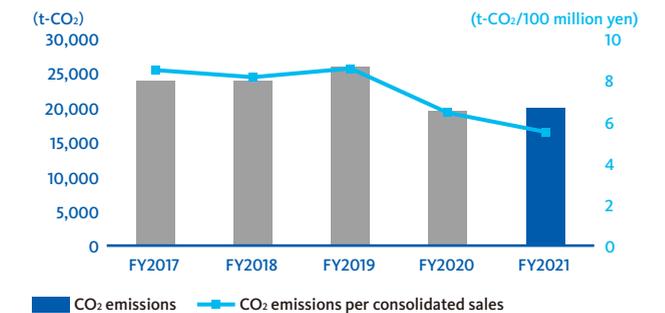
► Major Initiatives at Business Offices

Decreasing CO₂ Emissions from Fleet

In order to control fuel consumption and reduce CO₂ emissions for the approximately 400 company vehicles in Japan, Sysmex Corporation has installed telematics in each of them to be able to visualize driving quality by assigning scores for distances traveled, fuel consumption, and driving behavior. In addition, driver training, including prevention of sudden acceleration and idling control, is provided to improve drivers’ awareness of environmental concerns. We are also switching company vehicles to those with low fuel consumption and introduced around 30 hybrid cars in fiscal 2021.

Sysmex TMC has introduced electric vehicles, and Sysmex UK is eliminating diesel cars and switching all company vehicles to hybrid cars.

Greenhouse Gas Emissions (Scope 1 and 2)



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Environmental Consideration through Product Lifecycle

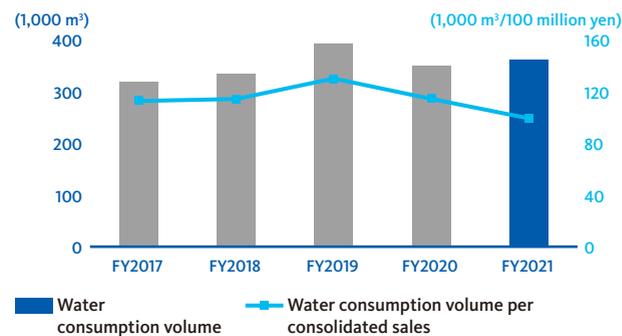
► Reduction in Environmental Burden through Activities at Business Offices

Using Water Resources Effectively

Reducing Water Consumption

Systemex uses water as a raw material in reagent production, one of our core business activities. Both tap water and groundwater are used. Recognizing that reducing water use is an important issue, Systemex has set targets for decreasing water use in Systemex Eco-Vision 2025, and is making efforts to improve the efficiency of water use at individual sites. At Ono Factory, after reagent production, some product liquid remained in internal manufacturing line pipes after cleaning. As an environmental activity in fiscal 2021, the production process was reviewed and new technology developed to use this remaining product liquid for reagent production. This reduced product liquid loss, decreased water use, and lessened the environmental impact of waste liquid.

Water Consumption Volume*



* Excluding consumption of water for reagents

► Major Initiatives at Business Offices

Water Risk Assessments

Systemex assesses risks related to water stress. Through analysis using Aqueduct, an assessment tool provided by the World Resource Institute (WRI), we identified China, Brazil, and India, where we have reagent production sites, as countries with relatively high water stress. Although water risk is not yet evident at our production sites in these countries, we continually monitor their situation. At the same time, we are taking measures against risks by optimizing water usage in our production processes and reducing supply risks by securing safety stocks.

Wastewater Management and Processing

Systemex prioritizes the protection of water quality. We have created our own emission standards that we use to manage the wastewater from development locations and factories that use chemical substances, ensuring that waterways and groundwater are not affected.

► Major Initiatives at Business Offices

Global Kaizen Activities at Reagent Manufacturing Factories

Systemex has initiated a "Kaizen Activity" project for all global reagent manufacturing factories to promote Group-wide initiatives to reduce environmental impacts. In fiscal 2021, the First Kaizen Forum was held online to share information regarding activities conducted at each factory. We will regularly share information, implement successful activities, and apply expertise at all factories, to promote further activities to reduce environmental impacts.



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► Reduction in Environmental Burden through Activities at Business Offices

Involvement with Biodiversity

Interfacing with Nature and Protecting Biodiversity

Systemex understands that it receives a host of benefits from the world's living things as it conducts its business activities. We use a tool called ENCORE, which was developed by the United Nations and financial institutions, to analyze our interface with nature, and the results suggested that our production process depends on water and impacts water quality and soil to a relatively large extent.

Each production factory strives to reduce its water risks by effectively using water resources and minimizing its impact on nature through measures such as environmental considerations in product design, appropriate management of waste, and forest conservation activities. Thus we make efforts to protect biodiversity.

Forest Conservation Activities

Systemex regards the conservation of forests that contribute to water resource protection as an important social responsibility. Since 2013, Systemex has been leasing part of the "Kawai Kaiteki no Mori" in the city of Ono in Hyogo Prefecture, where its reagent production factory is located. Named the "Systemex Forest," this is a place where we continuously practice forest conservation through activities such as planting trees, weeding the undergrowth, and thinning the forest.

In addition, HITADO, a Group company in Germany, has been participating since fiscal 2021 in a local forest conservation project called "Waldlokal", providing support through voluntary tree planting by employees and through donations.



Tree planting by HITADO employees (1,300 trees planted)

- Contributing to Biodiversity Preservation through the "Systemex Forest"
- The "Waldlokal" Project [↗](#)

Managing and Recycling Waste

Reducing Waste and Promoting a Stable Recycling Rate

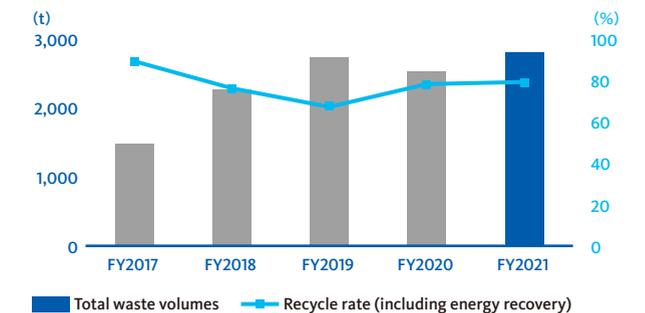
Systemex continuously carries out initiatives to reduce waste and increase waste recycling rates. Each reagent factory engages in various initiatives, including reducing consumables used in production and reducing defective products to minimize the use of packaging material. In order to reduce food waste from its in-house canteen, Kakogawa Factory, which manufactures instruments, uses a specialized garbage disposal system to convert food waste to organic fertilizer which is provided to farmers. The factory purchases agricultural produce grown by the farmers who use this fertilizer, to help realize a recycling-oriented society.

Promoting Digital Data

Systemex works to reduce its use of paper by utilizing personal computers, tablets, and smartphones to send and receive data. These efforts have reduced paper use and waste volume. Our manufacturing facilities are also working to switch to electronic production records and manuals.

► Status of Sustainability Targets

Total Waste Volumes and Recycle Rate



- Environmental Consideration in Product Transportation
- Major Initiatives at Each Business Office

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► Reduction in Environmental Burden through Activities at Business Offices

Managing Harmful Substances

Managing Chemical Substances

Systemex uses chemical substances in its R&D and manufacturing processes. In addition to preventing losses or leaks, we strive to manage chemical substances appropriately to prevent damage to the health of our employees working onsite.

Managing and Processing Harmful Substances

As a precaution against the danger of infection by biological substances, we strictly control the locations in which such substances are stored and used. These substances are carefully segregated from general waste for proper disposal. For other harmful substances, we work to prevent aerial drift, dispersion, and groundwater permeation through countermeasures that address both facilities and management methods. In these ways, we endeavor to keep emissions below standard statutory levels.

Managing and Processing Atmospheric Emissions

In response to the Fluorocarbons Emission Control Law, a revised version of which went into effect in 2015, each Group company in Japan established a response manual. We identified fluorocarbon-containing equipment that we own or manage, and worked to determine its appropriate use, conducting inspections and determining calculated leakages.

Environmental Activities at Sysmex America

Systemex America has formed a cross-departmental Green Team to promote environmental activities with a view to obtaining LEED certification* for its head office. The company is continuously working on initiatives to reduce its environmental impact, including recycling activities, planting gardens, reducing energy and water consumption. It also selects partners with sustainable business practices.

* LEED evaluates the environmental performance of a building from the viewpoints of environmental impact reduction and the health of its users. Evaluation items include the efficiency of water usage, optimization of energy use, conservation of resource materials, and the building's air quality.



GOVERNANCE

► Compliance

Compliance Management

Compliance Promotion Initiatives

Respect for Human Rights

Risk Management

Risk Management Structure

Response to Risks Related to Business Continuity

Enhancing Information Security

Communication with Stakeholders

Why It is Important

To continuously grow a company and enhance its medium- to long-term corporate value, the strengthening of corporate governance is essential.

In addition to establishing compliance and risk management structures to enhance our management foundations, Sysmex believes that constructive dialogue and cooperation with its diverse stakeholders is an important management issue that will lead to enhancing corporate value.

Policy

Sysmex considers reinforcing corporate governance to be one of its most important management issues. We aim to maximize the overall corporate value of the Group through management robustness, better transparency, and improved management speed and efficiency.

- Corporate Governance
- Policies for compliance/risk management

Framework

Sysmex has adopted the system of a company with an Audit and Supervisory Committee to reinforce the Managing Board's audit and supervisory function, as well as to heighten management transparency and objectivity. Furthermore, we have introduced an executive officer system to accelerate decision-making on business execution and respond swiftly to changes in the business environment.

Additionally, Sysmex established the Internal Control Committee as an organization that controls risk management activities and the Compliance Committee as the controlling organization for compliance matters.

- Sysmex Report (Corporate Governance)



**Results
(fiscal 2021)**



28

Number of internal reports



14

Number of unethical incidents



3,601

Number of information security trainees



GOVERNANCE

Compliance

► Compliance Management

Compliance Promotion Initiatives

Respect for Human Rights

Risk Management

Risk Management Structure

Response to Risks Related to Business Continuity

Enhancing Information Security

Communication with Stakeholders

Materiality

Compliance

Compliance Management

Group Policy

Pursuing Open and Aboveboard Business Activities

Based on our Group's corporate philosophy, the "Sysmex Way", we define compliance as "the conduct of open and aboveboard business activities based on observance of laws and regulations and high ethical standards". In accordance with this definition, we have established a Global Compliance Code, in which conformance rules and behavioral guidelines for all Group executives and employees are detailed. This was provided in many languages so that all Group executives and employees would be able to understand and adhere to it.

► [Full text of the Global Compliance Code](#) 

Global Compliance Code (Overview)

1. Ensuring the Safety of Our Products and Services to Customers
2. Promoting Fair Dealing and Free Competition
3. Fair and Proper Information Disclosure and Exercise of Complete Information Control
4. Implementation of Appropriate Research and Development Activities
5. To Respect Intellectual Property
6. To Maintain International Peace and Safety
7. To Conduct Proper Accounting and Appropriate Tax Payments
8. To Respect Human Rights and to Improve Occupational Health and Safety
9. Prohibition of Conflicts of Interest
10. To Maintain Sound Relationships with Society
11. To Preserve the Global Environment

Compliance Promotion Structure

At Sysmex, compliance violations are considered the most serious risk in terms of damaging social trust. Under our company's Group-wide risk management structure, we have established a Compliance Committee as an umbrella organization to promote and enhance compliance. The Group Compliance Officer chairs the Compliance Committee, which ensures compliance throughout the Group. All Group companies have appointed their own compliance officers, with the Compliance Committee monitoring Group-wide activities. The compliance promotion structure receives checks from third parties for internal control purposes.

If there is a major compliance violation that has or could have a significant impact on a company or the Group, the compliance officer of the company involved reports, via the Compliance Committee chair, to the Internal Control Committee chair (CEO) and the Audit and Supervisory Committee members who are members of the Managing Board. Information is also disclosed regarding occurrences based on information disclosure regulations. There were 14 unethical incidents in fiscal 2021, but none of them were deemed significant.

► [Corporate Governance Structure](#)

► [Corporate Governance Report](#) 

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Internal Reporting System

Symex has established an internal reporting system for all of its Group companies. In Japan, we have set up a Group-wide internal reporting system called the “Campanula Line” to provide consultation on compliance-related issues and receive reports of violations such as bribery and human rights abuses. Efforts are made to resolve such issues quickly. The “Campanula Line” allows employees to seek consultation and file reports via e-mail, postal mail, or telephone through three routes (in-house, external, and directly to Audit and Supervisory Committee members). Anonymity can be maintained for consultations and reports via all lines. Consultations and reports on compliance issues related to senior management are accepted via the line through Audit and Supervisory Committee members. Information received through these lines is handled confidentially, and employees requesting consultation or making reports are protected from

reprisals based on the Whistleblower Protection Act. We also have consultation and reporting lines for our overseas employees that are available in their local languages. In addition to the internal reporting systems operating locally in each region, we have set up a Global Compliance Hotline. It allows anyone working at any of our Group companies in Japan or overseas to report issues directly to Head Office. A promotion video for this system has been provided on the intranet in Japanese, English, and Chinese. We promote the early discovery of compliance violations by presenting the system to employees in training and on other occasions. In fiscal 2021, the number of internal reports received from Japan and overseas was 28. We conducted investigations regarding these reports and dealt with each of them appropriately.

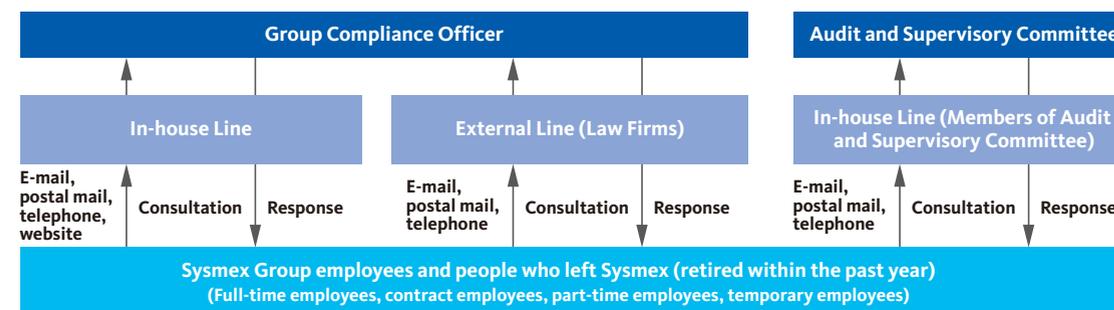
Compliance Education

Providing Continuous Education on Compliance

Symex views employee education and awareness activities as the foundation of promoting and ensuring compliance, and we regularly conduct education. During new employee and rank-based training, we take the opportunity to foster an understanding of the Global Compliance Code. In fiscal 2021, we conducted global compliance training in various languages for all Group employees in order to raise Group-wide awareness of particularly important topics such as antimonopoly laws, competition laws, and cyber security. We are expanding our educational tools to provide more detailed explanations of the Global Compliance Code on such themes as promoting fair trading and prohibitions against bribery, insider trading, and discrimination or harassment. These are applied through autonomous, planned educational and awareness efforts by individual divisions and companies.

- Education regarding Fair Marketing Activities
- Education and Training on Understanding Respect for Human Rights
- Diversity Education

The “Campanula Line” Internal Reporting System



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Anti-Corruption

In accordance with the spirit of the UN Global Compact, Sysmex undertakes thorough efforts to prevent bribery, in line with Principle 10, which states: "Businesses should work against corruption in all its forms, including extortion and bribery".

For risk assessments conducted periodically by the Internal Control Committee, compliance violations including acts of corruption are recognized as risks, and we are working toward their reduction. Additionally, Item 10. of the Global Compliance Code, "To Maintain Sound Relationships with Society", clearly prohibits acts of corruption, and the global anti-bribery regulations applicable to all Group companies cover topics such as specific banned activities, due diligence, the provision of education, and management systems. In these ways, we promote initiatives for Group-wide compliance.

► [Global Compliance Code](#) 

► [Overview of Anti-Bribery Regulations](#) 

Transparency in Relationships with Medical Institutions

Sysmex has increased opportunities for collaboration with medical institutions and professionals at every stage of its operations, through research and development, production, sales, and services and support. Transactions at all of these stages need to be based on a high level of ethics.

In Japan, Sysmex Corporation and Sysmex International Reagents, which are members of the Japan Association of Clinical Reagents Industries, concur with the philosophy outlined in the association's "Guidelines on Transparency of Relationships between Corporate Activities and Medical Institutions", and they disclose information related to funding provided to medical institutions.

Countries other than Japan have implemented laws which require companies to ensure transparency in their relations with medical institutions (Sunshine Acts) and regulations for the medical device industry. In compliance with these laws and regulations, the Sysmex Group reports information on funding provided to medical institutions to government authorities and industry organizations in their respective countries and regions.

► [Japan](#) 

► [U.S.](#) 

► [France](#) 

► [Belgium](#) 

► [Netherlands](#) 

► [Portugal](#) 

► [Europe](#) 

► [UAE](#) 

► [Japan Association of Clinical Reagents Industries "Guidelines on Transparency of Relationships between Corporate Activities and Medical Institutions" \(Japanese\)](#) 

Research Ethics

Implementation of Appropriate Research and Development Activities

As defined in Item 4 of the Global Compliance Code, "Implementation of Appropriate Research and Development Activities", when carrying out research and development on gene and other themes, Sysmex protects the dignity, privacy, and human rights of trial subjects. Sysmex also complies with applicable laws and regulations in individual countries and regions to carry out its research activities in accordance with the highest ethical standards. Sysmex has adopted the "Ethics Regulations on Clinical Research and Development and Human Genome and Genetic Analysis Research", and has established a Research Ethics Examination Committee, which includes outside members including legal and scientific experts, in order to review research content. The list of committee members and deliberation results are disclosed on our website to ensure transparency.

► [Global Compliance Code](#) 

► [Group Ethics Regulations on Clinical Research and Development](#)

► [Activities of the Research Ethics Examination Committee](#)

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Considerations for Animal Experiments

Item 4.4 of the Global Compliance Code, “Animal Experiments”, states that when conducting animal experiments, we shall comply with applicable laws and regulations in each country and region related to animal protection, and we shall limit such experiments to a minimum by studying the use of alternative methods. When animal experiments are necessary, we shall take all reasonable steps to minimize the animals’ pain. We conduct animal experiments in line with internal regulations that conform with public guidelines. Our Testing Control Committee rigorously deliberates testing plans to ensure their regulatory conformance.

Laws and guidelines observed by Sysmex: Act on Welfare and Management of Animals (Ministry of the Environment), Standards Relating to the Care and Management of Laboratory Animals and Relief of Pain (Ministry of the Environment), Basic Policies for the Conduct of Animal Experiments in Institutions Regulated by the Ministry of Health, Labour and Welfare (Ministry of Health, Labour and Welfare), and Guidelines for Proper Conduct of Animal Experiments (Science Council of Japan)

- [Global Compliance Code](#) 
- [Biodiversity Consideration in the Production of Raw Materials](#)

Fair Marketing Activities

We have formulated a code of ethics for marketing in our global promotional activities, as described in Item 2 of the Global Compliance Code: “Promoting Fair Dealing and Free Competition”. In fiscal 2021, we formulated our “Global Regulations for Compliance with Competition Laws” and informed all Group companies of this through training and other opportunities.

We have formulated the Sysmex Promotion Code for activities in Japan, and in fiscal 2021, held online training sessions for a total of around 900 employees based on the code at our regional headquarters in Japan and East Asia, which included a study of specific cases of misconduct. We also held training for managers and e-learning for general employees.

- [Global Compliance Code](#) 
- [Sysmex Promotion Code](#) 

Tax Strategy

Sysmex has established Item 7 of the Global Compliance Code, “To Conduct Proper Accounting and Appropriate Tax Payments”, as a measure to heighten tax transparency. This section describes how, in transactions with foreign affiliated companies, we calculate appropriate transfer prices in accordance with the OECD Transfer Pricing Guidelines and the transfer pricing tax system in each country and region. The text also states that tax havens shall not be used solely for the purpose of tax avoidance or benefit.

In addition, we disclose Group payments of taxes in financial and other reports, as well as the reasons for any discrepancies from effective statutory tax rates.

- [Global Compliance Code](#) 
- [Sysmex Report \(Management’s Discussion and Analysis\)](#)

Tax Strategy in the United Kingdom

- [UK Tax Strategy](#) 

Respect for Intellectual Property

Sysmex accords third-party intellectual property rights the same level of respect as it does its own. As defined in Item 5 of the Global Compliance Code, “To Respect Intellectual Property”, we will not unlawfully acquire or use any confidential business information or the proprietary assets of others. We promote a thorough understanding of these rules by all executives and employees throughout the Group. When developing new products, members of the intellectual property, R&D, and business development departments conduct and discuss global patent reviews for each new product development project.

- [Global Compliance Code](#) 
- [Intellectual Property \(Japanese\)](#)

Promotion of Security Trade Control

In line with Item 6 of the Global Compliance Code, “To Maintain International Peace and Safety”, we comply with the export laws and regulations of individual countries and regions, and we do not engage in transactions likely to impede the maintenance of international peace and safety. Sysmex has established the Security Trade Control Committee, which is under the direct control of the CEO, to prevent illegal exports. We have also assigned people at overseas regional headquarters to oversee security trade control, and we have established a global operational structure. Every year, we provide basic e-learning for all employees. We also provide ongoing education through various training sessions on recent world affairs and laws and regulations in order to raise awareness of security trade control.

- [Global Compliance Code](#) 

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Policies and Initiatives Related to Human Rights

Participating in the UN Global Compact and Adhering to the Universal Declaration of Human Rights and the International Labour Organization's (ILO's) Core Labor Standards

In accordance with Item 8 of our Global Compliance Code, "To Respect Human Rights and to Improve Occupational Health and Safety", we practice corporate management that respects the human rights of all employees and engage in related initiatives to enhance the working environment. This code is in keeping with the Universal Declaration of Human Rights' provision that "All human beings are born free and equal in dignity and rights", and the spirit of the ILO's Core Labor Standards, which define the minimum labor standards that must be preserved in the workplace.

To ensure that these principles are effectively put into practice, Sysmex has clarified its zero tolerance policy regarding discrimination, harassment, forced labor, and child labor. We also conduct various types of training to ensure employee awareness of these matters. Sysmex began participating in the UN Global Compact in 2011, and we have clarified our corporate stance in relation to the Compact's Ten Principles regarding human rights, labor, the environment, and anti-corruption.

▶ [Global Compliance Code](#) 

Identifying Risks to Human Rights (Human Rights Due Diligence)

In accordance with Item 8 of our Global Compliance Code, "To Respect Human Rights and to Improve Occupational Health and Safety", we believe it is necessary to conduct "human rights due diligence". This involves identifying negative impacts on human rights and preventing or reducing them via our business activities throughout our entire supply chain. Specifically, we have incorporated into CSR surveys of our business partners such topics as the prohibition of forced and child labor, and the elimination of discrimination due to gender, disability, race, or other factors. To ensure that Sysmex is not involved or complicit in human rights abuses, we ascertain impacts on human rights in advance and put in place measures to ensure the prevention of such abuses. With the UK Modern Slavery Act going into effect, Sysmex UK has published a statement on its website, and operates in full compliance with this act.

▶ [Strengthening of Supply Chain Management](#)

▶ [Anti-Slavery and Human Trafficking Policy](#)

Consultation and Reporting Systems Related to Human Rights

Sysmex has established internal reporting systems in Japan and overseas for handling consultations on human rights, including those related to discrimination and harassment. Information received will be appropriately handled based on the Whistleblower Protection Act to shield employees making contact or providing information from any disadvantage. Once facts are confirmed, and a compliance violation is deemed to have taken place, we will impose sanctions on the violator while also taking measures for corrective action and recurrence prevention.

▶ [Internal Reporting System](#)

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Education and Training on Understanding Respect for Human Rights

Systemex strives to prevent human rights abuses by conducting training with the purposes of preventing harassment and ensuring that employees have a correct knowledge of labor matters.

FY2021 Results

- e-learning sessions on harassment during global compliance training (for all Group employees)
- Training on harassment, including that concerning LGBTQ+* and labor management (for newly appointed managers, new employees, and mid-career hires)
- Unconscious bias training (for general employees)
- HR compliance training (for senior management and management grades)

* General acronym whose letters refer to sexual minorities regarding orientation/gender identification (lesbian, gay, bisexual, transgender, questioning/queer; the "+" represents other diverse sexualities).

► Compliance Education

Labor-Management Dialogue

Systemex respects its workers' labor association and collective bargaining rights, based on its participation in the UN Global Compact and support for the ILO's Core Labor Standards. Among all Systemex Corporation employees, 62% of them are members of the Systemex Union, our in-house labor union. (As of March 2022) Systemex Corporation engages in collective bargaining with the Systemex Union every year. In fiscal 2021, in addition to regular council meetings, labor and management met to discuss productivity improvement through optimization of working hours and streamlining operations; working environments having diverse employees and the personnel system; responses to working environment changes due to the COVID-19 pandemic, and promotion of a "healthy company". Such meetings are also held at Group companies. Labor unions have also been formed at overseas Group companies, including Jinan Systemex, Systemex Vietnam, and HYPHEN BioMed. In addition, Systemex CNA has formed an employee group consisting of departmental representatives for quarterly labor-management discussions on topics such as work environments, management of work hours, and paid leave acquisition status. Systemex TMC also holds quarterly labor-management meetings.

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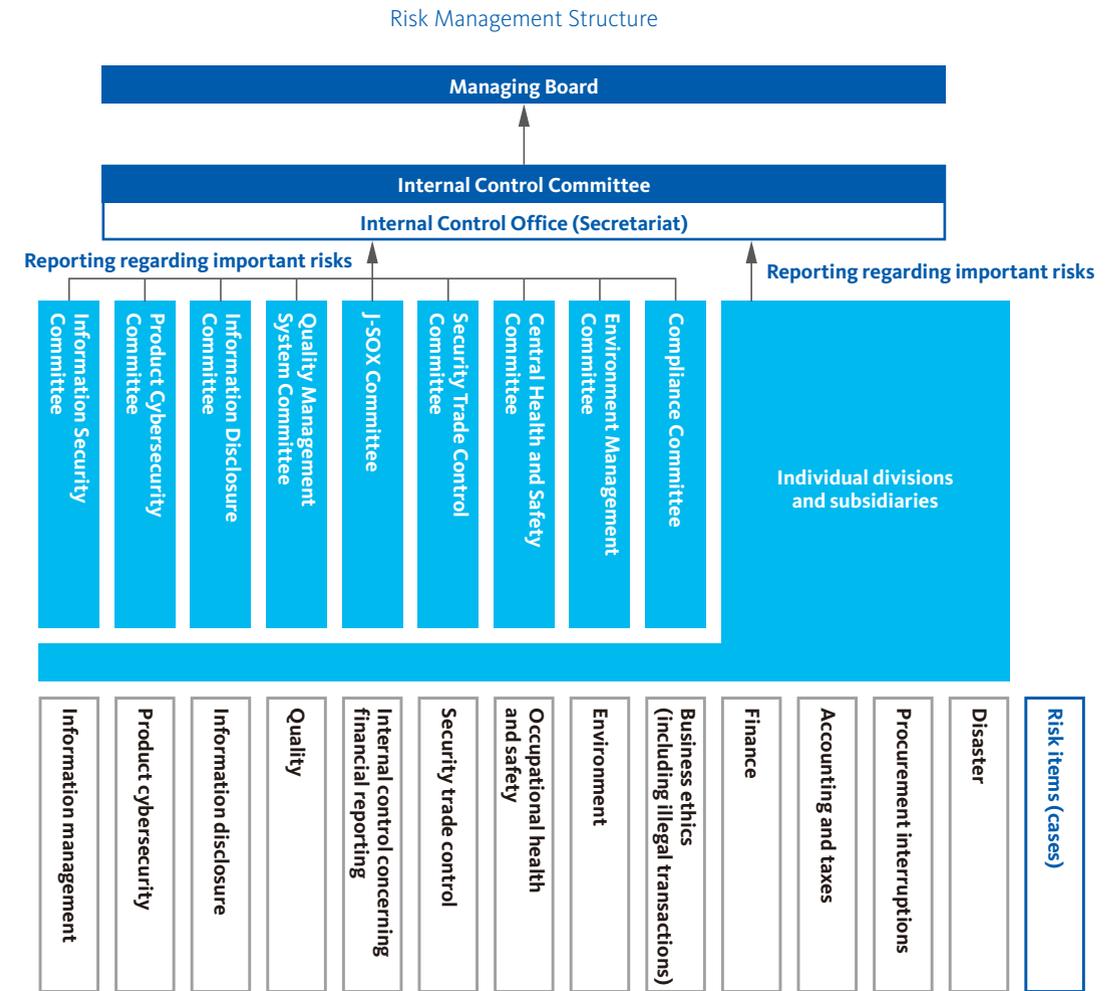
Promoting Risk Management by Establishing a Dedicated Committee

Sysmex established the Internal Control Committee to supervise risk management of the Group as a whole and promotes all risk management activities, including strategic risks. The committee is chaired by the CEO, and its members include relevant executive officers and Audit and Supervisory Committee members (excluding outside members of the Managing Board). Outside members of the Managing Board serve as observers.

By regularly assessing risks involved in such items as fair trade, compliance (including corruption and business ethics), human resources, occupational health and safety, the environment, and accounting and finance (including tax payments), the committee identifies risks significantly affecting the Group's operations and takes necessary countermeasures. In addition, it monitors the status of risk management by relevant committees, including the Compliance Committee, as well as individual divisions and subsidiaries, and periodically reports to the Managing Board. When a major risk that have a significant impact on the Group's business arises, the Internal Control Committee also reports to the Managing Board and discusses how to respond, following the PDCA cycle.

► Corporate Governance

► Sysmex Report (Risk Management)



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Response to Risks Related to Business Continuity

Establishment of a Business Continuity Plan (BCP)

Response to Major Disasters

Systemex has formulated business continuity plans (BCPs) for production, procurement, and other functions to ensure the continuity of important operations in the event of an earthquake, storm or flood damage, and other large-scale disasters, as well as rapid recovery from such disasters.

In fiscal 2021, a fire occurred at an outsourced distribution center and some of the inventories were damaged. However, we managed to maintain stable supplies of products through the use of production facilities in Japan and overseas.

Main BCP Approaches:

- Decentralization of main raw material procurement (selection of production locations based on the concept of local production for local consumption)
- Decentralization of product storage according to storage function (instruments, maintenance parts, room temperature storage reagents, cold storage reagents, and hazardous reagents)
- Creation of mutual supply systems within the factories, and securing alternative routes for transportation of products
- Prioritizing important products for supply to medical institutions
- Introduction of the Meister SRM information system to shorten the existing disaster investigation period from approximately three days to half a day.
- Providing rules and manuals for disaster response and conducting regular disaster drills
- Introduction of an employee safety confirmation system
- Installation of digital radios in each business office
- Provision of emergency supplies and items to support employees staying at business offices and returning home after a disaster
- Establishment of basic IT systems (assignment to an external data center, creation of a system infrastructure that is quickly transferrable to a backup system in emergencies)

▶ Undertaking the Never-Ending Mission of "Creating a Stable Supply of Reagents"

Response to COVID-19

In response to COVID-19, we set up an anti-disaster project at the beginning of the pandemic to ensure the stable supply of our products and continued service and support for our customers. This project also involved the implementation of telecommuting for our employees in order to prevent the spread of infection. We established a response flow in the event of a positive case in the Company, and have put in place a structure that enables us to respond immediately.

Efforts to ensure stable, continuous supplies of products are carried out in collaboration with relevant departments.

To continue our service and support for customers, in addition to offering online support, we ensure that all employees who visit medical institutions take precautions against infection. This includes having them take their temperature daily, clean their hands with rubbing alcohol at each visit to a facility, and wear masks and gloves.

In our efforts to protect employees against exposure to the virus, we have urged all Group companies, including those overseas, to adopt flextime, telecommuting, and web conferencing, and have also conducted vaccinations at workplaces. This has continued to provide a safe working environment and we make efforts to maintain employment for members across the Group (including part-time and temporary workers).

▶ Other Responses to COVID-19

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Enhancing Product Security and Cyber Security

Product Security Initiatives

Sysmex has established a Product Security Policy for our products and services and has established a Product Security Incident Response Team (PSIRT) to manage product design and manufacturing, as well as post-marketing vulnerabilities. Sensitive information (including individual, patient, and test subject information) obtained from our customers, and those who have participated in research and development and experiments, as well as advanced, original technology regarding products and intellectual property are considered important assets for management, and necessary measures are taken to prevent information leaks and internal fraud.

Information and Cyber Security Initiatives

We formulated the Global Information Security Regulations (Information Security Policy) to establish a Group-wide information security management framework. This creates an information security management system for the entire Group under the supervision and management of the Member of the Management Board, the senior executive officer and senior managing director, who acts as Information Security Officer, with the DX Strategy Development Division at its core. In fiscal 2020 we also established a Sysmex Computer Security Incident Response Team (Sysmex-CSIRT) to bolster our initiatives.

Regarding collaboration with external organizations, we participate in the Medical Device Cyber Security Council, whose members include representatives from the Ministry of Health, Labour and Welfare, hospitals, and domestic medical device manufacturers. We have also joined the Nippon CSIRT Association and Forum of Incident Response and Security Teams (FIRST) to share information regarding threats from emergencies and other significant incidents. Internally, we have implemented specific measures including rigorous management and regular review of access to information, regular updates to security patches, login restrictions by biometric authentication (facial and fingerprint recognition) for laptop computers and mobile devices on loan from the Company, and reviews of installed applications. In addition to these operational and control measures, we also installed endpoint detection and response (EDR) for PCs and server devices as part of our ransomware countermeasures.

Information and Cyber Security Education

At Sysmex, we provide annual e-learning on information security for all our Group employees, as well as temporary employees and independent contractors. In fiscal 2021, we held cyber security training in multiple languages for all employees in the Group. In addition, we recommended that Sysmex-CSIRT members obtain international qualifications (ISC2 CISSP, SANS GIAC, CompTIA) to reinforce our response to security incidents.

Acquiring Information Security Certification

Our Skyfront Research Campus in Kawasaki has obtained ISO 27001 certification for our Information Security Management System (ISMS), and we are enhancing our information security management for research involving gene sequencing and other personal information. The service and support division of Sysmex CNA has obtained the same certification. Sysmex UK and Oxford Gene Technology have obtained Cyber Essentials* certification as well as ISO 27001 certification, and take surveillance review every six months.

* Certification system initiated by the UK government to improve corporate cyber security in 2014

- [Overview of Global Information Security Regulations \(Information Security Policy\)](#) 
- [Product Security Policy](#) 

Materiality

Stakeholder Engagement

Communication with Stakeholders

Through proactive dialogue with stakeholders, we strive to forge better relations. In addition, by incorporating their expectations and requirements into our business activities we will enhance the effectiveness of our strategy and strive to realize a sustainable society.

Stakeholder	Society's Requirement Related to Business	Main Dialogue with Stakeholders	Related Articles
Customers	<ul style="list-style-type: none"> - Ensuring the quality and safety of products and services - Enhancing customer satisfaction through products and services - Stable supply - Creating innovative products and services 	<ul style="list-style-type: none"> - Customer Support Center (for inquiries) - Customer Satisfaction Survey - Collection of the voice of the customer (VOC) - Customer training/user meetings - Scientific seminars - Website/social media 	<ul style="list-style-type: none"> ▶ Quality and Safety Information ▶ Enhancing Customer Satisfaction ▶ Scientific Activities
Employees	<ul style="list-style-type: none"> - Ensuring long-term employment - Fair treatment in accordance with employees' achievements - A workplace that enables employees to fulfill their potential - Accepting diversity - Providing opportunities for self-fulfillment and personal development 	<ul style="list-style-type: none"> - Corporate Culture Survey - Mental health checkup - Voluntary reporting system (survey on employee's visions of career design) - Diversity roundtable discussions - Internal reporting system - Labor and management council 	<ul style="list-style-type: none"> ▶ Reforming Human Resource Management ▶ Promotion of Diversity and Inclusion ▶ Our Efforts toward Health Enhancement ▶ Compliance Promotion Structure ▶ Labor-Management Dialogue
Business Partners	<ul style="list-style-type: none"> - Fair and equitable dealing - Synergistic growth through mutual trust and dedicated work 	<ul style="list-style-type: none"> - CSR surveys of suppliers - Supplier visits - Meetings with/visits to distributors - Training sessions for suppliers 	<ul style="list-style-type: none"> ▶ Supply Chain Management
Shareholders and Investors	<ul style="list-style-type: none"> - Ensuring sound and transparent management - Commitment to reliable and innovative management - Maintaining sustainable growth potential - Finding a balance between the sustainability of the company and society - Active information disclosure (transparency) 	<ul style="list-style-type: none"> - General meetings of shareholders and social events for shareholders - Technology presentation for institutional investors and analysts - Orientation briefings/company tours for individual investors - Business results briefings - Conference calls - Investor visits 	<ul style="list-style-type: none"> ▶ IR information
Society	<ul style="list-style-type: none"> - Contributing to advances in the field of healthcare and the development of a healthy society - Helping resolve issues facing local communities - Reducing environmental burdens through business activities - Encouraging employees to get involved in corporate citizenship activities 	<ul style="list-style-type: none"> - Collaboration with government agencies and international organizations - Participation in industry groups - Participation in local communities 	<ul style="list-style-type: none"> ▶ Improvement in Accessibility to Healthcare ▶ Transparency in Relationships with Medical Institution ▶ Corporate Citizenship Activities

- ▶ [Corporate Philosophy and Core Behaviors](#)
- ▶ [Sysmex Report \(Stakeholder Engagement\)](#)

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External Evaluations

Evaluations and Results Related to Sustainability

EXTERNAL EVALUATION

▶ External Evaluations

Selection for Global Sustainability Indices

A growing number of investors are evaluating companies' sustainability not only from a financial perspective, but also from non-financial environmental, social, and governance (ESG) perspectives, with the goal of making responsible investments from a long-term viewpoint. Around the world, a number of sustainability indices are used to benchmark responsible investment. Sysmex has been selected for numerous sustainability indices and rankings.

- **Dow Jones Sustainability World Index** (Fiscal 2016–)
 - **Dow Jones Sustainability Asia Pacific Index** (Fiscal 2012–)
- An ESG investment index published by the S&P Dow Jones Indices in the U.S. This index evaluates corporate sustainability from the perspectives of “economy, environment, and society”, and is used to select companies expected to achieve long-term sustainable growth based on progressive, comprehensive initiatives. The World Index covers listed companies worldwide. The Asia Pacific Index covers listed companies in the Asia-Pacific region.

Member of
**Dow Jones
Sustainability Indices**
Powered by the S&P Global CSA

- **FTSE4Good Index Series** (Fiscal 2008–)
- An ESG investment index announced by FTSE Russell, of the London Stock Exchange Group of the United Kingdom. Companies deemed to be excellent are selected based on an evaluation of ESG information disclosed by such companies to the general public.



- **FTSE Blossom Japan Index** (Fiscal 2017–)
- FTSE Russell of the United Kingdom selects Japanese companies based on superior responses related to ESG matters. The index uses FTSE4Good standards derived from international standards such as SDGs.



- **FTSE Blossom Japan Sector Relative Index** (Fiscal 2022–)
- FTSE Russell of the United Kingdom selects Japanese companies with relatively superior ESG initiatives in each sector, utilizing the selection criteria for FTSE4Good. For companies with high emissions of greenhouse gasses, it selects only those highly evaluated for contributing to a transition toward a low-carbon economy.



- **MSCI ESG Leaders Indexes** (Fiscal 2011–)
 - **MSCI SRI Indexes** (Fiscal 2013–)
- An ESG investment index developed by MSCI Inc. of the U.S. Morgan Stanley Group. Companies are selected based on an evaluation that focuses on ESG issues considered important by various indices, based on the industry characteristics of the companies it evaluates.



- **MSCI Japan ESG Select Leaders Index** (Fiscal 2017–)
- An ESG investment index of MSCI of the United States. This index selects companies with relatively high ESG ratings in individual sectors from among the top 500 Japanese companies by market capitalization.

**2022 CONSTITUENT MSCI JAPAN
ESG SELECT LEADERS INDEX**

- **MSCI Japan Empowering Women Index (WIN)** (Fiscal 2017, 2019–)
- An ESG investment index of MSCI of the United States. This index selects companies that excel in gender diversity from among the top 500 Japanese companies by market capitalization in various sectors.

**2022 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)**

EXTERNAL EVALUATION

▶ External Evaluations

• S&P/JPX Carbon Efficient Index (Fiscal 2018–)

This index, developed by the S&P Dow Jones Indices of the United States, determines investment weights for companies in the TOPIX (Tokyo Stock Price Index) universe, based on their level of environmental information disclosure and carbon efficiency (carbon emissions per unit of revenue).



• “Prime” Status Given by ISS ESG (Fiscal 2019–)

Assessment of sustainability ratings provided by ISS ESG (ESG investment solutions unit of the U.S. company Institutional Shareholder Services, the world's leading proxy advisory firm). Companies that are highly evaluated from ESG perspectives are recognized as “Prime”.



• Ethibel Excellence (Fiscal 2011–)

• Ethibel Pioneer (Fiscal 2014–)

An index developed by Forum Ethibel, a Belgian non-profit organization. Companies are selected that exhibit high performance from the perspective of corporate social responsibility. This index includes two sub-Indices, Excellence and Pioneer. Companies in the Pioneer index are selected from among those deemed best in the Excellence index.



• Ethibel Sustainability Index (ESI) (Fiscal 2015–)

This index comprises companies selected for Ethibel Excellence, based on conditions such as floating market capitalization.



• Global 100 (100 Most Sustainable Corporations in World)

(2012, 2016, 2017, and 2021)

The 100 Most Sustainable Corporations in the World, selected by the Canada-based Corporate Knights. The selections are announced during the World Economic Forum held in Davos, Switzerland.

• Euronext Vigeo Eiris World 120 Index (Fiscal 2018–)

This is a stock price index developed by Euronext, which operates several security exchanges in Europe, and Vigeo Eiris, an ESG research company. It lists the top 120 companies demonstrating superior ESG initiatives, selected from 1,500 major corporations in Europe, North America, and the Asia-Pacific region.



• SOMPO Sustainability Index (Fiscal 2018–)

This index was established by Sompo Asset Management Co., Ltd. The index selects approximately 300 companies that excel in environmental, social, and governance (ESG) initiatives.



Performance Data

Social Data

PERFORMANCE DATA / INDEPENDENT PRACTITIONER'S ASSURANCE

► Social Data

Environmental Data

Independent Practitioner's Assurance

Customers

Item	Fiscal 2019	Fiscal 2020	Fiscal 2021	Related Articles
Inquiries received by the Sysmex Customer Support Center	86,716	80,885	80,365	Pursuit of Quality and Trust
Customer satisfaction rating in the United States* (On a scale of 1 to 10)	9.22	9.28	9.27	

* Research by IMV ServiceTrak

Employees

► "Realization of an Attractive Workplace" on the Status of Sustainability Targets

Other Results¹

Item		Fiscal 2019	Fiscal 2020	Fiscal 2021	Related Articles
Employees taking childcare leave	Women	33	32	36	Provision of a Comfortable Working Environment
	Men	11	27	36	
Employees taking shorter work hours for childcare	Women	70	81	138	
	Men	1	1	1	
Percentage of employees returning after childcare leave	Women (%)	98	100	100	
	Men (%)	100	100	100	
Employees taking accumulated paid leave		129	84	106	
Children in in-house daycare center	Total during year	25	17	25	
	At fiscal year-end	22	17	25	
Reemployment of personnel leaving for reasons of childcare or nursing care	New registrants	2	3	0	
	Employees reemployed	1	0	0	
	Percentage of reemployment	50	0	0	
Turnover (Regular employees only, excluding people who have reached mandatory retirement age)	Turnover (employees)	67	57	75	
	Turnover ratio (%)	2.89	2.39	3.06	

¹ Target: Sysmex Corporation on a non-consolidated basis

PERFORMANCE DATA / INDEPENDENT PRACTITIONER'S ASSURANCE

► Social Data

Environmental Data

Independent Practitioner's Assurance

Item		Fiscal 2019	Fiscal 2020	Fiscal 2021	Related Articles	
Female managers ratio (Percentage of women at director level or above)	(%)	7.8	7.9	8.7	Promotion of Diversity and Inclusion	
Female next-generation managers rate	(%)	21.5	21.8	22.4		
Rate of mid-career hires in managerial positions	(%)	40	40	40		
Salary comparison between men and women (Managerial positions)	Base salary (Women: men)	101:100	101:100	97:100		
	Total annual salary (Women: men)	101:100	101:100	96:100		
Salary comparison between men and women (Non-managerial positions)	Base salary (Women: men)	86:100	87:100	88:100		
	Total annual salary (Women: men)	77:100	78:100	80:100		
Newly graduated recruits ²	Total	79	52	60		Human Resource Management
	Men	45	35	39		
	Women	34	17	21		
	Non-Japanese	12	4	4		
Mid-career hires ²	Total	52	70	85		
	Men	42	61	63		
	Women	10	9	22		
	Non-Japanese	2	6	4		
Internal fill rate	(%)	-	96	96		
Promotion to regular employee ²	Contract employees	22	18	18		
	Temporary employees	10	3	15		
	Total	32	21	33		
Number of interns accepted	Total	144	594	952		
	Non-Japanese	13	0	0		
Training results	Average training cost per employee (yen)	98,000	63,000	77,000	Human Resource Development Programs	
	Average training time per employee (hours)	27.7	34.7	41.1		
	Number of training programs	27	82	124		
	Rate of training for managerial positions (%)	13.6	17.8	18.4		
Industrial accidents ²	Work-related deaths	0	0	0	Promotion of Health and Occupational Safety	
	Work-related injuries	2	2	3		
	Lost-time injuries frequency rate	0.86	0.67	0.49		
	Lost work day rate	0.08	0.06	0.05		
	Total workdays lost	458	336	312		
	Total actual number of working hours	5,828,206	5,987,268	6,125,461		

² Some figures have been revised from previous reporting

PERFORMANCE DATA / INDEPENDENT PRACTITIONER'S ASSURANCE

Item	Fiscal 2019	Fiscal 2020	Fiscal 2021
Employees ¹	2,108(512)	2,175(552)	2,259(538)
Average age	41.2	41.4	41.7
Average number of years of employment (years)	12.4	12.5	12.6
Average annual salary (thousands of yen) ²	8,002	7,390	8,355
Sales per employee (millions of yen)	54.52	51.85	59.81

1 The number of employees excludes workers dispatched from Sysmex Corporation, but includes workers dispatched to Sysmex Corporation. For the number of temporary employees, the average for the year is indicated in parentheses.

2 The average annual salary amount includes wages outside of basic wages, as well as bonuses.

Item			Fiscal 2019	Fiscal 2020	Fiscal 2021	Target		
Percentage of men and women in the Group	Japan	Men (%)	57.7	57.0	57.1	Regular employees, employees on loan, and contract employees (excluding executives and temporary employees)		
		Women (%)	42.3	43.0	42.9			
	Americas	Men (%)	60.9	61.2	63.1			
		Women (%)	39.1	38.8	36.9			
	EMEA*	Men (%)	57.1	54.1	54.1			
		Women (%)	42.9	45.9	45.9			
	China	Men (%)	67.3	66.5	66.0			
		Women (%)	32.7	33.5	34.0			
	Asia Pacific	Men (%)	58.7	61.9	62.9			
		Women (%)	41.3	38.1	37.1			
	Number of Group employees	Japan	Men	2,107	2,180		2,220	Regular employees, employees on loan, and contract employees (excluding executives and temporary employees)
			Women	1,598	1,646		1,668	
Americas		Men	755	769	846			
		Women	494	488	495			
EMEA		Men	1,388	1,446	1,526			
		Women	1,154	1,227	1,294			
China		Men	527	520	514			
		Women	256	262	265			
Asia Pacific		Men	583	602	619			
		Women	369	370	365			
Total		9,231	9,510	9,812				

* EMEA: Europe, the Middle East, and Africa

Corporate Citizenship Activities

Item	Scope	Fiscal 2019	Fiscal 2020	Fiscal 2021
Expenditures for corporate citizenship activities	Sysmex Corporation	Approximately 460,000,000	Approximately 303,000,000	Approximately 780,000,000

Social Data

Environmental Data

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Performance Data

Environmental Data

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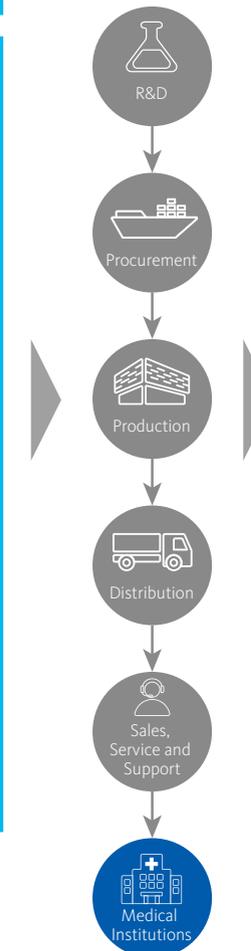
► Environmental Data

Independent Practitioner's Assurance

Material Balance

	INPUT		
	Fiscal 2019	Fiscal 2020	Fiscal 2021
 Electricity (thousand kWh)	51,254	48,158	49,055
 City gas (thousand m³)	1,108	1,212	1,238
 LPG (t)	19	16	19
 LNG (t)	0	0	0
 Heavy oil (kL)	0	0	0
 Kerosene (kL)	24	1	1
 Diesel oil (kL)	24	13	0
 Gasoline for fleet in Japan (kL)	604	518	502
 Diesel for fleet in Japan (kL)	10	10	8
 Water use volume (thousand m³)	512	452	487
 Office paper (t)	36	30	28
 PRTR (t)	0	0	0

Sysmex's Business Activities



	OUTPUT		
	Fiscal 2019	Fiscal 2020	Fiscal 2021
 Greenhouse gas emissions (Scope 1) (t-CO ₂)	4,093	4,034	4,023
 Greenhouse gas emissions (Scope 2) (t-CO ₂)	21,710	15,476	15,901
 Greenhouse gas emissions (Scope 3) (t-CO ₂)	-	-	412,714
 Waste emissions (t)	2,722	2,529	2,796
 Recycling rate (%)	67	78	79
 Wastewater volume (thousand m³)	287	270	273
 PRTR (t)	0	0	0

Performance Data

Environmental Performance Data

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Item	Content		Unit	Scope ¹	Fiscal 2016	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021	Coverage ²	Calculation Method and Other Notes	
INPUT	Energy consumption	Consumption of renewable energy	Electricity (non-renewable)	1,000 kWh	Major business locations, instrument factories, reagent factories, sales offices, and other business sites in Japan; major business locations, factories, and other business sites in other countries	37,193	38,399	40,670	44,551	42,287	42,970	83%	
			City gas	1,000 m ³		1,474	600	1,097	1,108	1,212	1,238		
			LPG	t		21	24	19	19	16	19		
			LNG	t		0	0	57	0	0	0		
			Heavy oil	kL		0	35	0	0	0	0		
			Kerosene	kL		31	29	29	24	1	1		
			Diesel oil	kL		21	17	38	24	13	0		
	Consumption of renewable energy	Electricity (renewable)	1,000 kWh		210	1,302	1,288	6,704	5,871	6,085			
	Consumption of other non-renewable energy	Gasoline (fleet)	kL	Major business locations, instrument factories, reagent factories, sales offices, and other business sites in Japan	734	689	619	604	518	502	36%		
		Diesel oil (fleet)			25	23	18	10	10	8			
Total consumption			GJ		467,211	443,548	488,089	542,184	516,936	524,686		Total consumption = Σ (consumption by energy type \times conversion factor ³)	
Water use volume	Groundwater	1,000 m ³	Major business locations, instrument factories, and reagent factories in Japan; major business locations, factories, and other business sites in other countries	58	53	65	75	86	96	83%	Groundwater intake		
	Purchased water			348	365	384	437	366	391				
	Total volume			406	418	449	512	452	487				
Amount of office paper used			t	Major business locations, instrument factories, and reagent factories in Japan	42	45	38	36	30	28	36%		
PRTR input			t	Major business locations, instrument factories, reagent factories, sales offices, and other business sites in Japan	0	0	0	0	0	0		The amount of PRTR substances handled at business sites that handle chemicals in Japan	
OUTPUT	Greenhouse gas emissions Scope 1 ³	CO ₂ emissions of energy consumption from stationary combustion sources		t-CO ₂	Major business locations, instrument factories, reagent factories, sales offices, and other business sites in Japan; major business locations, factories, and other business sites in other countries (Scope of CO ₂ emissions from fleet comprises vehicles in Japan only.)	3,559	1,749	2,964	2,665	2,807	2,836	83%	Emissions = Σ (fuel consumption \times CO ₂ emission factor ⁴)
		CO ₂ emissions from fleet				1,768	1,661	1,483	1,428	1,227	1,187		
		Total emissions				5,327	3,410	4,447	4,093	4,034	4,023		
	Greenhouse gas emissions Scope 2 ³	Total emissions		t-CO ₂		19,201	20,438	19,385	21,710	15,476	15,901		Emissions = Σ (purchased electricity consumption \times CO ₂ emission factor ⁴) + Σ (purchased steam consumption \times CO ₂ emission factor ⁴)
	Scopes 1 + 2		Total emissions		t-CO ₂		24,528	23,848	23,832	25,803	19,510	19,924	
Greenhouse gas emissions Scope 3 ³	CO ₂ emissions from logistics		t-CO ₂	Systemex Corporation		19,573	16,711	21,571	18,547	16,691	26,033	-	Emissions = Σ (freight weight \times transport distance \times CO ₂ emissions intensity) Shipment in Japan: CO ₂ emissions due to physical distribution from warehouses in Japan to customers and others in Japan (including branches and sales offices) Overseas shipment: CO ₂ emissions due to physical distribution from warehouses in Japan to ports and airports in other countries * Excludes domestic shipments from headquarters parts centers (to ports and airports)

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Item	Content	Unit	Scope ¹	Fiscal 2016	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021	Coverage ²	Calculation Method and Other Notes
OUTPUT	Waste emissions	Total emissions	Major business locations, instrument factories, reagent factories, sales offices, and other business sites in Japan; major business locations and factories in other countries	2,106	1,482	2,255	2,722	2,529	2,796	82%	Waste emissions = general waste emissions + industrial waste emissions
		Total emissions (excluding sales offices in Japan)		1,436	1,361	2,117	2,591	2,411	2,689		
		Waste used for material recycling		814	1,044	1,264	1,560	1,711	1,929		Amount of waste converted into valuables as a result of a third-party process. Includes waste converted into fuel (such as RPF)
		Recycled waste (including energy recovery)		1,309	1,213	1,617	1,744	1,884	2,130		
		Total amount of waste disposal		128	148	500	847	527	559		Total amount of waste disposal = total emissions - recycled waste (including energy recovery)
		Material recycling rate		57	77	60	60	71	72		
	Recycling rate (including energy recovery)	91	89	76	67	78	79				
Wastewater volume	Total emissions	1,000 m ³	Major business locations, instrument factories, and reagent factories in Japan; major business locations, factories, and other business sites in other countries	189	273	292	287	270	273	83%	
PRTR output	Emissions	t	Major business locations, instrument factories, reagent factories, sales offices, and other business sites in Japan	0	0	0	0	0	0	36%	Amount of PRTR emitted from business sites that handle chemicals in Japan
	Transfers			0	0	0	0	0	0		
Compliance	Violations of environmental regulations (e.g., air and water pollution)	Total amount of large fines	Major business locations, instrument factories, reagent factories, sales offices, and other business sites in Japan; major business locations, factories, and other business sites in other countries	0	0	0	0	0	0	100%	
		Number of sanctions other than fines		Cases	0	0	0	0	0		0
	Significant spills and losses of chemical substances	Total number of cases		Cases	0	0	0	0	0		0
		Total leakage volume		t	0	0	0	0	0		0

1. Results in respective years cover the scopes shown for respective indicators. See below for details on the scopes for fiscal 2021.

Major business locations in Japan: Sysmex Corporation (Head Office, Technopark, and Solution Center)
 Instrument factories in Japan: Sysmex Corporation (Kakogawa Factory and i-Square), Sysmex Medical, and Sysmex RA
 Reagent factories in Japan: Sysmex International Reagents (Ono Factory and Seishin Factory)
 Sales offices in Japan: Sysmex Corporation (Tokyo Office and other 20 branches)
 Other business sites in Japan: Sysmex Corporation (Research and Development Center and 5 other sites)
 Major business locations in other countries: Sysmex Europe, Sysmex Deutschland, Sysmex America, Sysmex Shanghai, and Sysmex Asia Pacific
 Major factories in other countries: Sysmex Europe, Sysmex do Brazil, Sysmex Reagents America, Sysmex India, Sysmex Asia Pacific, Jinan Sysmex Medical Electronics, Sysmex Wuxi, Sysmex Partec, Sysmex Inostics, and HYPHEN BioMed
 Other business sites in other countries: Sysmex Taiwan and Sysmex Korea

2. Coverage is calculated based on net sales by company.

3. Scope 1: GHG emitted directly by company facilities, factories, and fleet
 Scope 2: GHG emitted indirectly by the company due to energy use
 Scope 3: GHG emitted throughout the value chain in relation to products and services

4. Conversion factors and emission factors are based on the "Act on Promotion of Global Warming Countermeasures".

5. Japan: Adjusted emission factors from the list of emission factors for each electric power company released in accordance with the "Act on Promotion of Global Warming Countermeasures" (For submission in 2022)
 Other countries: 2019 emission factors from the IEA Emission Factors 2021, IEA
 In fiscal 2020, calculation methodology changed to the latest emission factors. The following emission factors were used previously.

• Japan (fiscal 2016–2019): Adjusted emission factors from the list of emission factors for each electric power company released in accordance with the "Act on Promotion of Global Warming Countermeasures" (For submission in 2017)
 • Other countries (fiscal 2016–2017): GHG Protocol 2005
 • Other countries (fiscal 2018–2019): 2016 emission factors from the Emissions from Fuel Combustion 2018, IEA

6. Emissions intensity is based on the "Common Guidelines for the Method of Calculating CO₂ Emissions in the Logistics Field Ver. 3.1."



LRQA Independent Assurance Statement

Relating to Sysmex Group's Sustainability Activity within its Sustainability Databook 2022 and Sustainability Website for the Fiscal Year 2021

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This Assurance Statement has been prepared for Sysmex Corporation in accordance with our contract.

Terms of Engagement

LRQA Limited ("LRQA") was commissioned by Sysmex Corporation ("the Company") to provide independent assurance on its disclosure information on Sysmex Group's Sustainability Activities within its Sustainability Databook 2022 and Sustainability Website ("the report") for the fiscal year 2021 (from 1 April 2021 to 31 March 2022), against the assurance criteria below to a moderate assurance and at the materiality of the professional judgement of the verifier using AA1000 ASSURANCE STANDARD v3 TYPE 2 ASSURANCE – ADHERENCE TO THE ACCOUNTABILITY PRINCIPLES, AND RELIABILITY AND QUALITY OF THE PERFORMANCE INFORMATION.

Our assurance engagement covered the operations and activities relating the Company and its group companies and specifically the following requirements:

- Verifying conformance of Materiality-Related Disclosures with AA1000 ACCOUNTABILITY PRINCIPLES 2018;
- Verifying conformance with the Company's reporting methodologies for only the selected environmental & social data listed below;
- Evaluating the accuracy and reliability of data for only the selected environmental & social data listed below:¹
 - Scope 1 GHG emissions (CO₂ emissions of energy consumption from stationary combustion sources, and CO₂ emissions from fleet²) (tCO₂)
 - Scope 2 GHG emissions (tCO₂)³

- Scope 3 GHG emissions (CO₂ emissions from logistics) (tCO₂)⁴
- Energy consumption (GJ)
- Water use volume (thousand m³)
- Industrial waste emissions in Japan (t)⁵
- Female managers ratio (%)⁶

Our assurance engagement excluded the data and information of the Company's suppliers, contractors and any third parties mentioned in the report.

LRQA's responsibility is only to the Company. LRQA disclaims any liability or responsibility to others as explained in the end footnote. The Company's responsibility is for collecting, aggregating, analysing and presenting all the data and information within the report and for maintaining effective internal controls over the systems from which the report is derived. Ultimately, the report has been approved by, and remains the responsibility of the Company.

LRQA's Opinion

Based on LRQA's approach nothing has come to our attention that would cause us to believe that the Company has not, in all material respects:

- Conformed with AA1000 ACCOUNTABILITY PRINCIPLES 2018
- Met the requirements of the criteria listed above
- Disclosed accurate and reliable materiality-related information and environmental & social data as summarised in Table 1 below

The opinion expressed is formed on the basis of a moderate

level of assurance and at the materiality of the professional judgement of the verifier.

- 1 GHG quantification is subject to inherent uncertainty.
- 2 Scope of CO₂ emissions from fleet comprises vehicles in Japan only.
- 3 Market-based figure for emissions in Japan whereas location-based for overseas.
- 4 Only transport from 5 distribution centres (i-Square, Bio-Square, Kansai, Komaki) and the Head Office Parts Centre to a) primary domestic destinations, b) domestic ports and airports (for overseas customers) and from domestic ports and airports to overseas ports and airports is in scope, of which route b) at the Head Office Parts Centre is not included in the calculation.
- 5 Scope of industrial waste emissions include major business locations, instrument factories, and reagent factories in Japan only.
- 6 Only Sysmex Corporation is included in the calculation.

Note: The extent of evidence-gathering for a moderate assurance engagement is less than for a high assurance engagement. Moderate assurance engagements focus on aggregated information rather than physically checking source information at sites. Consequently, the level of assurance obtained in a moderate assurance engagement is substantially lower than the assurance that would have been obtained had a high assurance engagement been performed.

Table 1. Summary of Sysmex Group's environmental & social data for the fiscal year 2021

Greenhouse gas emissions Scope 1 (CO ₂ emissions of energy consumption from stationary combustion sources and from fleet)	4,023 t-CO ₂ e
Greenhouse gas emissions Scope 2	15,901 t-CO ₂ e
Greenhouse gas emissions Scope 3 (CO ₂ emissions from logistics)	26,033 t-CO ₂ e
Energy consumption	524,686 GJ
Water use volume	487 thousand m ³
Industrial waste emissions in Japan	540 t
Female managers ratio	8.7 %



PERFORMANCE DATA / INDEPENDENT PRACTITIONER'S ASSURANCE

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LRQA's Approach

LRQA's assurance engagements are carried out in accordance with AA1000 ASSURANCE STANDARD v3 TYPE 2 ASSURANCE – ADHERENCE TO THE ACCOUNTABILITY PRINCIPLES, AND RELIABILITY AND QUALITY OF THE PERFORMANCE INFORMATION. The following tasks were undertaken as part of the evidence gathering process for this assurance engagement:

Materiality-Related Disclosures

- Reviewing the Company's process for identifying and determining stakeholders to confirm that all the related stakeholders are captured.
- Assessing the Company's process for identifying and determining material issues to confirm that the right issues were included in their Report.
- Reviewing the Company's approach to stakeholder engagement process to confirm that engagement related to issues raised by stakeholders is implemented.
- Verifying the Company's KPI determination process and information disclosure methodologies to confirm that sustainability performances to impact on environment and social are monitored and disclosed.
- LRQA conducted these tasks through interviewing key personnel in charge of sustainability and reviewing documents and associated records. To comply with the Company's "No Visitor" policy due to global spread of COVID-19 infection, the interview was executed remotely by means of Microsoft Teams.

Environmental & social data

- Auditing the Company's data management systems to confirm that there were no significant errors, omissions or misstatements in the report. We did this by reviewing the effectiveness of data handling procedures, instructions and systems, including those for internal verification.
- Interviewing with those key people responsible for compiling the data and drafting the report.
- Sampling datasets and traced activity data back to aggregated levels;
- Verifying the historical environmental & social data and records for the fiscal year 2021; and
- Employing remote verification approach to the headquarter office, Sysmex Medica and Kakogawa Factory whereby confirming the effectiveness of its data management systems via emails and Microsoft Teams in order to abide by the Company's "No Visitor" Policy due to the global infection spread of COVID-19.

Observations

Further observations and findings, made during the assurance engagement, are:

Materiality-Related Disclosures

- Inclusion: We are not aware of any key stakeholder groups that have been excluded from the Company's stakeholder engagement process. Not only customers, employees and business partners that The Company has addressed since its foundation, but shareholders and society are also recognised

as important stakeholders and the top management expresses commitment for the stakeholders. We believe ambitious efforts to make use of engagement outputs should be made for further improvements.

• Materiality:

We are not aware of any material issues concerning the Company's sustainability performance that have been excluded from the report. The Company reviewed and determined in line with its already established methodologies the materiality in 2021 to address social issues related to sustainability. In this process, the Company identified the material issues in reference to key sustainability initiatives; evaluated the materiality by using a dedicated matrix from the standpoint of both the Company and its stakeholders; and had the decision approved by management.

• Responsiveness:

The Company has a formal process to capture issues raised by stakeholders and to respond them. The Company not only consolidates inputs collected from relevant departments but also holds regular discussions with experts, and its performances on selected key issues are reported in a timely manner on the website and in reports.

• Impact:

The Company establishes the system to account and disclose information related to sustainability performance. The Company discloses the information via Annual Report and Sustainability Databook and has third-party assurance to the indicators interested by stakeholders. The Company proceeds to determine KPI for material indicators based on the materiality reviewed in 2021.



PERFORMANCE DATA / INDEPENDENT PRACTITIONER'S ASSURANCE

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► Independent Practitioner's Assurance

Environmental & social data

The Company should continue efforts for implementing quality assurance and quality control (QA/QC) systems for the management of relevant data.

LRQA's Standards, Competence and Independence

LRQA implements and maintains a comprehensive management system that meets accreditation requirements for ISO 14065 Greenhouse gases – Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition and ISO/IEC 17021-1 Conformity assessment – Requirements for bodies providing audit and certification of management systems – Part1: Requirements that are at least as demanding as the requirements of the International Standard on Quality Control 1 and comply with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants.

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

This is the only work undertaken by LRQA for the Company and as such does not compromise our independence or impartiality.

Signed

Koji Tagami
LRQA Lead Verifier

On behalf of LRQA Limited

10th Floor, Queen's Tower A, 2-3-1 Minatomirai, Nishi-ku,
Yokohama, Japan

Dated: 13 September 2022



LRQA reference: YKA00000940

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GUIDELINE COMPARISON TABLE

General Standard Disclosures (Core)

Disclosure numbers	Requirements	References
Organizational Profile		
102-01	a. Name of the organization.	▶ Company Profile
102-02	a. A description of the organization's activities. b. Primary brands, products, and services, including an explanation of any products or services that are banned in certain markets.	▶ Company Profile ▶ Products & Solutions
102-03	a. Location of the organization's headquarters.	▶ Company Profile
102-04	a. Number of countries where the organization operates, and the names of countries where it has significant operations and/or that are relevant to the topics covered in the report.	▶ Company Profile ▶ Subsidiaries, Associated Foundation
102-05	a. Nature of ownership and legal form.	▶ Company Profile ▶ Sysmex Report (Integrated Report)
102-06	a. Markets served, including: i. geographic locations where products and services are offered; ii. sectors served; iii. types of customers and beneficiaries.	▶ Company Profile ▶ Information for Stakeholders
102-07	a. Scale of the organization, including: i. total number of employees; ii. total number of operations; iii. net sales (for private sector organizations) or net revenues (for public sector organizations); iv. total capitalization (for private sector organizations) broken down in terms of debt and equity; v. quantity of products or services provided.	▶ Company Profile ▶ Offices ▶ Financial Information
102-08	a. Total number of employees by employment contract (permanent and temporary), by gender. b. Total number of employees by employment contract (permanent and temporary), by region. c. Total number of employees by employment type (full-time and part-time), by gender. d. Whether a significant portion of the organization's activities are performed by workers who are not employees. If applicable, a description of the nature and scale of work performed by workers who are not employees. e. Any significant variations in the numbers reported in Disclosures 102-8-a, 102-8-b, and 102-8-c (such as seasonal variations in the tourism or agricultural industries). f. An explanation of how the data have been compiled, including any assumptions made.	▶ Social Data
102-09	a. A description of the organization's supply chain, including its main elements as they relate to the organization's activities, primary brands, products, and services.	▶ Press Release
102-10	a. Significant changes to the organization's size, structure, ownership, or supply chain, including: i. Changes in the location of, or changes in, operations, including facility openings, closings, and expansions; ii. Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations); iii. Changes in the location of suppliers, the structure of the supply chain, or relationships with suppliers, including selection and termination.	▶ Operating Risks ▶ Press Release
102-11	a. Whether and how the organization applies the Precautionary Principle or approach.	▶ Basic Policy and Structure ▶ Risk Management Structure ▶ Response to Risks Related to Business Continuity ▶ Environmental Management
102-12	a. A list of externally-developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes, or which it endorses.	The United Nations Global Compact, TCFD, Universal Declaration of Human Rights, ILO Declaration on Fundamental
102-13	a. A list of the main memberships of industry or other associations, and national or international advocacy organizations.	▶ Members of Japan Association of Clinical Reagents Industries (Japanese) 

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GUIDELINE COMPARISON TABLE

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	Sustainability Management	Society	Environment	Governance	External Evaluation	Performance Data / Independent Practitioner's Assurance	Guideline Comparison Table
Strategy							
102-14	a. A statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy for addressing sustainability.					► Sysmex Report (CEO Message)	
102-15	a. A description of key impacts, risks, and opportunities.					► Sysmex Report (CEO Message, Sysmex's Value Creation, Corporate Governance) ► Environmental Management	
Ethics and Integrity							
102-16	a. A description of the organization's values, principles, standards, and norms of behavior.					► Corporate Philosophy and Core Behaviors	
102-17	a. A description of internal and external mechanisms for: i. seeking advice about ethical and lawful behavior, and organizational integrity; ii. reporting concerns about unethical or unlawful behavior, and organizational integrity.					► Compliance Management	
Governance							
102-18	a. Governance structure of the organization, including committees of the highest governance body. b. Committees responsible for decision-making on economic, environmental, and social topics.					► Corporate Governance ► Risk Management Structure ► Environmental Management	
Stakeholder Engagement							
102-34	a. Total number and nature of critical concerns that were communicated to the highest governance body. b. Mechanism(s) used to address and resolve critical concerns.					► Status of Sustainability Targets ► Compliance Management	
102-40	a. A list of stakeholder groups engaged by the organization.					► Communication with Stakeholders	
102-41	a. Percentage of total employees covered by collective bargaining agreements.					► Respect for Human Rights	
102-42	a. The basis for identifying and selecting stakeholders with whom to engage.					► Sysmex Report (Stakeholder Engagement)	
102-43	a. The organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.					► Sysmex Report (Stakeholder Engagement)	
102-44	a. Key topics and concerns that have been raised through stakeholder engagement, including: i. how the organization has responded to those key topics and concerns, including through its reporting; ii. the stakeholder groups that raised each of the key topics and concerns.					► Materiality	
Reporting Practice							
102-45	a. A list of all entities included in the organization's consolidated financial statements or equivalent documents. b. Whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.					► Editorial Policy ► Offices ► Subsidiaries, Associated Foundation	
102-46	a. An explanation of the process for defining the report content and the topic Boundaries. b. An explanation of how the organization has implemented the Reporting Principles for defining report content.					► Materiality ► Editorial Policy	
102-47	a. A list of the material topics identified in the process for defining report content.					► Materiality	
102-48	a. The effect of any restatements of information given in previous reports, and the reasons for such restatements.					► Environmental Data ► Social Data Some figures have been revised from previous reporting, owing to changes in calculation methods.	
102-49	a. Significant changes from previous reporting periods in the list of material topics and topic Boundaries.					► Materiality	
102-50	a. Reporting period for the information provided.					► Editorial Policy	
102-51	a. If applicable, the date of the most recent previous report.					► Editorial Policy	
102-52	a. Reporting cycle.					► Editorial Policy	
102-53	a. The contact point for questions regarding the report or its contents.					► Editorial Policy ► Inquiries regarding sustainability, corporate information, or other topics related to Sysmex website	
102-54	a. The claim made by the organization, if it has prepared a report in accordance with the GRI Standards, either: i. 'This report has been prepared in accordance with the GRI Standards: Core option'; ii. 'This report has been prepared in accordance with the GRI Standards: Comprehensive option'.					-	

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102-55	<p>a. The GRI content index, which specifies each of the GRI Standards used and lists all disclosures included in the report.</p> <p>b. For each disclosure, the content index shall include:</p> <ul style="list-style-type: none"> i. the number of the disclosure (for disclosures covered by the GRI Standards); ii. the page number(s) or URL(s) where the information can be found, either within the report or in other published materials; iii. if applicable, and where permitted, the reason(s) for omission when a required disclosure cannot be made. 	<ul style="list-style-type: none"> ▶ Editorial Policy ▶ GRI Index
102-56	<p>a. A description of the organization's policy and current practice with regard to seeking external assurance for the report.</p> <p>b. If the report has been externally assured:</p> <ul style="list-style-type: none"> i. A reference to the external assurance report, statements, or opinions. If not included in the assurance report accompanying the sustainability report, a description of what has and what has not been assured and on what basis, including the assurance standards used, the level of assurance obtained, and any limitations of the assurance process; ii. The relationship between the organization and the assurance provider; iii. Whether and how the highest governance body or senior executives are involved in seeking external assurance for the organization's sustainability report. 	<ul style="list-style-type: none"> ▶ Independent Practitioner's Assurance

Specific Standard Disclosures

Disclosure numbers	Requirements	References
Management Approach		
103-01	<p>a. An explanation of why the topic is material.</p> <p>b. The Boundary for the material topic, which includes a description of:</p> <ul style="list-style-type: none"> i. where the impacts occur; ii. the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships. <p>c. Any specific limitation regarding the topic Boundary.</p>	<ul style="list-style-type: none"> ▶ Materiality
103-02	<p>a. An explanation of how the organization manages the topic.</p> <p>b. A statement of the purpose of the management approach.</p> <p>c. A description of the following, if the management approach includes that component:</p> <ul style="list-style-type: none"> i. Policies ii. Commitments iii. Goals and targets iv. Responsibilities v. Resources vi. Grievance mechanisms vii. Specific actions, such as processes, projects, programs and initiatives 	<ul style="list-style-type: none"> ▶ Basic Policy and Structure ▶ Materiality
103-03	<p>a. An explanation of how the organization evaluates the management approach, including:</p> <ul style="list-style-type: none"> i. the mechanisms for evaluating the effectiveness of the management approach; ii. the results of the evaluation of the management approach; iii. any related adjustments to the management approach. 	<ul style="list-style-type: none"> ▶ Basic Policy and Structure ▶ Materiality
Resolution of Medical Issues through Products and Services		
Indirect Economic Impacts		
203-01	<p>a. Extent of development of significant infrastructure investments and services supported.</p> <p>b. Current or expected impacts on communities and local economies, including positive and negative impacts where relevant.</p> <p>c. Whether these investments and services are commercial, in-kind, or pro bono engagements.</p>	<ul style="list-style-type: none"> ▶ Sysmex Report (Sysmex's Value Creation) ▶ Resolution of Medical Issues through Innovation ▶ Improvement in Accessibility to Healthcare ▶ Pursuit of Quality and Trust ▶ Strengthening of Supply Chain Management ▶ Corporate Citizenship Activities
203-02	<p>a. Examples of significant identified indirect economic impacts of the organization, including positive and negative impacts.</p> <p>b. Significance of the indirect economic impacts in the context of external benchmarks and stakeholder priorities, such as national and international standards, protocols, and policy agendas.</p>	<ul style="list-style-type: none"> ▶ Sysmex Report (Sysmex's Value Creation) ▶ Resolution of Medical Issues through Innovation ▶ Improvement in Accessibility to Healthcare ▶ Pursuit of Quality and Trust ▶ Strengthening of Supply Chain Management ▶ Corporate Citizenship Activities

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Local Communities		
413-01	a. Percentage of operations with implemented local community engagement, impact assessments, and/or development programs, including the use of: <ol style="list-style-type: none"> social impact assessments, including gender impact assessments, based on participatory processes; environmental impact assessments and ongoing monitoring; public disclosure of results of environmental and social impact assessments; local community development programs based on local communities' needs; stakeholder engagement plans based on stakeholder mapping; broad based local community consultation committees and processes that include vulnerable groups; works councils, occupational health and safety committees and other worker representation bodies to deal with impacts; formal local community grievance processes. 	► Sysmex Report (Sysmex's Value Creation) ► Resolution of Medical Issues through Innovation ► Improvement in Accessibility to Healthcare ► Corporate Citizenship Activities
413-02	a. Operations with significant actual and potential negative impacts on local communities, including: <ol style="list-style-type: none"> the location of the operations; the significant actual and potential negative impacts of operations. 	
Responsible Provision of Products and Services		
Procurement Practices		
204-1	a. Percentage of the procurement budget used for significant locations of operation that is spent on suppliers local to that operation (such as percentage of products and services purchased locally). b. The organization's geographical definition of 'local'. c. The definition used for 'significant locations of operation'.	► Strengthening of Supply Chain Management
Supplier Environmental Assessment		
308-02	a. Number of suppliers assessed for environmental impacts. b. Number of suppliers identified as having significant actual and potential negative environmental impacts. c. Significant actual and potential negative environmental impacts identified in the supply chain. d. Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which improvements were agreed upon as a result of assessment. e. Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which relationships were terminated as a result of assessment, and why.	► Strengthening of Supply Chain Management ► Environmental Consideration through Product Lifecycle
Supplier Social Assessment		
414-02	a. Number of suppliers assessed for social impacts. b. Number of suppliers identified as having significant actual and potential negative social impacts. c. Significant actual and potential negative social impacts identified in the supply chain. d. Percentage of suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of assessment. e. Percentage of suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of assessment, and why.	► Strengthening of Supply Chain Management
Customer Health and Safety		
416-02	a. Total number of incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services within the reporting period, by: <ol style="list-style-type: none"> incidents of non-compliance with regulations resulting in a fine or penalty; incidents of non-compliance with regulations resulting in a warning; incidents of non-compliance with voluntary codes. b. If the organization has not identified any non-compliance with regulations and/or voluntary codes, a brief statement of this fact is sufficient.	► Important Product Notices (only Japanese site)
Marketing and Labeling		
417-02	a. Total number of incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labeling, by: <ol style="list-style-type: none"> incidents of non-compliance with regulations resulting in a fine or penalty; incidents of non-compliance with regulations resulting in a warning; incidents of non-compliance with voluntary codes. b. If the organization has not identified any non-compliance with regulations and/or voluntary codes, a brief statement of this fact is sufficient.	► Important Product Notices (only Japanese site)

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Realization of an Attractive Workplace			
Employment			
401-01	a. Total number and rate of new employee hires during the reporting period, by age group, gender and region. b. Total number and rate of employee turnover during the reporting period, by age group, gender and region.	► Social Data	Some employment data is not disclosed for reasons of confidentiality.
401-03	a. Total number of employees that were entitled to parental leave, by gender. b. Total number of employees that took parental leave, by gender. c. Total number of employees that returned to work in the reporting period after parental leave ended, by gender. d. Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work, by gender. e. Return to work and retention rates of employees that took parental leave, by gender.	► Social Data	Some employment data is not disclosed for reasons of confidentiality.
Occupational Health and Safety			
403-1	a. A statement of whether an occupational health and safety management system has been implemented, including whether: i. the system has been implemented because of legal requirements and, if so, a list of the requirements ii. the system has been implemented based on recognized risk management and/or management system standards/guidelines and, if so, a list of the standards/guidelines. b. A description of the scope of workers, activities, and workplaces covered by the occupational health and safety management system, and an explanation of whether and, if so, why any workers, activities, or workplaces are not covered.	► Promotion of Health and Occupational Safety	
403-4	a. A description of the processes for worker participation and consultation in the development, implementation, and evaluation of the occupational health and safety management system, and for providing access to and communicating relevant information on occupational health and safety to workers. b. Where formal joint management-worker health and safety committees exist, a description of their responsibilities, meeting frequency, decision-making authority, and whether and, if so, why any workers are not represented by these committees.	► Promotion of Health and Occupational Safety	
403-5	a. A description of any occupational health and safety training provided to workers, including generic training as well as training on specific work-related hazards, hazardous activities, or hazardous situations.	► Promotion of Health and Occupational Safety	
403-6	a. An explanation of how the organization facilitates workers' access to non-occupational medical and healthcare services, and the scope of access provided. b. A description of any voluntary health promotion services and programs offered to workers to address major non-work-related health risks, including the specific health risks addressed, and how the organization facilitates workers' access to these services and programs.	► Promotion of Health and Occupational Safety	
403-9	a. For all employees: i. The number and rate of fatalities as a result of work-related injury; ii. The number and rate of high-consequence work-related injuries (excluding fatalities); iii. The number and rate of recordable work-related injuries; iv. The main types of work-related injury; v. The number of hours worked. b. For all workers who are not employees but whose work and/or workplace is controlled by the organization: i. The number and rate of fatalities as a result of work-related injury; ii. The number and rate of high-consequence work-related injuries (excluding fatalities); iii. The number and rate of recordable work-related injuries; iv. The main types of work-related injury; v. The number of hours worked. c. The work-related hazards that pose a risk of high-consequence injury, including: i. how these hazards have been determined; ii. which of these hazards have caused or contributed to high-consequence injuries during the reporting period; iii. actions taken or underway to eliminate these hazards and minimize risks using the hierarchy of controls. d. Any actions taken or underway to eliminate other work-related hazards and minimize risks using the hierarchy of controls. e. Whether the rates have been calculated based on 200,000 or 1,000,000 hours worked. f. Whether and, if so, why any workers have been excluded from this disclosure, including the types of worker excluded. g. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.	► Promotion of Health and Occupational Safety	

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Training and Education		
404-01	a. Average hours of training that the organization's employees have undertaken during the reporting period, by: i. gender; ii. employee category.	► Human Resource Development Programs ► Social Data
404-02	a. Type and scope of programs implemented and assistance provided to upgrade employee skills. b. Transition assistance programs provided to facilitate continued employability and the management of career endings resulting from retirement or termination of employment.	► Provision of a Comfortable Working Environment
Diversity and Equal Opportunity		
405-01	a. Percentage of individuals within the organization's governance bodies in each of the following diversity categories: i. Gender; ii. Age group: under 30 years old, 30-50 years old, over 50 years old; iii. Other indicators of diversity where relevant (such as minority or vulnerable groups). b. Percentage of employees per employee category in each of the following diversity categories: i. Gender; ii. Age group: under 30 years old, 30-50 years old, over 50 years old; iii. Other indicators of diversity where relevant (such as minority or vulnerable groups).	► Social Data ► Sysmex Report (Integrated Report)
405-02	a. Ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation. b. The definition used for 'significant locations of operation'.	We remunerate employees appropriately, according to factors such as their occupations and qualifications, and base salaries are the same, regardless of gender.
Environmental Consideration		
Materials		
301-03	a. Percentage of reclaimed products and their packaging materials for each product category. b. How the data for this disclosure have been collected.	► Environmental Consideration through Product Lifecycle
Energy		
302-01	a. Total fuel consumption within the organization from non-renewable sources, in joules or multiples, and including fuel types used. b. Total fuel consumption within the organization from renewable sources, in joules or multiples, and including fuel types used. c. In joules, watt-hours or multiples, the total: i. electricity consumption ii. heating consumption iii. cooling consumption iv. steam consumption d. In joules, watt-hours or multiples, the total: i. electricity sold ii. heating sold iii. cooling sold iv. steam sold e. Total energy consumption within the organization, in joules or multiples. f. Standards, methodologies, assumptions, and/or calculation tools used. g. Source of the conversion factors used.	► Environmental Data
302-03	a. Energy intensity ratio for the organization. b. Organization-specific metric (the denominator) chosen to calculate the ratio. c. Types of energy included in the intensity ratio; whether fuel, electricity, heating, cooling, steam, or all. d. Whether the ratio uses energy consumption within the organization, outside of it, or both.	► Environmental Data
302-04	a. Amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives, in joules or multiples. b. Types of energy included in the reductions; whether fuel, electricity, heating, cooling, steam, or all. c. Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it. d. Standards, methodologies, assumptions, and/or calculation tools used.	► Environmental Data

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Water and Effluents		
303-05	<p>a. Total water consumption from all areas in megaliters.</p> <p>b. Total water consumption from all areas with water stress in megaliters.</p> <p>c. Change in water storage in megaliters, if water storage has been identified as having a significant water-related impact.</p> <p>d. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used, including whether the information is calculated, estimated, modeled, or sourced from direct.</p>	<p>► Reduction in Environmental Burden through Activities at Business Offices</p> <p>► Environmental Data</p>
Biodiversity		
304-3	<p>a. Size and location of all habitat areas protected or restored, and whether the success of the restoration measure was or is approved by independent external professionals.</p> <p>b. Whether partnerships exist with third parties to protect or restore habitat areas distinct from where the organization has overseen and implemented restoration or protection measures.</p> <p>c. Status of each area based on its condition at the close of the reporting period.</p> <p>d. Standards, methodologies, and assumptions used.</p>	<p>► Environmental Consideration through Product Lifecycle</p> <p>► Reduction in Environmental Burden through Activities at Business Offices</p> <p>► Corporate Citizenship Activities</p>
Emissions		
305-01	<p>a. Gross direct (Scope 1) GHG emissions in metric tons of CO₂ equivalent.</p> <p>b. Gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all.</p> <p>c. Biogenic CO₂ emissions in metric tons of CO₂ equivalent.</p> <p>d. Base year for the calculation, if applicable, including:</p> <ul style="list-style-type: none"> i. the rationale for choosing it; ii. emissions in the base year; iii. the context for any significant changes in emissions that triggered recalculations of base year emissions. <p>e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.</p> <p>f. Consolidation approach for emissions; whether equity share, financial control, or operational control.</p> <p>g. Standards, methodologies, assumptions, and/or calculation tools used.</p>	<p>► Environmental Management</p> <p>► Reduction in Environmental Burden through Activities at Business Offices</p> <p>► Environmental Data</p>
305-02	<p>a. Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of CO₂ equivalent.</p> <p>b. If applicable, gross market-based energy indirect (Scope 2) GHG emissions in metric tons of CO₂ equivalent.</p> <p>c. If available, the gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all.</p> <p>d. Base year for the calculation, if applicable, including:</p> <ul style="list-style-type: none"> i. the rationale for choosing it; ii. emissions in the base year; iii. the context for any significant changes in emissions that triggered recalculations of base year emissions. <p>e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.</p> <p>f. Consolidation approach for emissions; whether equity share, financial control, or operational control.</p> <p>g. Standards, methodologies, assumptions, and/or calculation tools used.</p>	<p>► Environmental Management</p> <p>► Reduction in Environmental Burden through Activities at Business Offices</p> <p>► Environmental Data</p>
305-03	<p>a. Gross other indirect (Scope 3) GHG emissions in metric tons of CO₂ equivalent.</p> <p>b. If available, the gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all.</p> <p>c. Biogenic CO₂ emissions in metric tons of CO₂ equivalent.</p> <p>d. Other indirect (Scope 3) GHG emissions categories and activities included in the calculation.</p> <p>e. Base year for the calculation, if applicable, including:</p> <ul style="list-style-type: none"> i. the rationale for choosing it; ii. emissions in the base year; iii. the context for any significant changes in emissions that triggered recalculations of base year emissions. <p>f. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.</p> <p>g. Standards, methodologies, assumptions, and/or calculation tools used.</p>	<p>► Environmental Management</p> <p>► Reduction in Environmental Burden through Activities at Business Offices</p> <p>► Environmental Data</p>
305-04	<p>a. GHG emissions intensity ratio for the organization.</p> <p>b. Organization-specific metric (the denominator) chosen to calculate the ratio.</p> <p>c. Types of GHG emissions included in the intensity ratio; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3).</p> <p>d. Gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all.</p>	<p>► Environmental Management</p> <p>► Reduction in Environmental Burden through Activities at Business Offices</p> <p>► Environmental Data</p>

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305-05	<p>a. GHG emissions reduced as a direct result of reduction initiatives, in metric tons of CO₂ equivalent.</p> <p>b. Gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all.</p> <p>c. Base year or baseline, including the rationale for choosing it.</p> <p>d. Scopes in which reductions took place; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3).</p> <p>e. Standards, methodologies, assumptions, and/or calculation tools used.</p>	<p>► Environmental Management</p> <p>► Reduction in Environmental Burden through Activities at Business Offices</p> <p>► Environmental Data</p>
305-07	<p>a. Significant air emissions, in kilograms or multiples, for each of the following:</p> <ul style="list-style-type: none"> i. NO_x ii. SO_x iii. Persistent organic pollutants (POP) iv. Volatile organic compounds (VOC) v. Hazardous air pollutants (HAP) vi. Particulate matter (PM) vii. Other standard categories of air emissions identified in relevant regulations <p>b. Source of the emission factors used.</p> <p>c. Standards, methodologies, assumptions, and/or calculation tools used.</p>	<p>This is not disclosed, as quantities of the relevant substances are extremely small.</p>
Effluents and Waste		
306-01	<p>a. Total volume of planned and unplanned water discharges by:</p> <ul style="list-style-type: none"> i. destination; ii. quality of the water, including treatment method; iii. whether the water was reused by another organization. <p>b. Standards, methodologies, and assumptions used.</p>	<p>► Environmental Data</p>
306-02	<p>a. Total weight of hazardous waste, with a breakdown by the following disposal methods where applicable:</p> <ul style="list-style-type: none"> i. Reuse ii. Recycling iii. Composting iv. Recovery, including energy recovery v. Incineration (mass burn) vi. Deep well injection vii. Landfill viii. On-site storage ix. Other (to be specified by the organization) <p>b. Total weight of non-hazardous waste, with a breakdown by the following disposal methods where applicable:</p> <ul style="list-style-type: none"> i. Reuse ii. Recycling iii. Composting iv. Recovery, including energy recovery v. Incineration (mass burn) vi. Deep well injection vii. Landfill viii. On-site storage ix. Other (to be specified by the organization) <p>c. How the waste disposal method has been determined:</p> <ul style="list-style-type: none"> i. Disposed of directly by the organization, or otherwise directly confirmed ii. Information provided by the waste disposal contractor iii. Organizational defaults of the waste disposal contractor 	<p>► Environmental Data</p>
306-03	<p>a. Total number and total volume of recorded significant spills.</p> <p>b. The following additional information for each spill that was reported in the organization's financial statements:</p> <ul style="list-style-type: none"> i. Location of spill; ii. Volume of spill; iii. Material of spill, categorized by: oil spills (soil or water surfaces), fuel spills (soil or water surfaces), spills of wastes (soil or water surfaces), spills of chemicals (mostly soil or water surfaces), and other (to be specified by the organization). <p>c. Impacts of significant spills.</p>	<p>No incidents (As of March 31, 2022)</p>

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Governance		
Tax		
207-01	a. A description of the approach to tax, including: i. whether the organization has a tax strategy and, if so, a link to this strategy if publicly available; ii. the governance body or executive-level position within the organization that formally reviews and approves the tax strategy, and the frequency of this review; iii. the approach to regulatory compliance; iv. how the approach to tax is linked to the business and sustainable development strategies of the organization.	► Compliance Promotion Initiatives (Tax Strategy) ► Risk Management Structure
207-02	a. A description of the tax governance and control framework, including: i. the governance body or executive-level position within the organization accountable for compliance with the tax strategy; ii. how the approach to tax is embedded within the organization; iii. the approach to tax risks, including how risks are identified, managed, and monitored; iv. how compliance with the tax governance and control framework is evaluated. b. A description of the mechanisms to raise concerns about the organization's business conduct and the organization's integrity in relation to tax. c. A description of the assurance process for disclosures on tax including, if applicable, a link or reference to the external assurance report(s) or assurance statement(s).	► Compliance Promotion Initiatives (Tax Strategy) ► Risk Management Structure
Anti-Corruption		
205-03	a. Total number and nature of confirmed incidents of corruption. b. Total number of confirmed incidents in which employees were dismissed or disciplined for corruption. c. Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption. d. Public legal cases regarding corruption brought against the organization or its employees during the reporting period and the outcomes of such cases.	No incidents (As of March 31, 2022)
Anti-Competitive Behavior		
206-01	a. Number of legal actions pending or completed during the reporting period regarding anti-competitive behavior and violations of anti-trust and monopoly legislation in which the organization has been identified as a participant b. Main outcomes of completed legal actions, including any decisions or judgments.	No incidents (As of March 31, 2022)
Environment Compliance		
307-01	a. Significant fines and non-monetary sanctions for non-compliance with environmental laws and/or regulations in terms of: i. total monetary value of significant fines; ii. total number of non-monetary sanctions; iii. cases brought through dispute resolution mechanisms. b. If the organization has not identified any non-compliance with environmental laws and/or regulations, a brief statement of this fact is sufficient.	No incidents (As of March 31, 2022)
Public Policy		
415-01	a. Total monetary value of financial and in-kind political contributions made directly and indirectly by the organization by country and recipient/beneficiary. b. If applicable, how the monetary value of in-kind contributions was estimated.	There was no annual political contribution in fiscal 2021
Socioeconomic Compliance		
419-01	a. Significant fines and non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area in terms of: i. total monetary value of significant fines; ii. total number of non-monetary sanctions; iii. cases brought through dispute resolution mechanisms. b. If the organization has not identified any non-compliance with laws and/or regulations, a brief statement of this fact is sufficient. c. The context against which significant fines and non-monetary sanctions were incurred.	No incidents (As of March 31, 2022)

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CODE	TOPIC	ACCOUNTING METRIC	References
HC-MS-240a.1	Affordability & Pricing	Ratio of weighted average rate of net price increases (for all products) to the annual increase in the U.S. Consumer Price Index	–
HC-MS-240a.2		Description of how price information for each product is disclosed to customers or to their agents	▶ Compliance Promotion Initiatives>Fair Marketing Activities
HC-MS-250a.1	Product Safety	Number of recalls issued, total units recalled	▶ Status of Sustainability Targets
HC-MS-250a.2		List of products listed in the FDA's MedWatch Safety Alerts for Human Medical Products database	There were no results in fiscal 2021.
HC-MS-250a.3		Number of fatalities related to products as reported in the FDA Manufacturer and User Facility Device Experience	
HC-MS-250a.4		Number of FDA enforcement actions taken in response to violations of current Good Manufacturing Practices (cGMP), by type	
HC-MS-270a.1	Ethical Marketing	Total amount of monetary losses as a result of legal proceedings associated with false marketing claims	No incidents (As of March 31, 2022)
HC-MS-270a.2		Description of code of ethics governing promotion of off-label use of products	▶ Compliance Promotion Initiatives>Fair Marketing Activities
HC-MS-410a.1	Product Design & Lifecycle Management	Discussion of process to assess and manage environmental and human health considerations associated with chemicals in products, and meet demand for sustainable products	▶ Pursuit of Quality and Trust>Sustainable Improvement Programs ▶ Environmental Consideration through Product Lifecycle ▶ Compliance Promotion Initiatives>Research Ethics
HC-MS-410a.2		Total amount of products accepted for takeback and reused, recycled, or donated, broken down by: (1) devices and equipment and (2) supplies	▶ Environmental Consideration through Product Lifecycle ▶ Status of Sustainability Targets
HC-MS-430a.1	Supply Chain Management	Percentage of (1) entity's facilities and (2) Tier I suppliers' facilities participating in third-party audit programs for manufacturing and product quality	▶ Status of Sustainability Targets
HC-MS-430a.2		Description of efforts to maintain traceability within the distribution chain	▶ Pursuit of Quality and Trust>Sustainable Improvement Programs
HC-MS-430a.3		Description of the management of risks associated with the use of critical materials	
HC-MS-510a.1	Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	No incidents (As of March 31, 2022)
HC-MS-510a.2		Description of code of ethics governing interactions with health care professionals	▶ Compliance Promotion Initiatives

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