



Sysmex

Sustainability Data Book 2020

April 1, 2019 – March 31, 2020

Contents

CSR Management	2	Environment	43
Basic Policy and Structure	3	Environmental Consideration	44
Materiality and the Status of Non-Financial Targets	4	Environmental Management	45
		Environmental Consideration through the Product Lifecycle	49
		Reduction in Environmental Burden through Activities at Business Offices	53
		Biodiversity Protection	58
Society	6	Governance	60
Resolution of Medical Issues through Products and Services	7	Compliance	62
Medical Issues Sysmex is Addressing	8	Compliance Management	62
Resolution of Medical Issues through Business Activities	9	Compliance Promotion Initiatives	65
Improvement in Accessibility to Medical Services by Means such as Familiarizing Products	11	Risk Management	68
Responsible Provision of Products and Services	15	Risk Management Structure	68
Securing of Product Quality and Safety	16	Response to Risks Related to Business Continuity	69
Appropriate Disclosure of Information Regarding Products and Services	18	Enhancing Information Security	70
Assessment and Management of the Supply Chain	19		
Customer Relations	21	External Evaluation	72
Realization of an Attractive Workplace	24	Performance Data	75
Provision of a Comfortable Working Environment	25	Social Data	75
Promotion of Diversity	30	Environmental Data	78
Development of Human Resources	32	Independent Practitioner's Assurance	83
Promoting Health and Productivity Management	34	Governance Data	84
Respecting Workers' Rights	37		
Respect for Human Rights	38	Disclosure System / Editorial Policy	86
Corporate Citizenship Activities	39		

CSR Management

Basic Policy and Structure	3
Materiality and the Status of Non-Financial Targets	4



CSR Management

Basic Policy and Structure

Basic Policy

Today's world is host to numerous issues facing healthcare. These range from epidemics, aging populations, and rising medical costs due to advanced treatments that use innovative technologies to the need for better access to health services in emerging and developing countries. The Sustainable Development Goals (SDGs) have set targets for human health and welfare, prompting growing expectations for global companies to undertake initiatives to resolve issues in healthcare.

With this situation as a backdrop, Sysmex, with its business centered on the field of *in vitro* diagnostics (IVD), which has been its focus since the Company's founding, works to resolve global medical issues in accordance with its mission of "shaping the advancement of healthcare." This is a part of the Sysmex Way, the Group's corporate philosophy. We are particularly focusing on our goal to help extend healthy lifespans and configurate sustainable healthcare infrastructure by providing products and services for medical institutions in more than 190 countries.

We believe that, in order for us to continue these activities, it is vital that we ensure sustainable management by sincerely communicating with all stakeholders. These include our customers, employees, business partners, shareholders, and society. The Sysmex Way specifies our Core Behaviors to clearly define the value we deliver to each group of stakeholders, and we ensure through various activities that employees across the Group adopt the Core Behaviors in their daily routines. Our priority is to ensure compliance with laws and regulations, promote business activities based on high ethical standards, protect the global environment, and create a work environment in which employees from diverse backgrounds feel comfortable.

▶ [Click here for our corporate philosophy and Core Behaviors.](#)

▶ [Click here for the Sysmex Report for information on the company's value creation.](#)

CSR Management Structure

Sysmex has established the CSR Promotion Department as a specialized department for planning, drawing up proposals for, and promoting CSR activities, as well as disseminating CSR-related information both inside and outside the Company. The department's activities are conducted under the control and management of Yukio Nakajima, 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. The Group mid-term management plan (fiscal 2019 to 2021) sets non-financial targets tied to materiality, clarifying the position of CSR activities within the overall management scheme. Individual departments will roll out execution plans and activities to achieve these non-financial targets and report their progress at management meetings, including the Managing Board meetings. Targets are then reviewed, and new measures considered in a PDCA cycle.

The UN Global Compact

Sysmex 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.

WE SUPPORT



The UN Global Compact

SUSTAINABLE DEVELOPMENT GOALS



The Sustainable Development Goals (SDGs)

▶ [Click here for information about the UN Global Compact's Ten Principles.](#) 

CSR Management

Materiality and the Status of Non-Financial Targets

Systemex has identified priority issues (materiality) with a view to realizing a sustainable society and achieving sustainable growth for the Group. The Group mid-term management plan (fiscal 2019 to 2021) sets non-financial targets tied to materiality, clarifying the position of CSR activities within the overall management scheme. Individual departments will roll out execution plans and activities to achieve these non-financial targets and report their progress at management meetings, including the Managing Board meetings. Targets are then reviewed, and new measures considered in a PDCA cycle.

▶ [Click here for details on the consideration of materiality \(identification process\).](#)

Materiality		SDGs Targets
Resolution of Medical Issues through Products and Services	Resolution of medical issues through business activities	  
	Improvement in accessibility to medical services by means such as familiarizing products	
Responsible Provision of Products and Services	Securing of product quality and safety	 
	Appropriate disclosure of information regarding products and services	
	Assessment and management of the supply chain	
Realization of an Attractive Workplace	Provision of a comfortable working environment	 
	Promotion of diversity	
	Development of human resources	
Environmental Consideration Base year: Fiscal 2016	Environmental consideration through the product lifecycle	 
	Reduction in environmental burden through activities at business offices	 
Governance	Corporate governance	 
	Compliance	
	Risk management	

1. See page 26 for details on the engagement score.

2. Target: Systemex Corporation on a non-consolidated basis

3. Some figures have been revised from those previously disclosed.

4. Set as a monitoring index; no target value has been set.

	KPI		Results			Target	
			Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2021	Fiscal 2025 (Eco-Vision)
Hematology market share	Within the hematology field, consolidated sales as a percentage of the market for instruments, reagents, and services	52.7%	53.8%	54.7%	Note 4		
Number of patents	Total number of patents, utility model rights, and design rights held	2,709	2,987	3,143	Note 4		
Number of new patents	Total number of applications filed for patents, utility model rights, and design rights	301	346	306	Note 4		
Number of scientific papers	Number of scientific papers presented by users of the Company's products	155	166	176	Note 4		
Percentage of sales in emerging markets	Sales in emerging markets as a percentage of consolidated sales	39.2%	39.5%	39.7%	Note 4		
CSR survey response rate	Percentage of primary raw materials suppliers that responded to CSR surveys ³ (figures in parentheses show such percentages only for Japanese suppliers)	80.7% (99.6%)	84.0% (99.6%)	84.8% (99.2%)	Note 4	—	
Engagement score ¹	Corporate Culture Survey results	72%	—	—	75%		
Turnover ratio ^{2,3}	Turnover percentage of regular employees, excluding people who have reached the mandatory retirement age	3.22%	3.78%	3.09%	Note 4		
Lost-time injuries frequency rate ²	Number of employee death or injuries resulting from work-related accidents per million hours actually worked	0.35	0.89	0.86	Less than 0.35		
Lost work day rate ²	Number of days absent from work due to work-related injuries per 1,000 hours actually worked	0.05	0.06	0.08	Less than 0.05		
Female managers ratio	Percentage of women at director level or above	15.2%	15.2%	15.5%	16.0%		
Training time per employee ³	Average hours of training per employee provided by the Human Resources Division (figures in parentheses include online training hours)	15.7 hours ² (24.9 hours)	15.8 hours ² (28.9 hours)	17.0 hours ² (27.7 hours)	25.0 hours		
Reduction of CO ₂ emissions (instruments)	Percentage reduction in CO ₂ emissions per instrument	Up 1%	Up 3%	Up 4%	Cut 10%	Cut 15%	
Reduction of water consumption (instruments) ³	Percentage reduction in water volume per instrument	Cut 1%	Cut 1%	Cut 3%	Cut 10%	Cut 15%	
Reduction of CO ₂ emissions (shipping)	Percentage reduction in CO ₂ emissions during shipping and distribution per unit of parent-only sales	Cut 17%	Up 1%	Cut 17%	Cut 10%	Cut 15%	
Reduction of CO ₂ emissions (business activities)	Percentage reduction in CO ₂ emissions during business activities per unit of consolidated sales	Cut 17%	Cut 21%	Cut 17%	Cut 10%	Cut 50%	
Reduction of water consumption (business activities)	Percentage reduction in water use during business activities per unit of consolidated sales	Cut 8%	Cut 7%	Up 6%	Cut 10%	Cut 15%	
Recycling rate	Recycling volume divided by total waste volume	89%	76%	67%	88% or higher	93% or higher	
Number of internal reportings	Number of internal reporting incidences	32	14	11	Note 4		
Number of unethical incidents	In the event of violations of law or the Global Compliance Code, number of incidents involving disciplinary action	—	9	7	Note 4	—	

Society

Resolution of Medical Issues through Products and Services	7
Medical Issues Sysmex is Addressing	8
Resolution of Medical Issues through Business Activities	9
Improvement in Accessibility to Medical Services by Means such as Familiarizing Products	11
Responsible Provision of Products and Services	15
Securing of Product Quality and Safety	16
Appropriate Disclosure of Information Regarding Products and Services	18
Assessment and Management of the Supply Chain	19
Customer Relations	21
Realization of an Attractive Workplace	24
Provision of a Comfortable Working Environment	25
Promotion of Diversity	30
Development of Human Resources	32
Promoting Health and Productivity Management	34
Respecting Workers' Rights	37
Respect for Human Rights	38
Corporate Citizenship Activities	39



Materiality

Resolution of Medical Issues through Products and Services



Why It Is Important

With the backdrop of aging populations in advanced countries, in recent years the need has been growing to reduce medical costs and extend healthy lifespans. At the same time, medical infrastructures have been unable to keep pace with growing populations in emerging markets and developing countries, and some 400 million people around the world are not receiving necessary levels of healthcare*. Boosting access to healthcare services is therefore an issue. Meanwhile, the Sustainable Development Goals (SDGs) set targets for human health and welfare, prompting growing expectations for global companies to undertake initiatives 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. These include the three most deadly infectious diseases (HIV/AIDS, tuberculosis, and malaria). By addressing issues such as these, Sysmex works to contribute to the development of healthcare and the healthy lives of people. At the same time, we believe the emergence of new technologies and markets provides new business opportunities and will enable us to achieve sustainable growth.

* Source: WHO, "Universal Health Coverage 

Management Approach

[Policy]

In accordance with the Group mid-term management plan (fiscal 2019 to 2021), we aim to expand product lineup in accordance with regional characteristics in the IVD business, such in as hematology, urinalysis, coagulation testing, and immunochemistry testing. Also we will enhance our sales and service structure and create new diagnostic value designed to contribute to personalized healthcare in the life science business.

▶ [Click here for information about the Sysmex Group mid-term management plan. \(PDF format / 114KB\)](#) 

[Framework]

The Global Strategy Committee, which consists of the Chairman and 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.

▶ [Click here for more information about our business development framework for fiscal 2020. \(PDF format / 367KB\)](#) 

[Targets]

We use the hematology market share, the number of patents, the number of new patents, and the number of scientific papers as the indicators for monitoring.

▶ [Click here for details about the targets.](#)

▶ [Click here for the Sysmex Report for information on our business activities and strategies.](#)

Relevant SDGs



Medical Issues Sysmex is Addressing

In order to improve patients' quality of life (QOL) and help curb medical costs, Sysmex offers products and services and creates new testing and diagnostic value in cooperation with medical institutions around the world.

▶ [Click here for the Sysmex Report for information on our value creation.](#)

Over 7 billion people across the globe
(patients, health examinees, etc.)

QOL Improvements

By creating new testing and diagnostic value, we contribute to early detection and reducing the burden on patients in treatment.

Challenge	Efforts by Sysmex
<ul style="list-style-type: none"> • Early detection and early treatment • Reduction in burdens on patients 	<ul style="list-style-type: none"> • Contribute to cancer genomic medicine • Create new diagnostic techniques for Alzheimer's disease

▶ [Click here for details on Resolution of Medical Issues through Business Activities.](#)

We are helping to increase the quality of healthcare by providing products and medical information tailored to regional needs.

Challenge	Efforts by Sysmex
<ul style="list-style-type: none"> • Providing proper healthcare in emerging countries 	<ul style="list-style-type: none"> • Take actions to improve healthcare environments in cooperation with governments and international organizations • Standardize and automate malaria testing • Assist with quality improvement in laboratories • Hold scientific seminars and provide information

▶ [Click here for details on Improvement in Accessibility to Medical Services by Means such as Familiarizing Products.](#)

Government, administration, and local communities

Curbing medical costs

By providing products and services, we help to extend healthy lifespans for patients and help curtail healthcare expenses.

Challenge	Efforts by Sysmex
<ul style="list-style-type: none"> • Reduction in the overall cost through laboratories' improved productivity • Provide early detection and treatment and select the right treatment and drugs to help reduce wasted health services 	<p style="text-align: center;">Create original solutions by integrating technological expertise in testing instruments, reagents, and IT</p>

▶ [Click here for details on Customer Relations.](#)

Materiality

Resolution of Medical Issues through Products and Services

Resolution of Medical Issues through Business Activities

Cancer Genomic Medicine Initiatives

In addition to a confirmed diagnosis, in recent years cancer treatment requires numerous tests using genes and proteins for efficacy prediction, recurrence monitoring, and other aspects of treatment. One such aspect, genomic profiling tests for cancer, involves the simultaneous measurement of several hundred genes in tumor tissue, whereby abnormalities in a patient's cancer-specific genes are comprehensively analyzed. This profiling aims to provide information useful for cancer diagnosis, treatment, and the selection of anti-cancer drugs.

Sysmex has developed the OncoGuide™ NCC Oncopanel System for cancer genomic profiling in collaboration with the National Cancer Center. This system has been designated as a “Sakigake Designation System” in the field of *in vitro* diagnostic pharmaceuticals and, in 2018, it received manufacturing and marketing approval as a gene mutation analysis set (for genomic profiling tests for cancer). In 2019, Riken Genesis began to use the system to provide assay services (outsourced analysis) designed to evaluate medical treatments in terms of their potential to be covered by health insurance. In the same year, OncoGuide™ NCC was certified to be covered by insurance, which made it Japan's first genomic profiling test with health insurance coverage. In April 2020, research for evaluating the benefits of conducting the test at the start of standard therapy was certified as constituting advanced healthcare.

In January 2020, we launched a gene testing kit named the Ipsogen JAK2 DX reagent, which is also certified for coverage by Japan's health insurance. This testing kit is designed to measure the number of JAK2V617F gene mutations that is useful for the diagnosis of polycythemia vera, essential thrombocythemia, and primary myelofibrosis, all of which are hematopoietic tumors—that is, blood cancer. Before the launch of this reagent, Japan did not have any *in vitro* diagnostics for measuring the number of JAK2V617F gene mutations with manufacturing and marketing approval and health insurance coverage. The Ipsogen JAK2 DX reagent helps increase the opportunities of patients in Japan to seek medical attention and determine whether bone marrow fluid should be collected, which may lead to a reduction in the physical and financial burdens on patients.

Initiatives for Early Diagnosis and Treatment of Alzheimer's

The number of patients with dementia across the world exceeded 50 million in 2019 and is estimated to reach 152 million by 2050.* 60% of dementia is Alzheimer-type dementia, which is believed to be triggered by a protein called amyloid beta $A\beta$ accumulated in the brain before cognitive impairment becomes apparent. Therefore, early diagnosis and intervention is thought to be the key to treatment targeting $A\beta$. However, brain imaging tests (brain positron emission tomography [PET] scans) and cerebrospinal fluid tests, which are conducted to see how much $A\beta$ has accumulated in the brain, are expensive and available only at a limited number of health facilities. In addition, they impose a significant physical burden on patients.

Sysmex is working on joint research with Eisai Co., Ltd. to explore blood tests that are more affordable and physically less burdensome for patients than conventional tests in order to detect Alzheimer-type dementia. The 12th Clinical Trials on Alzheimer's Disease (CTAD) conference in December 2019 suggested the possibility of identifying the amyloid pathology in the brain via a diagnostic procedure using blood samples that is currently under development. (For details, [click here for “Sysmex Presents Academic Report with a View to Creating a Simple Method of Diagnosing Alzheimer's Disease Using Blood” published as a press release.](#))

Sysmex will continue to work toward the creation of new diagnostic technologies for prevention and treatment of dementia, thereby helping to improve the quality of life (QOL) for patients and their families.

* World Alzheimer Report 2018

Our Response to COVID-19

In March 2020, the WHO declared the global spread of the novel coronavirus to be a pandemic, and the world still continues to battle COVID-19.

Sysmex has signed a basic sales representative agreement with BGI in China, which has a new coronavirus nucleic acid detection kit that has already been distributed to at least 50 countries. Sysmex has also been selling the Real-time Fluorescent RT-PCR Kit for Detecting 2019-nCoV since March 2020. This product is used with a real-time PCR instrument to detect the RNA of the novel coronavirus.

We also worked with the City of Kobe and SRL Inc. to establish a new PCR testing process within a clinical testing center, Sysmex BMA Laboratory, in the Kobe Biomedical Innovation Cluster. The process has been in operation since June 2020. In this project, Sysmex is in charge of PCR testing while SRL is responsible for supporting the process, collecting specimens, reporting results, and undertaking other duties.

In addition, we are working to develop and launch antigen and antibody tests for predicting the need for PCR tests and the severity of the malady at an early stage of treatment as well as for the monitoring of treatment.

In support of the battle against COVID-19, we have also decided to donate 30 million yen to the Kobe City Support Fund for Medical Professionals.

Sysmex works with our partners, whether they are inside or outside the Group, as a team member to stably supply the *in vitro* diagnostics that the public needs, thereby offering secure health services and contributing to people's health.

▶ [Click here for more details about our response to COVID-19.](#)

Materiality

Resolution of Medical Issues through Products and Services

Improvement in Accessibility to Medical Services by Means such as Familiarizing Products

People in some parts of the world have difficulty receiving proper healthcare because the systems that encompass healthcare environments and programs are underdeveloped.

Addressing one of its responsibilities as a company developing its business globally, Sysmex is working to improve access to healthcare so that as many people as possible can receive appropriate medical care.

Our Activities in Africa

Sysmex has established local subsidiaries in five African countries: South Africa, Ghana, Burkina Faso, Nigeria, and Egypt. We aim to engage in wide-ranging activities through these subsidiaries (e.g., opening educational facilities and collaborating with government agencies, research institutes, and NPOs), thereby helping raise local healthcare standards.

Helping to Raise the Healthcare Standards in the Republic of Ghana by Promoting the Dissemination of Automated Urinalysis Diagnosis Technology

In African countries, infectious diseases are still a major problem, whereas the numbers of people with non-communicable diseases (NCDs) such as cancer, diabetes, and renal disease are on the rise, especially in urban areas. Prevention, early detection, and early treatment are important to counter NCDs. However, urinalysis testing, which is an effective and simple screening method, has not been widely adopted. Furthermore, urinalysis testing performed manually may lead to unreliable test results.

Sysmex has promoted the Dissemination of Automated Urinalysis Diagnosis Technology project in Ghana since 2018 as part of the Japan International Cooperation Agency (JICA)'s Collaboration Program with the Private Sector for Disseminating Japanese Technology for the Social and Economic Development of Developing Countries. We introduced a fully automated urinalysis testing system to the Komfo Anokye Teaching Hospital (KATH), Ghana's national education hospital, and held seminars and symposiums for a total of 483 local healthcare professionals. Through such activities, we enlighten local health workers on the clinical value and effectiveness of automated urinalysis diagnosis as part of our efforts to help raise Ghana's healthcare standards.



Symposium at KATH

Helping Clinical Laboratories with Capacity Building

Sysmex opened a training center called the Sysmex Academy for each of the local subsidiaries in Africa in order to provide education on clinical value and expertise in equipment maintenance for local distributors and healthcare professionals. We also offer mentorship training that we developed independently to ensure that laboratories' quality management systems conform to ISO 15189.



Mentorship training session

Collaboration with Government Agencies and International Organizations

Sysmex worked with Burkina Faso's Ministry of Health to carry out a project for establishing and maintaining a nationwide network of blood tests. We installed about 100 pieces of equipment, each suitable for the size of the facilities, and we provided more than 650 laboratory technicians, engineers, and pediatricians with training to meet their professional needs. This project was presented as an example of a public-private partnership at the G20 Compact with Africa (CwA) held in Berlin in 2019.

In Gabon, the Japanese Embassy ran Grant Assistance for Grass-Roots Human Security Projects called the "Expansion Plans for the Functions of the Maternal and Child Health Department in Lambaréné" and the "Expansion Plans for the Functions of the Maternal and Child Health Department in Akebe Plaine." In these projects, we provided training on how to use and maintain Sysmex equipment for healthcare professionals at regional health departments in an effort to help with health worker development and improve the healthcare environment.

Sysmex also works with many other government agencies and international organizations, including national health departments across Africa and the World Health Organization (WHO).

Participating in the Japan-Africa Business Expo, an Official Event Held Concurrently with the 7th Tokyo International Conference on African Development (TICAD7)

When the 7th Tokyo International Conference on African Development (TICAD*7) was held, Sysmex was commissioned by the Ministry of Foreign Affairs of Japan to serve as a Special Envoy for the TICAD Public-Private Partnership as a Japanese company committed to public-private efforts for the further development of business relations between Japan and Africa. We also participated in the Japan-Africa Business Expo, an official event that was part of TICAD7, to present our marketing efforts, the services and support we offer, the public-private projects we have worked on, our human resource development program, and our response to infectious diseases.



Sysmex exhibition booth

* An international conference to discuss development in Africa. It is led by the Japanese government and co-hosted by the United Nations, the United Nations Development Programme, the World Bank, and the African Union Commission.

Our Efforts to Combat Infectious Diseases in Emerging and Developing Countries

Systemex provides technologies and products to assist with the diagnosis of the world's three major infectious diseases, such as malaria and HIV, as part of its efforts to combat them.

Contribution to Malaria Elimination

Systemex has taken up the challenge of finding solutions to testing and diagnostic issues in the area in which it operates. Such efforts serve to help eliminate malaria, one of the world's three major infectious diseases.

In June 2020, Systemex obtained marketing approval for its Automated Hematology Analyzer XN-31 as a specially controlled medical device (Class III)¹ for use in the diagnosis of malaria for the first time in Japan. The company acquired the EU's CE certification for the device in 2019.

The current mainstream method of testing for malaria uses a rapid diagnostic kit or a microscope. But either option poses problems such as taking much time, ranging from about 15 to 30 minutes, including pretreatment, and requiring skilled techniques in microscopic testing. In contrast, the XN-31 can identify red blood cells infected with malaria parasites, etc. and measure the ratio of infected cells without pretreatment, executing both processes in about one minute² automatically and precisely.³

Malaria is a disease for which the number of deaths can be reduced by early detection and treatment. By providing the clinical front with a device that can swiftly and easily produce the outcome of testing useful for diagnosis, Systemex contributes to measures against imported infectious diseases in Japan.

Also, domestic marketing approval as a specially controlled medical device is listed in the procurement criteria⁴ of international funds and funding from other organizations which are working to improve access to healthcare in emerging and developing countries. Through partnerships with such organizations, we aim to introduce the product to countries and regions, either emerging or developing, where medical resources are limited, and to global malaria elimination.

Systemex has been involved in initiatives by, and the operation 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. At the 6th Nikkei Asia Africa Conference on Communicable Diseases held after TICAD7, we presented information on industry-government-academia initiatives by, the Malaria Consortium to participants from African nations.

1. Specially controlled medical device (Class III): Medical device considered to pose relatively high risk to the human body in the event of malfunction
2. Time from specimen setting to judgment of outcome
3. Testing by the XN-31 does not mean replacement of malaria diagnosis by microscopic testing. Nor does it mean, which diagnosis can be made with the outcome of XN-31 testing alone. Diagnostic confirmation is based on a doctor's comprehensive judgment that includes other clinical information.
4. Procurement criteria of international funds and other organizations: The WHO and international funds permit a simplified examination process for high-risk products if those products have obtained approval from a rigorous examination body that those organizations designate, with a view toward accelerating the introduction of various products to emerging countries and developing countries. This is stated in their procurement criteria, and regulatory approval as a Specially Controlled Medical Device (Class III) in Japan qualifies as one of these rigorous examination criteria.

Our Contributions to the Quality of HIV Diagnosis and Treatment

Systemex provides the CyFlow™ Counter System, a CD4+ lymphocyte testing system developed and produced by Systemex Partec, in emerging markets and developing countries. This system measures, within three minutes, the number and percentage value of CD4+ lymphocytes in the blood. In addition to being compact and portable, the system is easily maintained, facilitating testing that is simple, swift, and stable.

The system has received prequalification* from the WHO. This prequalification facilitated the introduction of a system in countries with limited healthcare resources, which has enabled us to help improve the quality of HIV diagnosis and treatment in emerging markets and developing countries.



CyFlow™ Counter

* WHO prequalification aims to ensure that diagnostics, medicines, vaccines, and immunization-related equipment and devices for high-burden diseases meet global standards of quality, safety, and efficacy, in order to optimize the use of health resources and improve health outcomes. The system was established in 2001 in response to the HIV/AIDS pandemic. Today, it is used in emerging markets and developing countries as a reference list for purchasing. Organizations such as the Global Fund give purchasing priority to products with this prequalification.

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

Since 2015, Sysmex 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.

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

To date, Sysmex has provided scientific support activities in Mongolia, Cambodia, Myanmar, Thailand, and the Philippines. In Mongolia, Sysmex continues to provide support activities in the fields of hematology, clinical chemistry, and immunochemistry. In 2017, we expanded this support to include the field of blood morphology testing. In addition to making technological and academic expertise available to local clinical laboratory technologists, Sysmex contributes to the improvement of the level of healthcare in Mongolia by supporting the construction and operation of a nationally implemented external quality control framework for blood morphology testing.

Moreover, in China, our Sysmex Reference Counter has been employed since 2002 as a national standard device* for blood cell count screening. For all blood cell counters in China, registration/inspection of such devices and their external accuracy control are based on this Sysmex device. Sysmex has also lent China the latest model of its Reference Counter, starting in fiscal 2019, as well as offering continued support for technological transfers and exchanges of blood testing/reference measurement methods, and for formulation of national guidelines for clinical examination. Sysmex is thus contributing to improving blood cell count accuracy and testing standardization in China.

* A device for specifying national standards for blood cell count examination

Other Forms of Support for the Education of Healthcare Professionals

In addition to preparing healthcare infrastructure, having appropriately trained healthcare professionals is an essential part of improving access to healthcare. Sysmex provides educational support to raise the quality of clinical laboratories and to standardize and increase the quality of clinical testing. We also conduct seminars and study sessions imparting leading-edge scientific information to healthcare professionals.

▶ [Click here for information on scientific seminars.](#)

Materiality

Responsible Provision of Products and Services



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.

Management Approach

[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]

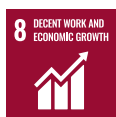
Under the supervision and management of our Chairman and CEO, the Quality Assurance Department leads our quality management effort. We also promote supply chain management by the Production and the SCM Department, of which senior executive officer and managing director is in charge.

[Targets]

We use CSR survey response rate as the indicator for monitoring.

▶ [Click here for details about the targets.](#)

Relevant SDGs



Materiality

Responsible Provision of Products and Services

Securing of Product Quality and Safety

Product Quality and Safety Policies

Sysmex has established a system to ensure compliance with laws, regulations, and standards around the world in accordance with our Quality Policy, Core Behaviors, and Global Compliance Code “1. Ensuring the Safety of Our Products and Services to Customers” in order to offer safe products and services of high quality.

Given the global availability of the Internet and rapid advances in IT, we are aware that medical devices and services are also under threat of cyber-attacks. Hence, we have established a Product Security Policy as our basic policy on information security for the products and services that the Group develops and offers. In doing so, we aim to strengthen our risk management from product design through manufacturing and post-launch.

▶ [Click here for our Quality Policy. \(PDF format / 87KB\)](#) 

▶ [Click here for information on our Global Compliance Code. \(PDF format / 286KB\)](#) 

▶ [Click here for our Product Security Policy. \(PDF format / 58KB\)](#) 

Quality Management

Group Quality Management System

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

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 responses to inspections by regulatory bodies, quality targets, and 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 77 companies in the Sysmex Group, 33 have been ISO 9001 certified and 18 have been ISO 13485 certified. In fiscal 2019, five cases of nonconformity were identified during an internal quality audit, and one case during an external quality audit. These issues are being addressed.

* Wholly owned subsidiaries



▶ The applicable scope of the activities and the website vary according to the standard.
For details, refer to ID 0910589004 on www.tuv.com/japan/en/. 

Sustainable Improvement Programs

Reinforcing Structures for Maintaining and Enhancing Quality

Used in laboratory testing, Sysmex's products play a vital role in protecting people's lives and health. Being fully aware of this responsibility, Sysmex is making constant efforts to maintain and improve product quality by building a variety of systems, as well as complying with safety standards around the world in the design and development stages.

In the product development stage, we verify product quality by setting five "quality gates" in the processes leading up to market launch. We also conduct quality- and safety-related risk assessment 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 reduce that risk. Also, when we market products that are manufactured by others, we verify their quality by conducting audits of the manufacturers and meticulously inspecting the 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 the problem.

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. If we need to take any corrective or preventive action for a problem or malfunction, we promptly plan the action in accordance with the Group's regulations, carry out the plan, and later verify the validity and effectiveness of the actions taken.

Providing High Quality Products and Services through Third-Party Certification

To enhance credibility, we are strengthening our quality assurance system regarding product inspection results.

Through these efforts, Sysmex International Reagents, which produces reference materials, received ISO Guide 34 certification (now ISO 17034) in April 2018. This international standard relates to the competence of reference material producers. This was the first ISO Guide 34 certification granted in the hematology field in Japan, which certifies a manufacturer's competence to provide reference materials of proper quality. This certification will strengthen our credibility concerning the quality of data in our products and services, enabling our customers in global clinical laboratories to verify their own competence to provide proper test data.

Sysmex has also obtained the following certifications:

- ISO/IEC 17025 (General requirements for the competence of testing and calibration laboratories)
- ISO/IEC 17043 (Conformity assessment—general requirements for proficiency testing)
- ISO 15195 (Laboratory medicine—requirements for the competence of calibration laboratories using reference measurement procedures)

Employee Training

Focusing on Specialized Quality and Safety Training

Sysmex provides regular quality management training for relevant departments and specialized training in legal restrictions for employees in certain departments or job categories, in addition to training in our Quality Policy. In fiscal 2019, we provided quality training for a total of about 3,000 employees across Japan in the Group companies' Development, Production, and Marketing and Service Departments as well as the ISO-certified business offices. We also hold 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.

* Wholly owned subsidiaries

Materiality

Responsible Provision of Products and Services

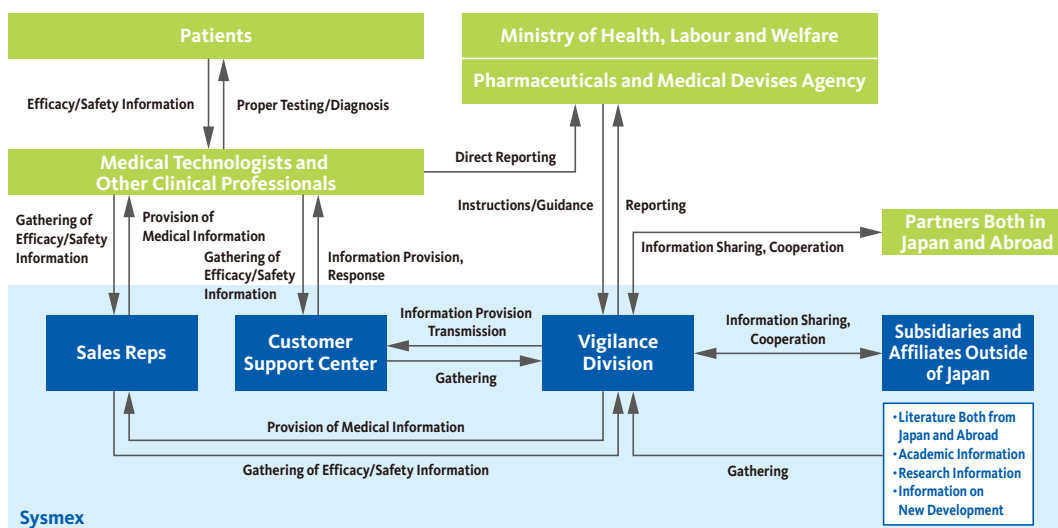
Appropriate Disclosure of Information Regarding Products and Services

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

Product Quality and Vigilance Control System



Product Recall and Repair Information Posted on Our Website

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

▶ [Click here for important product notices.](#) (Information for Japanese market)

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, reagents whose names and container shapes have been disguised to look like Sysmex reagents have been found in circulation in some areas. The use of such counterfeit reagents cannot guarantee 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.

Materiality

Responsible Provision of Products and Services





Assessment and Management of the Supply Chain

Policy on Supply Chains

Sysmex complies with laws and regulations concerning the promotion of fair and free competition in countries and regions around the world in accordance with our Global Compliance Code “2. Promoting Fair Dealing and Free Competition” and our Procurement Policy. We aim to be a company that interacts with its customers and business partners in a fair and equitable manner, conducts transactions on appropriate terms, and grows with its business partners through mutual trust and learning. We have also created Green Procurement Standards that indicate our fundamental perspective regarding environmental considerations in relation to procurement activities.

Sysmex has published its statement on the Sysmex UK website in response to the UK Modern Slavery Act, which specifies the elimination of forced labor, child labor, human trafficking, and exploitation, among other factors, in supply chains. We have also been taking other relevant actions to observe the law.

Click the following for the related policies.

- ▶ [Global Compliance Code \(PDF format / 286KB\)](#) 
- ▶ [Procurement Policy \(PDF format / 90KB\)](#) 
- ▶ [Green Procurement Standards \(PDF format / 102KB\)](#) 
- ▶ [Anti-Slavery and Human Trafficking \(Sysmex UK website\)](#) 

Supply Chain Management

Conducting CSR Surveys

Sysmex conducts CSR surveys in order to learn about the CSR activities in which its partners engage. To survey existing partners, we use the CSR/Sustainable Procurement Self-Assessment Tool Set, which was developed by Global Compact Network Japan. The survey items range from human rights, labor practices, and corruption, environment and conflict minerals. Sysmex Corporation has been involved as a subcommittee member in the production of this tool and other types of output. We elect not to conduct business with new business partners who have problems with their 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 the workplace environment in order to confirm that no problems exist.

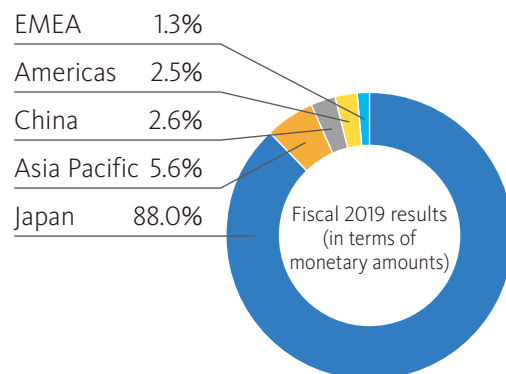
During fiscal 2019, we conducted CSR surveys and, also conducted follow-ups with seven of our partners as a result of risk analyses. Moreover, as an action intended to further encourage our partners to engage in CSR activities, we checked with four primary suppliers which are extracted, regarding how they manage their secondary suppliers. We used the CSR survey response rate as an indicator in monitoring non-financial targets set in the Group mid-term management plan (fiscal 2019 to 2021), and fiscal 2019 saw a response rate of 84.8%. We will continue working to make effort to ensure solid supply chain management.

Sysmex Europe surveys all new partners about their CSR activities that involve human rights and green procurement. Oxford Gene Technology asks all its partners to complete a questionnaire in order to monitor their activities, implement follow-ups, and conduct regular re-evaluation according to the importance of the supplied parts.

▶ [Click here for information on the CSR/Sustainable Procurement Self-Assessment Tool Set, the common CSR survey form prepared by Global Compact Network Japan.](#) 

▶ [Click here for the status of non-financial targets.](#)

Analysis Of Regions in Which Equipment Has Been Procured



Improving the Quality of Supplied Parts and Raw Materials

Systemex employs a Quality Assurance Agreement that clearly defines quality requirements. Counterparties sign this agreement after confirming their understanding of our procurement policy. We confirm the quality of supplied parts and conduct quality audits when we determine that corrective or preventive measures are needed.

We perform quality audits of new suppliers and ensure that appropriate quality control is in place. We also conduct periodic quality assessment of existing trading partners in an effort to maintain and improve quality.

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 directions and procurement policy.

In fiscal 2019, we organized a trade show and seminar in which our partners' unique technologies were presented to our employees. This served as an inspiration to design and develop greater products and to boost mutual understanding between our partners and our employees. In fiscal 2020, we will continue to improve our communication with our partners by sharing information about quality, stable supplies, the environment, and business continuity plans (BCP), among other matters, in order to facilitate cooperative activities with business partners.

Conducting Internal Awareness Activities to Ensure Compliance with Legislation

Systemex Corporation has in place an electronic procurement system (Systemex Trade Mission, or STM). In addition to preventing the reduction of payments at inappropriate levels, as well as avoiding product returns, each year we conduct training on this system. 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.

Responsible Provision of Products and Services

Customer Relations

Enhancing Customer Satisfaction

Conducting Customer Satisfaction Surveys in Japan and Overseas

Systemex conducts customer satisfaction surveys in various countries and regions, which include China and Japan in addition to major countries in the Americas, EMEA*, and the Asia-Pacific region. These surveys use indexes customized for each country and region in accordance with the products and services offered in each market.

Systemex America has ranked number one for 14 consecutive years among manufacturers of hematology analyzers in an IMV ServiceTrak survey of customer satisfaction. Systemex America was also one of four recipients of Supplier Excellence Awards (sponsored by Quest Diagnostics) that recognize companies offering excellent products and services.

We also conduct regular customer satisfaction surveys in EMEA and the Asia-Pacific region, which have reported high levels of customer satisfaction.

▶ [Click here for Performance Data for the results of our customer satisfaction surveys.](#)

* EMEA: Europe, the Middle East, and Africa

Creating Original Solutions to Meet Customer Needs

Systemex endeavors to create original solutions to meet customer needs by integrating its technological expertise in testing instruments, reagents, and IT. In recent years, we have automated testing by connecting multiple instruments, which reduces infection risks in sample handling and prevents sample mix-ups. We have also built transportation systems fully utilizing robotic technologies to increase laboratory productivity, and we have offered concentrated reagents to dramatically reduce the frequency of reagent replacement.

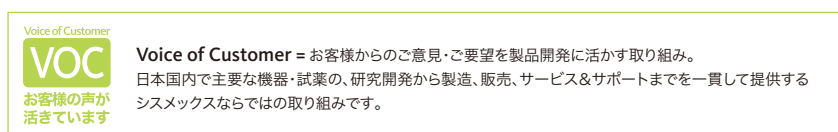
Enhancing Service and Support

Responding to Inquiries Rapidly and Responsibly

In Japan, Systemex Corporation maintains a Customer Support Center, where experienced staff members with expert knowledge cater to customers 24 hours a day, 365 days a year (separate agreement required). 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 quickly and carefully.

Requests and other comments received through the support center and by other means 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 2019, we gathered some 18,000 customer comments in the Japanese market. We have received a positive response to instruments with new functions and equipments that we have added as a result of customer input, which is indicated by the VOC mark in our product catalog.

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



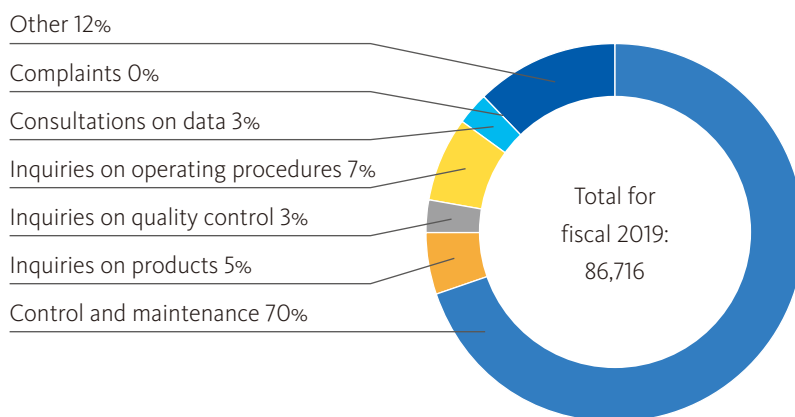
Offering Solutions Utilizing IT

Sysmex offers SNCS™¹, a network service that supports stable operation of test instruments at hospitals through such functions as instrument quality control², automated monitoring, and failure prediction based on real-time analysis.

Amid rising demand for increased efficiency and enhanced quality, which has been accelerated by the development of global information, we began offering a new network solution known as Caresphere™ in fiscal 2018. Through the use of the IoT and a cloud service, Caresphere™ offers application services that increase efficiency in the operation and management of testing laboratories and supports testing instruments and operation quality control at hospitals. In future, we plan to offer other services to facilities engaging in community healthcare and to a broad range of healthcare professionals working at such facilities.

1. Sysmex Network Communication Systems (SNCS™) is an online support service that connects to the Sysmex Customer Support Center and customers' instruments via the Internet to provide real-time external quality control, scientific information, and the monitoring of instrument conditions. The nature of these support services varies by region. A separate (paid) agreement is required to use this service.
2. Quality control is a management method that guarantees the values measured by testing equipment. It is designed to confirm that a customer's equipment is functioning correctly.

Responding to Inquiries at the Customer Support Center



▶ [Click here for Performance Data](#) for results over the past three years.

Providing Online Training Support

Sysmex conducts instrument and maintenance training in each region as part of its customer support.

In the United States, where medical institutions are scattered over a large area, Sysmex America offers real-time virtual training via network so that customers do not have to travel to a Sysmex training facility. Sysmex Europe runs the e-learning portal “Sysmex Academy Online” to provide digital training and live webinars. This training tool won the Silver Award for “Best Customer Training Program” from the Brandon Hall Group. It was recognized for the well-developed content of the program, the functionality of the system, and innovativeness.

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 sent out using an email magazine distribution 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 use.



“Support Information” Site

Utilizing ISO to Increase the Quality of Clinical Testing

Recently, the field of clinical testing has met with strong demand for improved test result quality, and awareness of international standards is increasing around the world. One such standard is ISO 15189 (Medical laboratories—requirements for quality and competence). The number of clinical laboratories that have obtained this certification is increasing, with the certification having become obligatory in some countries.

Sysmex Corporation has received certification under the ISO/IEC 17025 international standard for clinical testing calibration institutions and the ISO 15195 standard. This certifies that we meet the international standards for the quality of the calibration service we provide with our automated hematology analyzers. We were the first company in Japan to receive such accreditation in this field.

The calibration certificate we issue is accepted as a globally recognized document that ISO 15189 requires to ensure traceability and calibration. As of March 31, 2020, we had issued such certificates for more than 5,800 instruments.

Furthermore, SNCS/eQAPi*, an external quality assessment service provided by Sysmex, was the first in Japan in any industry to receive certification under ISO/IEC 17043 (Conformity assessment—General requirements for proficiency testing).

* Sysmex Network Communication Systems (SNCS™) is a service that uses a network to provide quality assurance for diagnostic instruments, monitors failures, and offers maintenance support. eQAPi is an external quality assurance service that covers multiple instruments and reagent manufacturers.

Scientific Activities

Sysmex holds seminars targeting healthcare professionals in Japan and other Asian countries to provide them with the most up-to-date medical information. We also work with various countries' ministries of health, other national institutions, and major academic societies on scientific activities aimed at improving the level of healthcare.

Holding Scientific Seminars for Clinical Professionals

Sysmex hosts scientific seminars and study sessions in various regions for doctors, clinical technologists, and other professionals working on the front lines of healthcare.

We have held scientific seminars every year since 1978 to share the latest information on the field of clinical testing. June 2019 marked the 42nd year of such seminars. In fiscal 2019, we organized a seminar titled "Emergence of Cancer Genomic Medicine: Present State and Outlook" at 13 venues in Japan (other than the main venues in Kobe and Tokyo), and four overseas venues, and we streamed a video of the seminar to some Asian regions. About 1,800 people attended.

We also held scientific seminars on blood testing, coagulation testing, and immunological testing in India and China, as well as scientific symposia in Vietnam, Indonesia, and Turkey.

Through these initiatives, we have built trust-based relationships with numerous healthcare professionals. We aim to leverage our accumulated medical knowledge to help improve the quality of healthcare.



42nd Sysmex Scientific Seminar (Japan)



7th International Sysmex Scientific Seminar (India)



22nd Sysmex Scientific Panel Discussion (China)

▶ [Click here for our academic assistance activities for the standardization of and quality improvement in clinical testing.](#)

Materiality

Realization of an Attractive Workplace



Why It Is Important

Achieving sustainable growth requires a company to recruit excellent personnel. To do so, companies need to promote diversity and provide workplaces that are easy to work in and are fulfilling and appealing. Also, the SDGs include goals pertaining to gender equality, decent working conditions, and the reduction of inequalities.

Systemex considers human resources an important management asset necessary for sustainable growth. We believe that creating an attractive workplace helps ensure superior personnel, reinforcing our corporate competitiveness.

Management Approach

[Policy]

The Core Behaviors section in the Systemex Way promises employees that Systemex “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.” We have in place a human resource development system that develops capabilities in an ongoing and systematic manner in accordance with this policy. We promote diversity and inclusion, and we have introduced various systems to create a workplace that provides peace of mind and enables diverse employees to maximize their skills.”

▶ [Click here for our policy relating to the realization of an attractive workplace.](#)

[Framework]

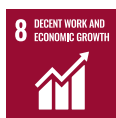
Systemex has established the human resources division under the supervision of senior executive officer and senior managing director to provide an attractive workplace.

[Targets (fiscal 2021)]

- Engagement score: 75%
- Lost-time injuries frequency rate: less than 0.35
- Lost work day rate: less than 0.05
- Female managers ratio: 16.0%
- Training time per employee: 25.0 hours

▶ [Click here for details about the targets.](#)

Relevant SDGs



Materiality

Realization of an Attractive Workplace

Provision of a Comfortable Working Environment

Fair Evaluation and Treatment

Equitable Personnel Evaluation Based on Abilities and Accomplishments

Sysmex values the spirit of independence and challenge, provides employees with opportunities for self-fulfillment and growth, and rewards them fairly for their accomplishments. We remunerate employees appropriately, according to factors such as their occupations and qualifications, and base salaries are the same regardless of gender.

Based on the principle of fair treatment, our basic approach toward evaluation is to “reward employees for capabilities that contribute to the enhancement of corporate value as well as for accomplishments.” In addition to evaluating employees for their successes, we evaluate the process of producing achievements (competency evaluations). To achieve fairness and ensure that employees understand their evaluations, we show employees their evaluation results and their superiors’ comments.

“8. To Respect Human Rights and to Improve Occupational Health and Safety” in the Global Compliance Code specifies that we “comply with applicable laws and regulations” in the countries and regions in which we operate. Accordingly, we have designed the payroll system to ensure that our pay will not fall below the minimum wage or fall short of the standard of living in any country or region.

▶ [Click here for the Basic Principles of the Personnel Management System. \(PDF format / 84KB\)](#) 

Supporting Employee Career Design

Sysmex Corporation employs a voluntary reporting system for all employees. Under this system, each year we hold meetings with each employee to learn about their medium- to long-term career, overseas work, and job category aspirations. This system affords all employees with the opportunity to consider their own career directions and life plans, as well as to effect their own skills development and placement.

Improving the Treatment of Contract and Temporary Employees

Sysmex Corporation actively hires contract employees and temporary employees as regular personnel. We have clarified our internal regulations for hiring people working on fixed-term contracts, offering them fair opportunities for promotion. We put this information on our intranet to encourage a thorough understanding of these rules.

To provide comfortable work environments for all employees, we have expanded the flex-time system and our welfare program’s “cafeteria plan*” for regular employees to include contract employees. In doing so, we have enabled our employees to efficiently arrange their own working hours according to individual circumstances, including needs for regular hospital visits, parental caretaking, and provision of care assistance for family members. Going forward, we will revise our systems as appropriate to enhance our treatment of employees.

* This is part of our welfare system. Each year, the Company provides employees with “Cafeteria Points,” which they can use as they choose to pay the costs of specific types of welfare for improving work-life balance.

Introducing Internal Awards Systems to Motivate Employees

Sysmex introduced the Group CEO Award system to recognize individuals, divisions, or groups 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 three patent award systems: the Patent Grand Prize/Patent Prize of Distinction, the Patent Meister, and the Filing Commemoration Prize. In addition, we present the Quality Award for success in quality improvements.

Efforts to Enhance Employee Satisfaction

Systemex conducts “corporate culture surveys” once every two years targeting all employees of the Systemex Group (The previous survey was conducted in fiscal 2017). Employee satisfaction is one aspect addressed by these surveys. Survey results are fed back to individual divisions, where they work to enhance the levels of employee satisfaction by selecting problems to be taken on, drafting and executing action plans for improvement, and implementing a PDCA cycle for monitoring. For divisions with poor survey scores, the Human Resources Division offers advice for improvement.

The results of each corporate culture survey serve as engagement scores for non-financial targets, and they are reflected in medium- to long-term measures for personnel management. We are working to further improve employee satisfaction by setting engagement scores as an indicator of continued monitoring and by continuously executing personnel management measures. We suspended such surveys in fiscal 2019 as we are restructuring our personnel system from fiscal 2019 to fiscal 2020 to confirm the status of corporate organizations after adoption of a new system, and to execute personnel management measures matching realities. The next round of corporate culture surveys is scheduled for fiscal 2020, covering all Group companies.

▶ [Click here for the status of non-financial targets.](#)

Understanding of and Support for Work-Life Balance

Promoting the Use of Systems that Support a Work-Life Balance

Systemex Corporation clearly explains its system to support work-life balance on a dedicated intranet site, offers an e-learning program for managers and general clerical workers about how to create an attractive workplace, and holds workshops on time management and work styles as divisional training in order to familiarize employees with the system. In addition, we promote the use of these programs during diversity roundtables at which employees exchange opinions freely on such wide-ranging matters as careers, work motivation, balancing work and private life, and cross-cultural understanding.

▶ [Click here for information on diversity roundtables.](#)

Systems to Support a Balance between Work and Child-Rearing

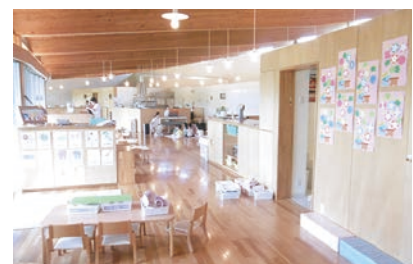
Providing a Host of Leave Systems and Supporting Child-Rearing with an In-House Daycare Center

Systemex Corporation has created diverse programs to provide family support, from pre-natal care to child-rearing. In addition to leave systems for fertility treatments and morning sickness, we offer child nursing leave until a child reaches two years of age, a system for shorter working hours until a child reaches junior high school age, and a work-at-home system. When an employee needs to take time off work to nurse a child, they can do so under a program that allows them to use accumulated paid leave in half-day increments in addition to statutory leave. We also ease the return to work following childcare leave by conducting seminars prior to such return and distributing newsletters to employees on childcare leave.

In line with the growing demand for male employees to participate in childcare, we are providing a system that would allow men to take special leave before their spouse gives birth, offering two additional days to be taken within one month of the birth to make any necessary preparations. Employees are also eligible for “nurturing leave,” under which they can take a special leave of three consecutive days to care for children up to one year of age.

We established Systemex Kids Park, an in-house daycare center that accepts babies and toddlers, at Technopark, our core R&D base. The center offers short-term as well as full-time daycare, so that employees whose spouses work on a part-time basis or who find it difficult to take care of their children due to a caretaker’s illness, bereavement, or other circumstances may also temporarily utilize the service.

In recognition of its planned implementation of such systems, Systemex Corporation received a next-generation support certification logo (nicknamed *Kurumin*) from the Ministry of Health, Labour and Welfare.



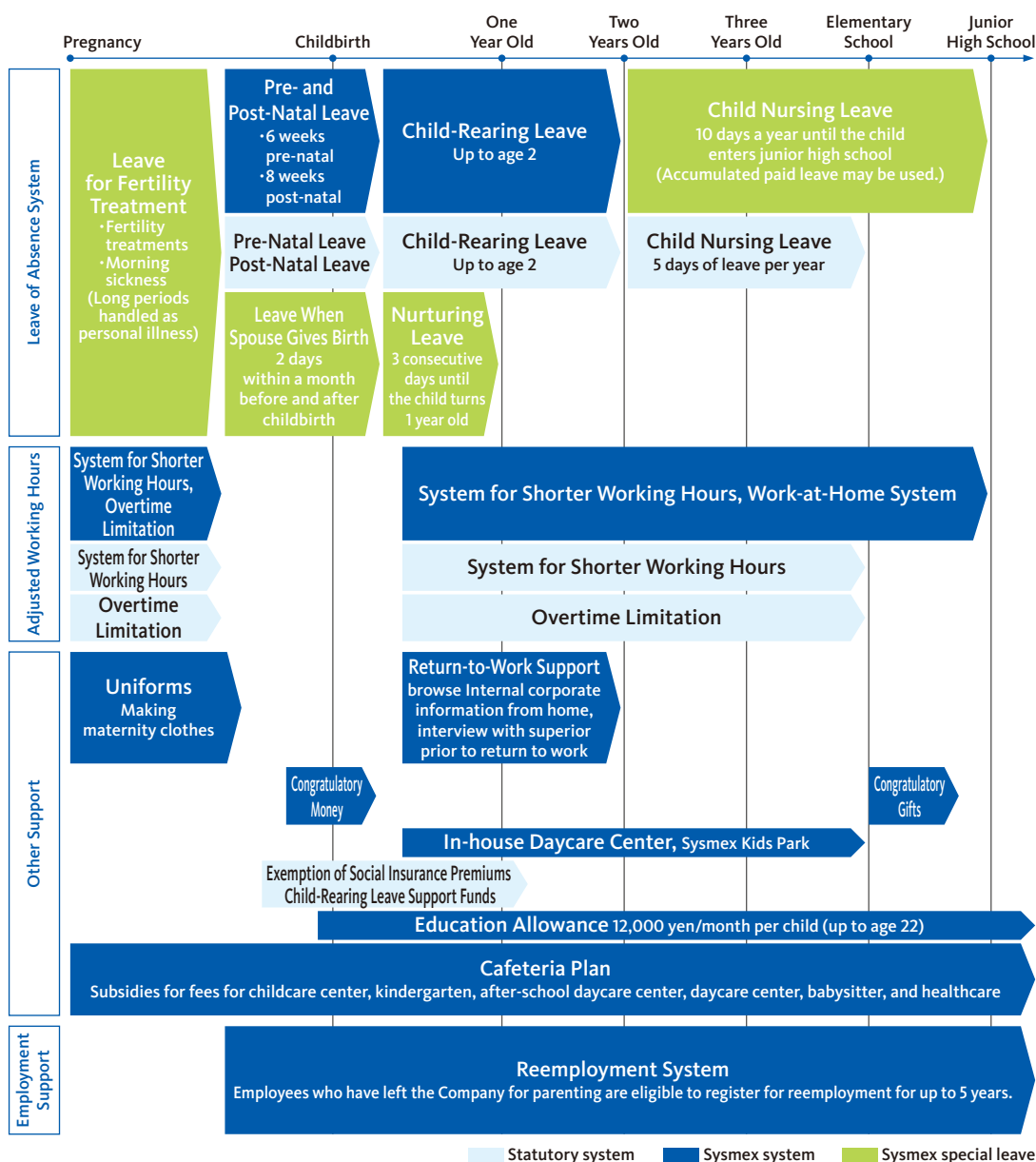
In-house daycare center, Systemex Kids Park



Next-generation support certification logo (*Kurumin*)

*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 “companies that support child-rearing” from the Minister of Health, Labour and Welfare.

Systems Related to Children



Statutory system Sysmex system Sysmex special leave

Regular employees and contract employees are eligible for these systems (temporary employees excluded).

Other Systems to Support Work-Life Balance

Supporting Nursing Care, Corporate Citizenship Activities, and Others

Among its programs aimed at promoting work-life balance, Sysmex Corporation has prepared various types of programs related to nursing care.

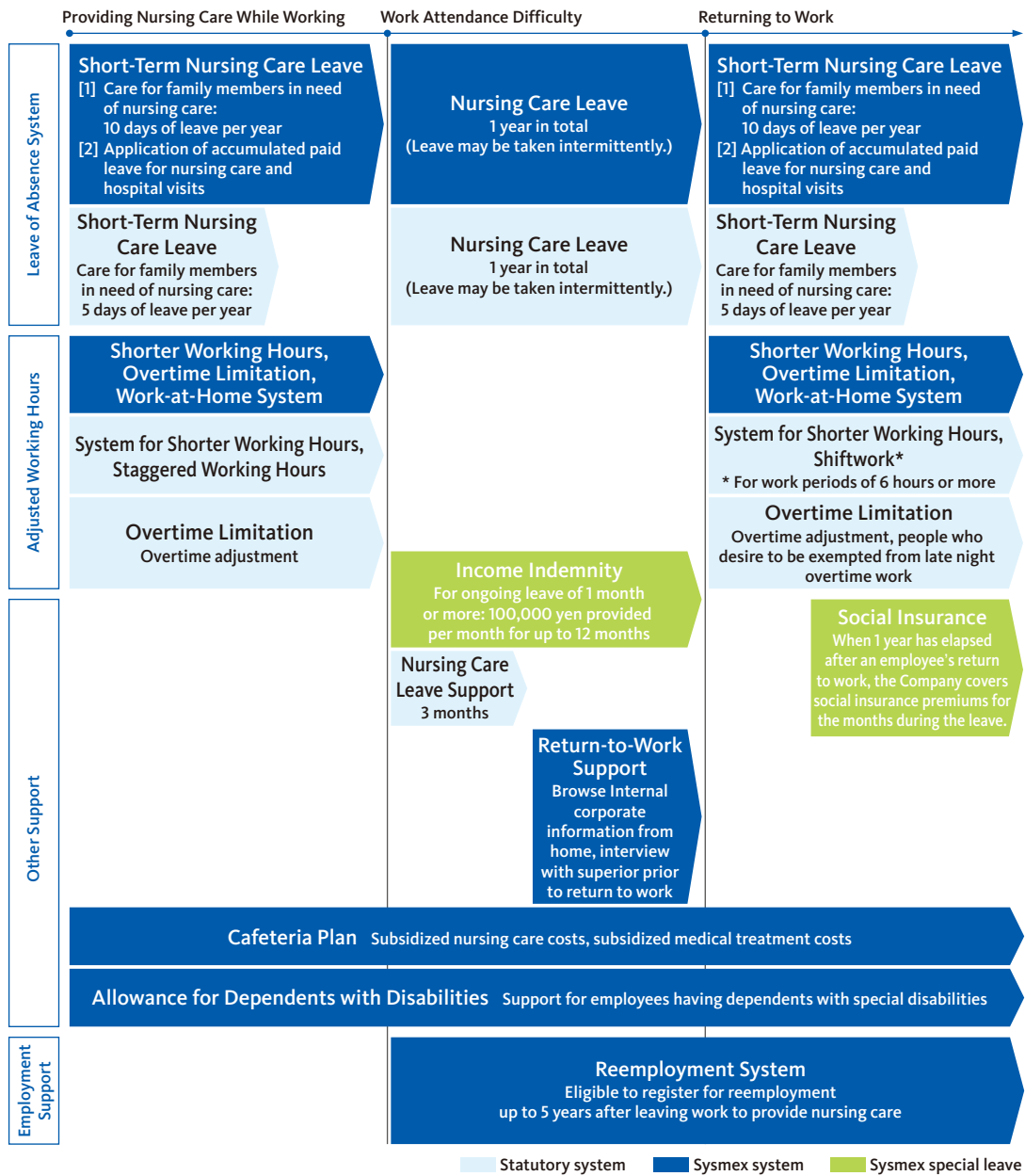
We have introduced a program that allows employees who need to attend to family members in the hospital to take short-term nursing care leave and accumulated paid leave for up to 40 days in half-day increments. We also have a work-at-home system that enables employees to care for family members who require nursing care or other types of support.

In addition, we have introduced a unique “income indemnity system” to provide a nursing care leave stipend, aiming to help offset the loss of income from taking leave, as well as unexpected expenses, for people taking one month or more of nursing care leave. Furthermore, we have a system for rehiring employees whose careers have been interrupted due to nursing care.

We hold briefing sessions to explain the purpose of these systems, as well as to help prepare for nursing care to alleviate the uncertainties surrounding the balance between such care and work.

Aside from these programs, we have introduced a volunteer leave system (up to 10 days of leave per year, two of which are counted as paid leave) and a system of donor leave, whereby organ donors receive up to five days at the time of each donation. These systems are aimed at making it easier for employees to take leave and support their work-life balance in various ways.

Systems Related to Nursing Care



Regular employees and contract employees are eligible for these systems (temporary employees excluded).

Supporting a Return to the Workplace Following Leave

To facilitate a smooth return to work following leave for child rearing or nursing care, three months prior to their return to work, Sysmex Corporation provides employees with tablets and notebook PCs that give them access to internal email and the Intranet. This system provides support from an IT perspective. Enabling access to Company information in real time facilitates communication with the workplace, helping to avoid a sense of feeling lost upon return and eliminate gaps returning employees feel regarding their coworkers. When returning employees start to use these devices, we also provide them with the opportunity to meet with superiors in their departments. In addition, we hold seminars on preparing to return to work after child nursing leave.

▶ [Click here for employee-related data.](#)

Activities at Other Group Companies

Company	Activity
Sysmex America	<ul style="list-style-type: none"> • Introduction of a flex-time system and a work-at-home system • Introduction of a childcare leave system (for fathers and mothers) that exceeds statutory requirements • Introduction of family support systems (child-rearing support, family leave, and assistance payments when employees need to use support systems offered by outside institutions while family members are ill)
Sysmex Europe	<ul style="list-style-type: none"> • Introduction of a flex-time system and a work-at-home system • Establishment of a parent-child room • Introduction of a childcare leave system (for fathers and mothers) • Child-rearing support system (assistance payments when employees need to use support systems offered by outside institutions)
Sysmex Shanghai	<ul style="list-style-type: none"> • Introduction of a flex-time system
Sysmex Asia Pacific	<ul style="list-style-type: none"> • Introduction of a flex-time system and a work-at-home system • Child-rearing support systems (medical insurance assistance, provision of scholarships) • Two days of volunteer leave

Materiality

Realization of an Attractive Workplace

Promotion of Diversity

Diversity and Inclusion

Significance of the Initiatives

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

Through synergies arising from different values, perspectives, experiences, and capabilities, we are working to create a culture of innovation and to generate value.

Working to Achieve Diversity and Inclusion

Systemex Corporation has established a diversity promotion function under the supervision of senior managing director and member of the Managing Board Yukio Nakajima. This measure is allowing us to cultivate an organizational culture that promotes further understanding of diversity and LGBT* issues. For example, we have set up a diversity web portal on our Intranet as a platform for disseminating information and promoting understanding. We also conduct awareness surveys on diversity to undertake initiatives that reflect employee feedback.

Systemex America conducts measures based on its affirmative action program, aiming to erase prejudices and discrimination against minorities.

* Acronym referring to sexual orientation and gender identification (lesbian, gay, bisexual, and transgender)

Ensuring Diverse Human Resources

Aiming to Equalize Employment Opportunities

Systemex Corporation recruits new employees based on an evaluation of individuals, without regard to nationality, race, gender, age, employment history, or disability status. Specifically, we instituted year-round hiring to offer equal opportunities to people who have already graduated or have studied overseas and therefore might be at a disadvantage under standard hiring practices. Furthermore, to recruit personnel from around the world, we conduct company briefings and interviews overseas, and we also hold web-based briefings and interviews. As in the previous year, we have continued our internship program in fiscal 2019, strengthening our measures to help overseas human resources gain better knowledge of Systemex.

Systemex Asia Pacific signed TAFEP's* Employers' Pledge of Fair Employment Practices in 2008, and it continues to provide employee training.

▶ [Click here for our recruitment policy. \(Japanese only\)](#)

* The Tripartite Alliance for Fair & Progressive Employment Practices (TAFEP) was founded in May 2006 to promote fair employment through an alliance of three parties: government (Ministry of Manpower of Singapore), labor (National Trades Union Congress), and employers (Singapore National Employers Federation). It is co-chaired by the representatives of the Singapore National Employers Federation (SNEF) and the National Trades Union Congress (NTUC).

Promoting Employment of People with Disabilities

Systemex encourages the employment of people with disabilities. Targeting long-term employment, we design working conditions to maximize individuals' aptitudes and skills. In fiscal 2019, people with disabilities constituted 2.3% of Group employees in Japan. In April 2017, we established Systemex Harmony Co., Ltd., a special subsidiary*, in Kobe, Hyogo Prefecture. By creating a workplace where people with various sorts of physical, intellectual, and psychological disabilities can work in keeping with their characteristics and disabilities, we aim to foster an environment in which everyone, regardless of disability, can work and grow together enthusiastically and with peace of mind.

Sysmex 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. We strive to maintain high levels of motivation among these workers by sharing our mission, as well as through periodic training and support from other employees.

* 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 for these workers.



Employees working at Sysmex Harmony

Employing Seniors—System for Reemploying Post-Mandatory-Retirement-Age Workers

Sysmex Corporation's mandatory retirement age is 60, but we have in place a system for rehiring until age 65 people who have retired at the mandatory retirement age and still wish to work. In fiscal 2019, 31 people who had reached the mandatory retirement age were rehired in accordance with these internal rules.

Promoting Women's Career Activities

Sysmex Corporation is an active proponent of diversity. In addition to respecting the individuality of our employees, we strive to provide them with a workplace in which they can realize their full potential. One aspect of these activities involves establishing an in-house daycare center. Also, based on the Act on Promotion of Women's Participation and Advancement in the Workplace, in April 2016 we formulated the "Action Plan Under the Act on the Promotion of Women's Active Participation" to cultivate female leaders and promote diverse working styles.

These efforts led to an increase in the percentage of female employees¹ at Sysmex Corporation to 32.3% in fiscal 2019, up from 19.9% in fiscal 2005. The percentage of our female managers² also rose to 7.8% in fiscal 2019 from 2.4% in fiscal 2005.

▶ [Click here for female managers ratio in Sysmex Corporation.](#)

We use the female managers ratio across the Group as one of our non-financial targets and monitor the progress. In fiscal 2019, our Group companies took such actions as promoting diverse work styles, proposing new management styles, and providing employees with opportunities to plan their careers. These efforts helped increase female managers, especially in Asia, and the overall percentage rose 0.3 percentage points to 15.5% from the previous fiscal year. We will continue to create work environments in which our employees' life events do not affect their careers, as part of our efforts to advocate women's professional development.

1. Based on the number of people employed


2. Director-level or above

▶ [Click here for the status of non-financial targets.](#)

▶ [Click here for employee-related data.](#)

Receiving the Highest-Level *Eruboshi* Certification as an Excellent Company Based on the Act on Promotion of Women's Participation and Advancement in the Workplace

Sysmex Corporation honors the individuality of each employee and provides a workplace in which they can all realize their full potential. In September 2016, we met all five criteria set by the Ministry of Health, Labour and Welfare for the promotion of women's participation and received the highest ranking, Level 3, as an *Eruboshi* company, indicating superior initiatives to promote the active participation of women.

▶ [Click here for information on the Act on the Promotion of Women's Participation and Advancement in the Workplace \(Ministry of Health, Labour and Welfare\). \(Japanese only\)](#) 



Eruboshi mark

Promoting and Showing Understanding

Diversity Education

Sysmex Corporation holds diversity roundtables, in which employees exchange opinions freely on broad-ranging themes such as careers, balancing work and private life, cultural understanding, and creating a community that goes beyond internal divisions. The subjects that the roundtables dealt with in fiscal 2019 included "LGBT and diversity," "Employment of people with disabilities and diversity," "Vegetarian and halal diets," and "Let's think about how to support work-life balance."

Sysmex America and Sysmex Europe, among others, have formed employee groups to conduct diversity education, promote diversity, and foster understanding.



Session on International Women's Day (Sysmex Brazil)

Materiality

Realization of an Attractive Workplace

Development of Human Resources

Development of Human Resources

Promoting Global Human Resource Development

Systemex Group has approximately 9,200 employees globally, with overseas employees accounting for approximately 60% of the total.* In order to put the "Systemex Way," our Group corporate philosophy, into practice under these circumstances and instill confidence in people around the world, augmenting the skills of individuals is important. We believe it is also essential to foster communication among diverse human resources, encouraging the mutual sharing of values and fostering insights that will lead to new value and deepen cultural awareness through the joining of creative forces.

In this spirit, we created a Group-wide global human resource development system in fiscal 2014. We cultivate a sense of unity in business activities and the workplace, while developing next-generation human resources. We are also reinforcing networks within the Group and undertaking various measures to foster intercultural understanding.

* As of March 31, 2020

Human Resource Development Based on Four Concepts

In order to drive human resource development, Systemex Corporation established the Human Resources Development Department under the supervision of senior managing director and member of the Managing Board Yukio Nakajima. Based on its four concepts for human resource development, which are "link training, evaluation, and work (show results)," "promote globalization of the Systemex Group," "invest in ongoing human resource development," and "be a company that cultivates human resources and personal growth," we operate a training system offering selective, rank-based, and elective training. This system aims to nurture personnel in a planned and gradual manner.

We provide substantial assistance in career development for our employees and encourage autonomous learning in preparation for a new personnel system scheduled to be introduced soon. We have also established an online learning program with an eye to revamping our training style in line with our work style reforms. In fiscal 2019, we postponed some of our training programs until next fiscal year due to the spread of COVID-19. Nevertheless, on average each employee had 27.7 hours of educational programs, and around 1,900 employees received training.* We plan to offer more online learning programs as part of our employee training. We have also established the Global Communication Center (GCC) in Ashiya, Hyogo Prefecture, which serves as a gathering place for people from diverse cultures with different values, both inside and outside the Company. At the GCC, we conduct various types of training based on Systemex's human resource development system, as well as cross-divisional study sessions and joint retreats.

* Including employees who participated in online learning programs

▶ [Click here for training-related data.](#)

Three Core Training Systems

Training Type	Objective
Selective training	<ul style="list-style-type: none"> •Cultivate global leaders •Cultivate future management personnel
Rank-based training	<ul style="list-style-type: none"> •Deepen our employees' understanding of the Group's corporate philosophy and history •Acquire the understanding and expertise in management and issue resolution required at each level •Promote communication between departments
Elective training (Systemex College)	<ul style="list-style-type: none"> •Obtain practical expertise, knowledge, and skills in business execution •Gain business management expertise

Examples of Programs for Developing Human Resources

Company	Program/Measure	Objectives, Overview
Sysmex Corporation	Global Exchange Program	Promote exchanges of Group employees and strengthen ties through deeper mutual understanding.
	Global Apprentice Program	Dispatch young employees to Group companies overseas for six months to develop human resources competent for global operations through work experience.
	Training at the Monozukuri Training Center	Provide hands-on training in the knowledge and skills necessary to manufacture Sysmex instruments.
	R&D Innovation Activities	Strengthen teamwork and proposal-making capabilities among R&D personnel.
Sysmex International Reagents	Monozukuri Professional Training Activities	Open the Monozukuri Dojo (manufacturing training hall) as part of our production reform effort. Provide training for new employees.
Sysmex America	Sysmex University	Training for all employees uses LinkedIn and resources from an educational institution outside the Company to help with the acquisition and improvement of skills necessary for finance and accounting, management, strategies, marketing, business, technology, sales, and administration.
	Sysmex Management Academy	Six-month selective training for first-time managers to strengthen management skills, including insight into the roles and responsibilities of Sysmex business management.
Sysmex Europe	Sysmex EMEA Campus	Offers training spaces and various online/offline training programs for all employees in Europe, the Middle East, and Africa (EMEA). Provides lectures and workshops planned around themes ranging from general business skills to technical subjects. Aims to train future leaders, improve their skills, and facilitate internal networking.
	Sysmex Academy	Planned around the themes of product-related knowledge and "training the trainers", this program aims to boost employee proficiency in skills essential to leadership, change management, internal coordination, and team management.
Sysmex Shanghai	Sysmex Shanghai University	Online training for all employees which started in fiscal 2019 aims to assist with employees' professional growth.
Sysmex Asia Pacific	LinkedIn Learning	Online training for all employees uses LinkedIn to help with the acquisition and improvement of skills necessary for successful management, leadership, critical thinking, business analysis, data analysis, and the use of Microsoft Excel and Access.



Cross-cultural experience training



Exchanges with Group companies through tours of facilities and hands-on experiences of certain operations



Sysmex Academy celebrating its 10th anniversary

Realization of an Attractive Workplace

Promoting Health and Productivity Management

Assurance of Safety and Health in the Workplace

“Assurance of Safety and Health in the Workplace” in the Global Compliance Code

Systemex includes “8-4 Assurance of safety and health in the workplace” in the Global Compliance Code and complies with safety- and health-related laws and regulations in each country and region in which it operates in order to provide work environments in which all employees feel safe. We also help employees maintain and improve their physical and mental health as part of our efforts to create safe and comfortable workplaces.

▶ [Click here for information on our Global Compliance Code. \(PDF format / 286KB\)](#) 

Systemex Declaration of a Healthy Company

Systemex regards the promotion of a healthy company as a management issue so that our employees, who are the foundation for the practice of the Group’s corporate philosophy, will have fulfilling lives both physically and mentally. In April 2020, we formulated the Systemex Declaration of a Healthy Company to accelerate the efforts we have been making, including activities to ensure occupational health and safety, assisting with health enhancement, and providing support for work-life balance. The Systemex Declaration of a Healthy Company specifies matters of critical importance, including occupational health and safety as well as the mental and physical health (materiality of health and productivity management). In this way, Systemex is prompted to continuously enhance employees’ health and create work environments that value diversity while providing employees with a workplace they feel proud of.

▶ [Click here for the Systemex Declaration of a Healthy Company. \(PDF format / 123KB\)](#) 

Framework and Promotion of Occupational Health and Safety

To ensure the health and safety of its employees, Systemex has formulated Regulations on Safety and Health, and it strives to create a safe working environment. It has established the Central Health and Safety Committee, which works with Group companies in Japan and meets twice a year. This committee aims to reinforce and enhance domestic 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, considers improvement measures, and reports its results to executives via the Risk Management Committee. Systemex also monitors the lost-time injuries frequency rate and lost work day rate, and uses them as non-financial targets.

In fiscal 2019, the committee set health and safety targets of “a maximum of one occupational accident that requires four non-working days” and “the promotion of health and productivity management for higher productivity.” Each of our companies and business offices has worked accordingly, with their Health and Safety Committees leading the way. At the Health and Safety Committee meetings held regularly at each site, preemptive measures are taken from both short- and long-term perspectives based on the idea of risk management, 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 sudden illness, and on handling hazardous machinery and raw materials. We also regularly hold comprehensive fire drills based on hypothetical large-scale disaster scenarios, conduct training on the use of AEDs (Automated External Defibrillators), and offer courses to train citizen emergency medical technicians. In particular, we hold initial-response drills that involve checks to be performed in the event of a disaster: quickly confirming and ensuring employees’ safety, and checking and sharing the disaster situation of offices and customers as well as the status of product supplies.

In fiscal 2019, the lost-time injuries frequency rate caused by absence from work due to occupational injuries at factories and other causes reached 0.86. We will continue to implement preventive measures such as risk forecast training (known as “KYT” in Japanese) and education/training by external lecturers in addition to activities of the Health and Safety Committee.

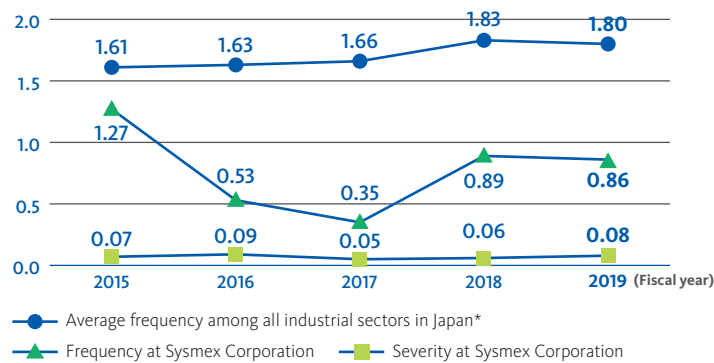
Systemex Brazil has acquired ISO 45001 certification, an international standard for occupational health and safety management systems.

▶ [Click here for the status of non-financial targets.](#)

▶ [Click here for the detailed data related to occupational health and safety.](#)

▶ [Click here for Risk Management - Response to Risks Related to Business Continuity for our initiatives for employees in response to COVID-19.](#)

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



Notes: "Lost-time injuries frequency rate" refers to the number of employee deaths or injuries resulting from work-related accidents per million hours worked.
 "Lost work day rate" refers to the rate of days of absence from work due to work-related injuries per thousand hours worked.

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

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 the IC card that they each use to enter and leave the office, and with the times at which they start and shut down their computers.

Maintaining and Improving Employees' Health

To ensure early detection of illnesses, Sysmex Corporation provides regular medical checkups for its employees, together with complete physical examinations and health screening for female-specific cancers. As a company in the business of handling medical instruments, our employees may come into contact with infectious substances in the course of their duties. For this reason, in addition to statutory special health examinations we conduct our own medical checkups twice each year that include testing for hepatitis B and C. We are registered as a partner company in the Cancer Screening Corporate Action¹ and Know about Hepatitis² projects. We also train employees as hepatic medicine coordinators, and we have signed the Agreement to Promote an Increase in the Rate of Cancer Screening with Hyogo Prefecture.

"Kokoro no Health Checks" are also performed annually to confirm mental health and

uncover any harassment-related situations. We track results over time and strive to make workplace improvements.

Furthermore, we provide channels for health consultations throughout the Company, and we have systems in place that allow employees to meet with industrial physicians and public health nurses. We have also established an outsourced employee assistance program (EAP), enabling employees to seek help easily.

Moreover, we have organized initiatives such as walking events and consultation services for specific health guidance during working hours in cooperation with our corporate health insurance society.

As welfare facilities to encourage health maintenance, on the grounds of our Solution Center we provide sports grounds and tennis courts, as well as a gymnasium with fitness equipment. Systems are in place for ongoing assistance in using sports facilities. We hold events and seminars as needed to raise employee awareness of physical health maintenance. In addition, we have introduced a "cafeteria plan"³ that includes programs to promote health. We also offer healthy menu options in employee cafeterias.

These various efforts, along with the framework for our activities that encompasses Group companies in Japan, have received positive responses. In March 2020, we were recognized for the fourth time by the Ministry of Economy, Trade and Industry for excellence in health management as one of the "Companies that excel in health and productivity management (White 500)."

1. This project is undertaken on behalf of the Ministry of Health, Labour and Welfare. The ministry aims to raise Japan's cancer screening rate to 50% through workplace initiatives.

2. The Ministry of Health, Labour and Welfare's campaign aims to encourage early detection and treatment by disseminating easy-to-understand information about hepatitis and the importance of testing for the hepatitis virus.

3. This is part of our welfare system. Each year, the Company provides employees with "Cafeteria Points," which they can use as they choose to pay the costs of specific types of welfare for improving work-life balance.



Our overseas Group companies engage in a variety of measures to ensure employee health.

Company	Activity
Sysmex America	<ul style="list-style-type: none"> • Establishment of an in-house fitness room • Provision of a health and fitness allowance • Subsidies for health checks and influenza vaccines
Sysmex Europe	<ul style="list-style-type: none"> • Establishment of an in-house fitness room • Provision of a health management program through which sports professionals and dieticians are invited to provide advice, and a program for sports such as yoga • Provision of stress management training • Provision of cafeteria lunches, with fruit free of charge
Sysmex Shanghai	<ul style="list-style-type: none"> • Installation of equipment designed to reduce CO₂ and PM2.5 in the office
Sysmex Asia Pacific	<ul style="list-style-type: none"> • Assistance with sports club membership fees • Placement of green plants in the office • Provision of free fruit in the cafeteria



Running event (Sysmex New Zealand)



Cycling festival (Sysmex RUS)

Realization of an Attractive Workplace

Respecting Workers' Rights

Upholding the Freedom of Labor Association and Recognizing the Right to Collective Bargaining

Participating in the UN Global Compact and Supporting the ILO's Core Labour Standards

Systemex respects workers' labor association and collective bargaining rights, based on its participation in the UN Global Compact and support for the ILO's Core Labour Standards.

All Systemex Corporation employees, except executive employees and some in managerial posts, are members of the Systemex Union, the in-house labor union. In fiscal 2019, membership consisted of 60% of employees. Labour unions have also been formed at overseas Group companies, including Jinan Systemex, Systemex Vietnam, and HYPHEN BioMed.

Labor-Management Dialogue

Dialogue between Labor and Management at Group Companies

Each year, Systemex Corporation engages in collective bargaining with the Systemex Union. In addition to regular council meetings, in fiscal 2019 labor and management met to discuss the promotion of health and productivity management, the management of working hours including work style reforms, welfare and benefit systems, and other measures.

Our Group companies also participate in labor-management dialogues. Systemex CNA has set up an employee group that consists of departmental representatives to regularly discuss their work environments and welfare with management.

Respect for Human Rights

Respect for Human Rights

Policies and Initiatives Related to Respect for Human Rights

Participating in the UN Global Compact and Adhering to the Universal Declaration of Human Rights and ILO's Core Labour 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 Labour 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 conformance rules and action guidelines proscribing 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 February 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.

In view of the fact that we promote human genome and genetic analysis research, as well as clinical research, in addition to complying with related laws and regulations, Sysmex has established an internal committee to ensure thorough consideration for subjects' human rights, and we follow specific guidelines in this regard.

▶ [Click here for information on the Global Compliance Code. \(PDF format / 286KB\)](#) 

▶ [Click here for information on research ethics.](#)

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 the 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 prevention of such abuses. With the UK Modern Slavery Act going into effect, Sysmex UK has publicized a statement in this regard on its website, and operates in compliance with this Act.

▶ [Click here for information on our supply chain assessment and management.](#)

Consultation and Reporting Systems Related to Human Rights

Sysmex has established internal reporting systems in Japan and overseas to handle human rights consultations, including those related to sexual harassment and workplace harassment.

▶ [Click here for information on our internal reporting system.](#)

Education and Training on Understanding Respect for Human Rights

Conducting Training to Prevent Human Rights Abuses

Sysmex strives to prevent human rights abuses by conducting training on prevention of harassment and regulations related to labor standards.

In fiscal 2019, we dealt with the subjects of harassment, including that of LGBT* people, and personnel management in the training of 140 newly appointed managers at Sysmex Corporation and some of our Group companies in Japan. We also held similar training for new employees and mid-career hires.

* Acronym referring to sexual orientation and gender identification (lesbian, gay, bisexual, and transgender)

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.

▶ [Click here for our Policy on Corporate Citizenship Activities and Philanthropy. \(PDF format / 81KB\)](#) 

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 the Group companies have since been working together on our social contribution programs. In 2019, we offered two Group-wide programs: Sysmex Gives Back Challenge in June and Sysmex Gives Back Day in October.

The Sysmex Gives Back Challenge was planned around activities in line with the World Blood Donor Day and World Environment Day. We ran a blood donation campaign, promoted tree planting activities, commuting by means other than personal vehicles, and improved awareness on reduction of plastic waste, among other initiatives, which were carried out in multiple regions. Sysmex Gives Back Day promoted activities planned around the theme of “Aim for a Healthier Society.” We joined charity run and walk events to support cancer patients and other efforts to fight against cancer, and we provided support for hospitalized children and orphans.

A total of more than 4,300 employees globally participated in our corporate citizenship activities through these programs. We will continue our Group-wide efforts to promote a fulfilling and healthy society.



Breast Cancer Walk (Sysmex America)



Donated bicycles (Sysmex Turkey)

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 800 employees throughout the Group have donated their blood during fiscal 2019.



Sysmex Indonesia



Sysmex Turkey



Sysmex South Africa

Our Response to COVID-19

When COVID-19 broke out, Sysmex collected tens of thousands of face masks and other supplies from our Group companies and sent them to China, which faced serious shortages of masks, protective gear, and safety goggles. Our factories in Brazil and other parts of the Americas distributed hand sanitizer made at our reagent manufacturing factories to employees, and donated it to charities.



Production of home-made sanitizer (Sysmex Brazil)

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 participating in social contribution activities of local communities, as well as social contribution events sponsored by the Company, and we make donations based on the number of points accumulated. 1,621 employees (44% of Group employees in Japan) participated in this program, which resulted in a donation of about 1.37 million yen. One of the recipients of the donations under the point system is the International Medical Volunteers Japan Heart, an incorporated nonprofit organization. It invites children with cancer and their families to KidZania Koshien, and it holds planetarium events at children's wards. Our employees participated in these events as volunteers to assist participants or to help with photography. There were also social service activities at business sites planned by employees, which included donating used books and clothes to NPOs.



(Left) © UNICEF/UNI150956/Asselin
 (Center) © UNICEF/UNI108970/Asselin
 (Right) © UNICEF/UNI179689/Markisz
 Courtesy of Japan Committee for UNICEF

**1,621 employees across the Group in Japan participated.
 Sysmex donated about 1.37 million yen.**

Antimalarial: 90,720 tablets (UNICEF); support for healthcare-equipped travel and excursions for children affected by childhood cancer and their parents (Japan Heart)



Volunteer activities during a planetarium event in a children's hospital ward



Volunteer activities at KidZania Koshien

Sponsorship for the 9th Kobe Marathon

Sysmex Corporation has been a special sponsor of this event since its inception. With the theme of “Thanks and Friendship,” the Kobe Marathon is meant to express the gratitude of the people of the Kobe area to everyone who assisted in the reconstruction of the region following the Great Hanshin-Awaji Earthquake.

As a special sponsor of the Kobe Marathon 2019, held in November, we provided the runners’ bib numbers and held an exhibition at the Kobe Marathon EXPO. We also fielded volunteers who provided operational support.



Employee volunteers handing out water

Holding Events for Communication with the Local Community

Every year, Sysmex Corporation invites community residents to its offices to strengthen our relationship with the local community.

In October 2019, we opened Technopark for an event in which 600 local residents came together and strolled about the grounds. The event featured a health seminar planned around the theme of blood and cancer genomics, along with a *teichaseki* to offer hands-on experience of Japan’s tea culture.

We have also opened Minato Ijinkan, a historic building we rent from the city of Kobe, to the public. In 2019, approximately 200 people visited the historic site for a photo exhibition and a live jazz music event we organized.



Technopark Festa (Sysmex Corporation)

Theme	Activity	Country/Region
Health and Healthcare	<ul style="list-style-type: none"> Participation in charity runs and charity walk events in support of cancer patients and for combating cancer 	The United States, Canada, France
	<ul style="list-style-type: none"> Making donations to the Make-A-Wish Foundation Visiting hospitalized children to watch movies or have lunch together 	Singapore
	<ul style="list-style-type: none"> Donating pajamas and other items to hospitalized children 	New Zealand
	<ul style="list-style-type: none"> Making donations to support people with disabilities 	New Zealand, Czech Republic, Slovakia, Australia
	<ul style="list-style-type: none"> Donating books to patients in hospitals 	South Korea
Welfare to Foster the Next Generation	<ul style="list-style-type: none"> Continuously providing supplies for orphans and children in need e.g., Donating daily commodities Providing lunches for schoolchildren in need Donating used clothes 	Turkey, Poland, South Africa, New Zealand, Indonesia
	<ul style="list-style-type: none"> Holding events for orphans e.g., Providing community lunches, and dinners at the end of Ramadan Offering opportunities to learn about science and technology 	Malaysia
	<ul style="list-style-type: none"> Making donations and assisting with healthcare for children in need Participating in a charity run event 	Vietnam

Theme	Activity	Country/Region
Promotion of Culture and Sports	<ul style="list-style-type: none"> · Signing sponsorship agreements with figure skaters Mai Mihara and Kaori Sakamoto · Sponsorship of Vissel Kobe, a Japan League soccer club 	Japan
International Exchange and Cooperation	<ul style="list-style-type: none"> · Contributing to international cooperation projects by hosting JICA trainees (Total of over 900 trainees in 120 countries since 1994) 	Japan
Community Service	<ul style="list-style-type: none"> · Providing financial and physical assistance with a project to repair homes for low-income households led by the international NGO Habitat for Humanity 	The United States
	<ul style="list-style-type: none"> · Providing food and hygiene products for the homeless 	Austria, France
	<ul style="list-style-type: none"> · Supporting food banks 	Spain

▶ [Click here for our corporate citizenship activities related to the environment.](#)



Charity drive (Sysmex South Africa)



Dinner serving event (Sysmex Malaysia)



Supporting Habitat for Humanity (Sysmex America)

Environment

Environmental Consideration	44
Environmental Management	45
Environmental Consideration through the Product Lifecycle	49
Reduction in Environmental Burden through Activities at Business Offices	53
Biodiversity Protection	58



Materiality

Environmental Consideration



Why It Is Important

We recognize that mitigating climate change, preserving water, mineral and other resources, and protecting biodiversity are critical to the sustainability of the global environment. As the coming into force of the Paris Agreement and the Sustainable Development Goals (SDGs) demonstrate, a growing number of initiatives around the world make addressing environmental problems a priority issue, and companies are being called upon to play a greater role.

As a company developing its operations globally, Sysmex recognizes increasingly serious environmental issues as a high priority. We understand that large-scale environmental damage due to climate change is a significant business risk because it has the potential to halt our resource procurement and manufacturing functions. At the same time, we believe consideration for the environment is connected with local community coexistence and ensuring the trust of our stakeholders.

Management Approach

[Policy]

To guide the Group's environmental management over the long term, Sysmex has formulated the Sysmex Eco-Vision 2025 in accordance with our Environmental Policy. It specifies that, as a company in the healthcare domain, Sysmex will contribute to the creation of a fulfilling and healthy society through its global environmental conservation activities. This vision sets long-term environmental targets to be achieved by fiscal 2025. We are promoting environmental conservation throughout product and service lifecycles and across the value chain of our business activities.

► [Click here for our policy on environmental activities.](#)

[Framework]

Under the supervision and management of the senior executive officer and managing director who acts as environmental management officer, the Environmental Management Committee leads the Group's environmental management.

[Targets (fiscal 2025)]

Reduce CO₂ emissions*

- When using instruments: by 15%
- In business activities: by 50%
- When shipping: by 15%

Reduce water consumption*

- When using instruments: by 15%
- In business activities: by 15%

Promote resource circulation

- Increase the recycle rate in business activities to 93% or higher

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

► [Click here for details about the targets.](#)

Relevant SDGs



Materiality

Environmental Consideration

Environmental Management

Environmental Policy

Sysmex engages in environmentally conscious business activities in accordance with its Environmental Policy and “11. To Preserve the Global Environment” in the Global Compliance Code.

▶ [Click here for our Environmental Policy.](#) (PDF format / 89KB) 

▶ [Click here for information on Item 11, “To Preserve the Global Environment” of the Global Compliance Code.](#) (PDF format / 286KB) 

Sysmex Eco-Vision 2025

Formulating Sysmex Eco-Vision 2025

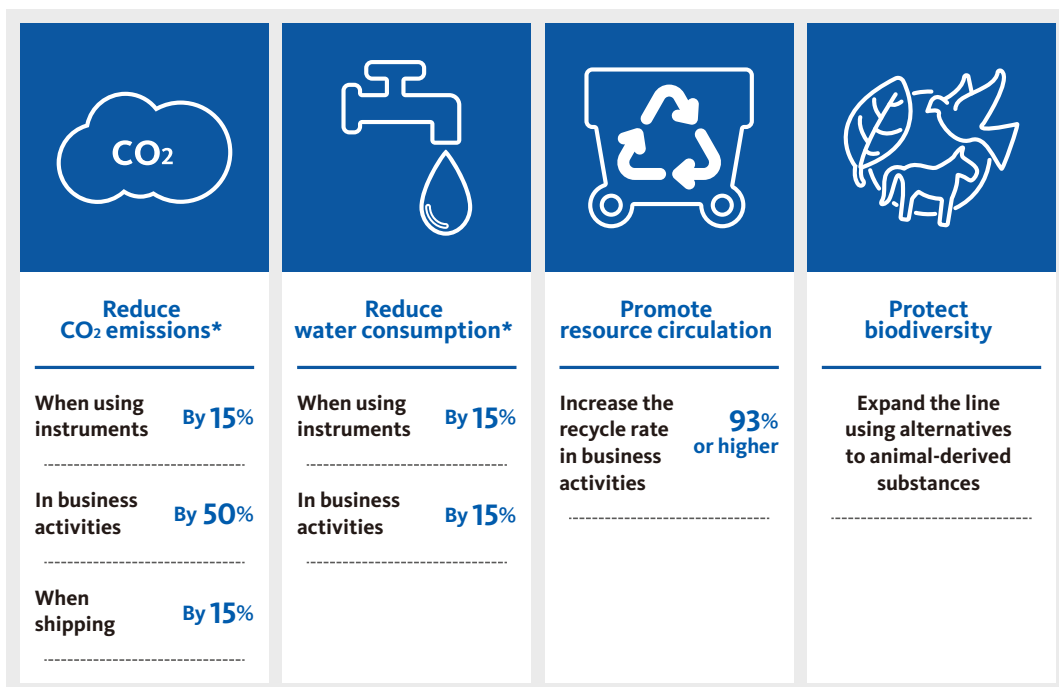
In May 2018, Sysmex formulated “Sysmex Eco-Vision 2025” in line with the established long-term management goals for the Sysmex Group. This sets forth the long-term environmental vision that Sysmex aims to attain by 2025 and requires us to promote environmental conservation more than ever throughout the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

Long-Term Environmental Vision

Sysmex 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

▶ [Click here for the status of Sysmex’s Eco-Vision.](#)

▶ [Click here for details on environmental data.](#)

Response to TCFD Recommendations

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

In January 2021, Sysmex expressed its support for the recommendations of the TCFD and discloses information based on its framework, as follows:

1. Governance

▶ [Click here for information about our system of climate change risk governance.](#)

2. Risk management

Every year, as part of our environmental management system we assess the impact of our business activities from two perspectives: "compliance with laws and regulations" and "impact on the environment." Taking the TCFD recommendations related to climate change into account, we assess climate-related risks and opportunities and discuss these results at a meeting of the Environmental Management Committee and a management meeting chaired by Sysmex's Chairman and CEO. In this manner, we are working to reduce risks and create business opportunities.

In addition, as part of our risk management system, we conduct an exhaustive risk assessment every two years that also incorporates risks other than those related to the environment and climate change.

▶ [Click here for information about our risk management system.](#)

3. Risks and opportunities

In line with the framework outlined in the TCFD recommendations, we identified climate change risks and opportunities at a management meeting chaired by Sysmex's Chairman and CEO. In December 2020, we revised these 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 has been set 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 reduction in use of plastics, will add to R&D costs and capex.	M	L	•Product and technology development 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 and regional water shortages will make it difficult to provide a stable supply of products and services.	M	H	•We have formulated a business continuity plan 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 stable supply of products.	L	M	•We are reducing the risk by periodically monitoring water-related risks and establishing the BCP.

Opportunities	Scenario	Financial effect		Approach
		2°C	4°C	
Resource Efficiency	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Review logistics processes and systems in response to diversification of logistics and promote CO₂ reduction through remote services. We will save resources by reviewing materials and packaging options.
Energy Source	<ul style="list-style-type: none"> Reduction of energy costs through energy saving and shifting to low-carbon energy, which will improve social evaluation. 	M	L	<ul style="list-style-type: none"> Energy saving measures and greater efficiency of equipment have been introduced. We have introduced renewable energy.
Products and Services	<ul style="list-style-type: none"> Changes in customers' environmental awareness 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	<ul style="list-style-type: none"> 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.
Market	<ul style="list-style-type: none"> Our initiatives for climate change and disclosure will earn us a greater reputation and expectations in financial markets. 	M	L	<ul style="list-style-type: none"> We support the TCFD and disclose environmental data via the Sysmex Sustainability Data Book and other means.
Resilience	<ul style="list-style-type: none"> A stable supply of products and services in the event of a natural disaster improves customer trust. 	L	M	<ul style="list-style-type: none"> We implement a global supply system and backup system through multiple raw material procurement measures.

The impact on corporate finances from climate-related risks and opportunities was analyzed in a 2-degree scenario and a 4-degree scenario. 2-degree scenario: Strict measures will curb a temperature increase. 4-degree scenario: Temperatures continue to rise without any deliberate actions. H: High, M: Middle, L: Low

Environmental Management System

Group Environmental Management System

Sysmex has formulated Global Environmental Management Regulations to clarify the responsibilities and roles of each Group company. We have assigned a senior executive officer, a managing director, as an environmental management officer to oversee and control Group environmental management centered on the Environmental Management Committee. We have integrated environmental objectives as part of the Group Management Plan and, through the Managing Board's supervision and the executive officer system, we are executing business with the aim of increasing the speed of decision making.

Promoting the Acquisition of ISO 14001 Certification

Sysmex is working toward the acquisition of ISO 14001, the international standard for environmental management, for the Group's principal affiliated companies. As of April 30, 2020, 17 Group companies had acquired ISO 14001 certification, and these companies account for 68% 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 (Sysmex Corporation, Sysmex International Reagents, Sysmex RA, and Sysmex 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	Sysmex Corporation*, Sysmex International Reagents, Sysmex Medica, Sysmex RA
Americas	Sysmex America, Sysmex Reagents America, Sysmex Brazil
EMEA	Sysmex Europe, Sysmex Deutschland, Sysmex France, Sysmex Espana
China	Sysmex Wuxi, Jinan Sysmex
AP	Sysmex Asia Pacific, Sysmex India, Sysmex New Zealand, Sysmex Australia



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

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

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 2019, internal environmental audits at our four Group companies in nine locations (for which certification in Japan has been integrated) revealed one minor case of nonconformity. We have completed corrective measures. External environmental audits revealed no cases of nonconformity.

Environmental Education

Conducting Environmental Education and Training

Sysmex conducts general education for all employees to foster an awareness of the impact of the Group's environmental activities and individual actions. We conduct specialized training 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 2019, 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 department.

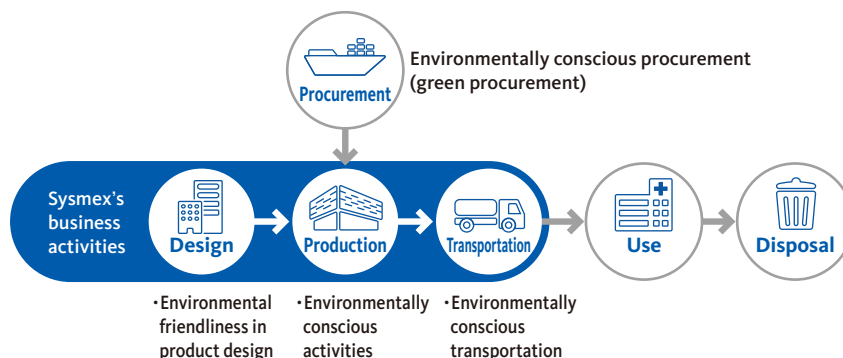
Materiality

Environmental Consideration

Environmental Consideration through the Product Lifecycle

The Product Lifecycle and Initiatives at Each Stage

Sysmex undertakes a variety of initiatives at different stages of its business activities to reduce environmental impact throughout the product lifecycle.



- ▶ [Click here for Reduction in Environmental Burden through Activities at Business Offices for our environmentally conscious activities.](#)
- ▶ [Click here for Environmental Data for details on material balance.](#)

Eco-friendly Products and Services

Environmental Friendliness in Product Design

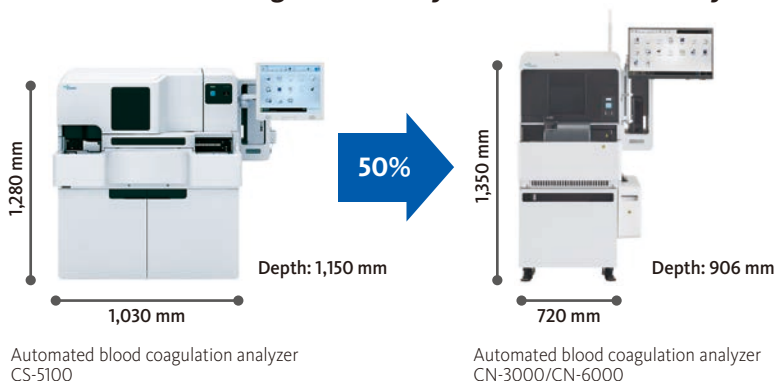
In our global regulations concerning product lifecycle management, Sysmex specifies its efforts to protect the environment that it believes appropriate in terms of its business at each stage of the product lifecycle in order to help reduce the energy needed for our customers to use our products and cut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

Our environmental activity plans state the goals of reducing the weight of equipment and the electricity it needs, exploring the possibility of curbing equipment water usage as well as reagent consumption, and extending the lifespan of replacement parts to reduce waste, among others, and we are working toward these goals.

The automated blood coagulation analyzers CN-3000/ CN-6000 launched in Japan in 2018 are about 50% less in volume and about 27% lighter than conventional equipment, which has led to a 12% reduction in CO₂ emitted during transportation and about a 36% reduction in electricity consumption.

We also use more concentrated reagents as part of our efforts to conserve natural resources in making containers and packaging materials and to reduce waste from laboratories.

Automated Blood Coagulation Analyzer Volume Reduced by 50%



Fiscal 2019 Results

In fiscal 2019, CO₂ emissions per device from the use of our equipment products increased by 4% from fiscal 2016 (the base year specified in Sysmex Eco-Vision 2025) due to the greater number of large, high-power-consumption hematology analyzers sold and installed. Water consumption of equipment products in use decreased by 3% as sales of products requiring less reagent consumption increased.

In the future, we expect to promote reductions in CO₂ emission and water consumption by developing and selling new products requiring less power and water usage, among other measures.

- ▶ [Click here for the status of non-financial targets.](#)
- ▶ [Click here for the details on environmental data.](#)

Environmental Consideration in the Production of Raw Materials

To reduce the use of natural resources, Sysmex has established a production method using recombinant silkworms as an alternative to using animal-derived proteins in its reagents. 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 anticipate a stable supply as well as energy savings and waste reduction.

We use proteins produced by silkworms in Revohem PT, a reagent we launched in fiscal 2017. This is the first reagent using proteins from silkworms that has received manufacturing and marketing approval in Japan.

Our protein production contracting business using this technology has been fully operational since fiscal 2012, and we are already taking orders from a number of pharmaceutical companies.

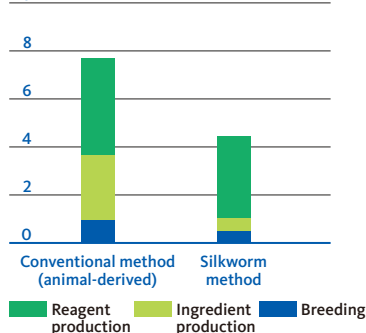


Production of raw materials using silkworms

Comparison of Method Using Silkworms and Conventional Method (Revohem PT)

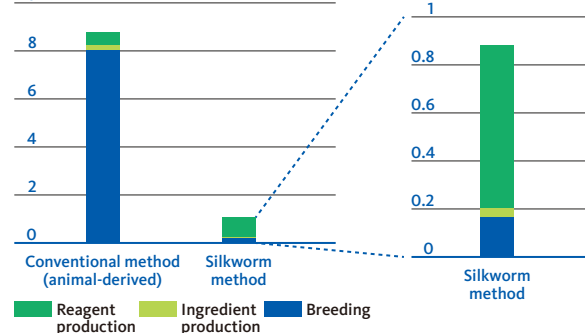
CO₂ Emissions

((kg-CO₂eq/Lot)×10³)
10



Water Resources

((m³/Lot)×10²)
10



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

Environmentally Conscious Procurement (Green Procurement)

Cooperating with Business Partners to Promote Environmentally Conscious Procurement

Sysmex has established Green Procurement Standards, which describe the Company's fundamental stance on environmental considerations in procurement activities.

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.

- ▶ [Click here for information on our procurement policy. \(PDF format / 90KB\)](#)
- ▶ [Click here for our Green Procurement Standards. \(PDF format / 102KB\)](#)
- ▶ [Click here for the history of revisions and updates to disclosed information about green procurement. \(PDF format / 25KB\)](#)
- ▶ [Click here for information on CSR surveys.](#)

Specifying Prohibited Substances, Substances to Be Reduced, and Target Countries

Based on its green procurement standards, Sysmex discloses the following items regarding chemical substances (substances with an environmental impact) contained in the products we manufacture and sell, as well as their constituent parts, devices, and materials.

1. Prohibited substances (revised May 31, 2020)
 - ▶ [Prohibited substances \(PDF format / 913KB\)](#)
2. Substances to be reduced (revised May 31, 2020)
 - ▶ [Substances to be reduced \(PDF format / 1.47MB\)](#)
3. List of target countries (countries and regions whose environmental laws and regulations provide the basis for prohibited substances and substances to be reduced) (revised May 31, 2020)
 - ▶ [List of target countries \(PDF format / 40KB\)](#)

Environmentally Friendly Logistics

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

As Sysmex's global business continues to expand, we are working to curb CO₂ emissions by reviewing our logistics processes and systems designed to handle diversified logistics, packaging materials, and inventory management.

Fiscal 2019 Results

In fiscal 2019, we began to ship some of our products for the Americas and Asia by sea that we had previously shipped by air, thereby cutting our CO₂ emissions from logistics by 17% compared with fiscal 2016, the base year specified in Sysmex Eco-Vision 2025. We thus achieved the 15% cut targeted for fiscal 2025.

We will continue reducing CO₂ emissions by promoting the shift from air shipment to sea transport and conducting sea transport in a planned manner.

▶ [Click here for the status of non-financial targets.](#)

▶ [Click here for details on environmental data.](#)

Enhancing Efficiency of Logistics Processes

Sysmex makes efficient use of containers to curb our CO₂ emissions. Our bio-diagnostic reagent base that opened in fiscal 2019 has begun to use 40-foot containers in addition to the 20-foot containers that had been used to ship products overseas. This effort has enhanced the efficiency of shipping and transportation and cut CO₂ emissions for reduced burdens on the environment.

Saving Resources by Revising Packaging Materials

Sysmex is working to cut down on packing materials to conserve natural resources. In fiscal 2019, we downsized our package boxes for optimization and switched packing from bag-shaped cushioning materials to plastic film, thereby reducing the amounts of protective materials used. We also switched to reusable boxes for transporting our gene mutation analysis kits (for cancer gene profiling) within Japan to decrease cardboard box waste.

Sysmex International Reagents works with its suppliers to promote a switchover from cardboard to returnable boxes (plastic containers) for transporting materials. In fiscal 2019, the company reduced packing material waste by 1,960 kg.

Use of Plastic Film to Cut Down on Cushioning Materials



Saving Resources by Promoting Review of Inventory Management

Sysmex promoted a company-wide review of its supply chains to reduce product waste, thereby cutting the proportion of waste and write-down value to total sales by more than 20% in fiscal 2019 from the previous year. Our instrument manufacturing factory i-Square densely houses dedicated containers and uses AutoStore, an automated warehouse picking system in which robots retrieve and store containers, for higher efficiency.

Our overseas Group companies also engage in various logistics measures.

Company	Activity
Sysmex Reagents America	<ul style="list-style-type: none"> • Delivering goods directly to customers and logistics facilities to curb CO₂ emissions from transportation • Using recyclable materials for reagent containers
Sysmex Partec	<ul style="list-style-type: none"> • Packing more than one product into a single box to reduce the packing materials used
Hyphen BioMed	<ul style="list-style-type: none"> • Using recyclable vegetable fibers for reagent containers • Reusing storage boxes used before final packaging
Oxford Gene Technology	<ul style="list-style-type: none"> • Switching from plastic to cardboard as the material for packaging to reduce the weight and thus to curb CO₂ emissions
Sysmex Malaysia	<ul style="list-style-type: none"> • Using recyclable insulation panels for transportation of products that require strict temperature control in order to reduce waste
Sysmex Australia	<ul style="list-style-type: none"> • Using recyclable containers whose temperature is controllable for product transportation

Materiality

Environmental Consideration

Reduction in Environmental Burden through Activities at Business Offices

Reducing Greenhouse Gas Emissions

Efforts to Reduce Greenhouse Gas Emissions at Business Offices

We are undertaking a variety of efforts to reduce direct and indirect greenhouse gas emissions from our business offices. Our bio-diagnostic reagent base, which opened in April 2019, is working to conserve energy by introducing LED lighting, motion sensors, a demand control system for measuring and monitoring the amount of electricity needed, and highly efficient air conditioning. Furthermore, the production reform we launched in fiscal 2013 has successfully improved our productivity and reduced burdens on the environment. We eliminated everything that led to inefficiency and integrated processes into a series, resulting in the enhancement of productivity of some products by about 12 times since the production reform began. Sysmex Europe uses electricity generated with 100% renewable energy, and has installed solar panels at its factory. Sysmex America and Sysmex Reagents America started to switch to renewable energy for about 50% of the electricity used in fiscal 2019.

Fiscal 2019 Results

Sysmex Corporation saw its energy consumption increase due to the launch of operations at its bio-diagnostic reagent base set up in April 2019, but it greatly reduced the margin of increase by introducing highly efficient electric power and air-conditioning systems, among other measures. Through initiatives that included a shift to the use of renewable energy in the Americas, CO₂ emissions from our business office activities decreased by 17% from fiscal 2016, the base year specified in Sysmex Eco-Vision 2025. We will continue promoting activities at our business sites to reduce CO₂ emissions.

▶ [Click here for the status of non-financial targets.](#)

▶ [Click here for details on environmental data.](#)

Initiatives to Reduce Greenhouse Gas Emissions

Approach	Company	Content
Energy Conservation Measures	Sysmex RA	Introduced eight power-saving air conditioners with timers (annual reduction in CO ₂ emissions: 23 tons)
Shifted to High-Efficiency Equipment	Sysmex Corporation	At Solution Center, switched to high-efficiency air conditioning equipment that does not use gas
	Sysmex America	<ul style="list-style-type: none"> Converted all lighting to LED Switched to fleet with better fuel efficiency
	Sysmex Europe	Switched to LED lighting in principal reagent filling rooms
	Sysmex Asia Pacific	Replaced lighting at factories and warehouses with LED units
	Jinan Sysmex	Switched from oil to natural gas for boiler operation
Planned Introduction of Renewable Energy	Sysmex Corporation	At i-Square, installed solar panels and introduced natural lighting in work areas to save electricity
	Sysmex Europe	<ul style="list-style-type: none"> Used electricity generated with 100% renewable energy Installed solar panels on the factory roof to generate electricity
	Sysmex America Sysmex Reagents America	Switched to renewable energy for 50% of electricity used

Approach	Company	Content
Employee Awareness	Systemex Malaysia	<ul style="list-style-type: none"> · Gave "Greener Systemex Points" to employees who use hybrid vehicles to commute to work, reduced energy use, and decreased CO₂ emissions · Encouraged the use of natural gas vehicles (NGVs) for taxis and airport limousines
	Systemex Europe Systemex Inostics	Subsidized employee use of public transportation for commuting
	Systemex India	Confirmed that all employees who use their own cars to commute to work have received PUC certification*

* An acronym for "pollution under control", PUC certifies that vehicle emissions meet pollution control standards. Indian law requires vehicles to undergo semiannual PUC testing, and PUC certification is obligatory. (The PUC certification period is one year for new vehicles.)

Decreasing CO₂ Emissions from Fleet

To cut down on fuel consumption by our 400 vehicles across Japan and curb CO₂ emissions, we have visualized travel distances and gasoline consumption on the intranet to raise drivers' awareness of their environmental impact. We have also started using fuel-efficient vehicles and hybrid cars while reducing the number of company vehicles. Hyphen BioMed is in the process of switching from diesel-powered to gas-powered vehicles.

Complying with Related Laws and Regulations

Based on the Energy Conservation Act, Systemex Corporation and Systemex International Reagents have submitted to the Ministry of Economy, Trade and Industry a medium- to long-term plan that summarizes their regular reports aggregating annual energy usage amounts and their energy reduction plan. Going forward, we will continue promoting energy conservation activities throughout the Company to achieve these nonbinding targets in Japan.

Using Water Resources Effectively

Reducing Water Consumption

Systemex uses both tap water and groundwater in our business activities, such as in core reagent production. Recognizing the reduction of water use as an important social responsibility, Systemex has set targets for the decrease of water use in Systemex Eco-Vision 2025, and it is working to improve the efficiency of water use at individual sites.

Water Risk Assessments

Systemex assesses risks related to water stress. We use Aqueduct, an assessment tool provided by the World Resources Institute (WRI), to conduct analyses. Then the Environment Management Committee discusses assessment results to plan courses of action to reduce risks.

Fiscal 2019 Results

Due to such factors as the launch of reagent production at our bio-diagnostic reagent base established in April 2019, water consumed in our business office activities increased by 6% from fiscal 2016, the base year targeted by Systemex Eco-Vision 2025. In the future, we will work to reduce water consumption by completing production transfer and further improving production efficiency.

▶ [Click here for the status of non-financial targets.](#)

▶ [Click here for details on environmental data.](#)

Major Initiatives at Business Offices

Company	Approach
System Corporation	<ul style="list-style-type: none"> ·At each factory, made improvements in production efficiency to reduce person-hours, thereby reducing water consumption ·At the bio-diagnostic reagent base, used well water to water plants and flush toilets
System Asia Pacific	<ul style="list-style-type: none"> ·Upgraded the ultrapure water plant and recycled waste water through reverse osmosis when the factory was not in operation ·Installed a degasifier for raw water pretreatment to achieve more effective water use
System India	Introduced a wastewater treatment system to purify wastewater from the reagent manufacturing process to irrigate the green area around the factory

Wastewater Management and Processing

System 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 underground water are not affected.

Methods of Managing and Processing Wastewater

Company	Method
System International Reagents	At Ono Factory, we introduced a system that sounds an alarm when biochemical oxygen demand (BOD) exceeds standards, preventing the emission of liquids containing organic matter.
System RA	We introduced waste liquid processing equipment to heat-sterilize infectious waste, rendering it harmless before direct release into sewage systems.
System America	We introduced a wastewater processing system for removing boron-containing compounds from the wastewater produced during reagent manufacturing.
System Asia Pacific	We installed a wastewater processing system that purifies water emitted during reagent production before its release into sewers.

Managing and Recycling Waste

Reducing Waste and Promoting a Stable Recycling Rate

Systemex engages in ongoing initiatives to reduce waste and increase its recycling rate.

i-Square, our instrument manufacturing factory, uses its own garbage disposer to convert kitchen waste into materials for organic fertilizer which is offered to food growers, in an effort to reduce food loss at its cafeteria. i-Square also buys the produce from these growers, thereby contributing to the development of a recycling-oriented inclusive society.

Promoting Digital Data

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

Fiscal 2019 Results

As the recycling rate did not improve at our sites abroad, including those in the Americas, our overall recycling track record ended up at 67% against the recycling rate of 93% or more targeted in Systemex Eco-Vision 2025.

In future, we will promote initiatives aimed at achieving our target, including the enforcement of measures to improve the recycling rate at each of our business sites.

▶ [Click here for the status of non-financial targets.](#)

▶ [Click here for details on environmental data.](#)

Waste-Reduction Initiatives

Company	Approach
Systemex Corporation	Reduced waste using garbage disposers at cafeterias (in Technopark, the Solution Center, and i-Square)
Systemex Asia Pacific	Switched from aluminum foil to recyclable material for measuring drums
Systemex Malaysia	Recycled cardboard boxes and plastic materials and donated them to charitable institutions
Systemex Wuxi	Reused as trash bags the polyethylene bags used to package purchased parts

▶ [Click here for Environmental Consideration through the Product Lifecycle for other efforts we make to reduce waste.](#)

Managing Chemical Substances

Determining the Status of Storage, Use, and Managing of Harmful 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 employees working onsite.

Methods for Managing Harmful Substances

Company	Approach
Systemex Corporation	<ul style="list-style-type: none"> · We established a Chemical Substance Management Committee and are reducing chemical accidents, educating related divisions, and otherwise enhancing the management system. · At the Scientific Laboratory, we conduct thorough chemical substance management based on the Scientific Affairs Division Standards for Laboratory Management.
Systemex International Reagents	We use ID cards and fingerprint recognition to prevent unregistered personnel from entering areas in which deleterious and hazardous substances are stored.
Systemex Wuxi	Hazardous waste is kept separately from general waste so that it is treated using equipment that conforms to legal requirements.

Emission of Harmful Substances and Management and Processing with Regard to Their Release into the Water and Atmosphere

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, based on manuals. Also, 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 addressing both facilities and management methods. In these ways, we endeavor to keep emissions below statutory standard values.

Management and Processing Related to 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 we own or manage and worked to determine appropriate use, conducting inspections and determining calculated leakages.

Environmental Consideration

Biodiversity Protection

Involvement with Biodiversity

Sysmex uses water in its core reagent production and understands that it receives a host of benefits from the world's living things as it conducts its business activities. Accordingly, we recognize that preserving the forests that contribute to local watershed protection is an important social responsibility. We also aim to contribute to the preservation of biodiversity.

▶ [Click here for information on our shift in animal-derived protein materials \(recombinant silkworms\) in our diagnostic reagents.](#)

Forest Conservation Activities

Contributing to Biodiversity Preservation through the “Sysmex Forest”

In fiscal 2013 we began taking part in forest maintenance activities based on the “Enlist the Participation of All Citizens in Creating Woodland” project being promoted by the Hyogo Prefectural Government. To this end, we 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 set about making the satoyama (a human-influenced natural environment) a place of tranquility for people and wildlife.

In fiscal 2019, a total of about 200 people participated in these activities, which took place 13 times.

Initiatives at the Sysmex Forest

Approach	Content
Biodiversity Protection	<ul style="list-style-type: none"> •Protection of endangered species (such as protecting the habitat of the clouded salamander¹ and planting plants to attract the chestnut tiger butterfly²) •Protection of rare wild plants (cultivating the Japanese lily to aid its recovery and protecting the habitat of <i>Cephalanthera falcata</i> [the Golden Orchid]³)
Education and Awareness	<ul style="list-style-type: none"> •Offering programs designed to provide children with opportunities to enjoy being in nature (forest observation tours, afforestation for autumn foliage, birdhouse management, etc.) •Registration with Green Wave 2019 promoted by the Ministry of the Environment, the Ministry of Agriculture, Forestry and Fisheries, and the Ministry of Land, Infrastructure, Transport and Tourism

- 1 Small salamander designated as Endangered Species II on the Ministry of the Environment's Red List 2020
- 2 These butterflies are unusual for their long migratory routes; most of them arrive in Japan in spring and migrate around 2,000 kilometers in autumn to Taiwan and other southern climes. They are designated as a quasi-endangered species on Chiba Prefecture's Red List.
- 3 A species of terrestrial orchid designated as Endangered Species II on the Ministry of the Environment's Red List 2020

▶ [Click here for information on our system for encouraging employee volunteers.](#)

▶ [Click here for information on the “Sysmex Forest.”](#)



Sysmex Forest
(participants in forest maintenance activities)



Sysmex Forest
(planting trees for autumn foliage)

Activities in Other Regions

Company	Activity
Sysmex Europe	Scheduling the EMEA Environment Week in the EMEA region to tend herb and bee gardens and to plant trees
Sysmex Inostics	Working with the City of Hamburg in an official environmental partnership
Sysmex New Zealand	Regularly participating in tree-planting projects on the islands in the Hauraki Gulf
Sysmex India	Implementing tree planting as part of the World Environment Day activities



EMEA Environment Week activities



Working in a bee garden



Afforestation activities at the Indian reagent factory

Governance

Compliance	62
Compliance Management	62
Compliance Promotion Initiatives	65
Risk Management	68
Risk Management Structure	68
Response to Risks Related to Business Continuity	69
Enhancing Information Security	70



Materiality

Governance



Why It Is Important

Corporate scandals occur due to a lack of governance, and their impact on society is increasing. In 2015, Japan's Corporate Governance Code went into effect, calling on companies to take governance into consideration in non-financial areas as well as on the financial front.

In addition to strengthening governance and internal controls, Sysmex is being called upon to strengthen its risk management and compliance structures to enhance our management foundations. Sysmex believes these initiatives will help reduce business risks, ensure stakeholder trust, and be an important management issue connected to enhancing medium- to long-term corporate value.

Management Approach

[Policy]

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

▶ [Click here for our governance policy.](#)

[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.

▶ [Click here for information on corporate governance.](#)

[Targets]

We use the number of internal reportings, and the number of unethical incidents as the indicators for monitoring.

▶ [Click here for details about the targets.](#)

Relevant SDGs



Materiality

Compliance

Compliance Management

Group Policy

Pursuing Open and Aboveboard Business Activities

Based on our Group philosophy, the “Sysmex Way,” we define our view of 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 particularly important conformance rules and behavioral guidelines for all Group executives and employees are detailed. In addition to Japanese, the Global Compliance Code has been translated into English and many other languages.

▶ [Click here for the full text of the Global Compliance Code. \(PDF format / 286KB\)](#) 

Global Compliance Code (Overview)

1. Ensuring the Safety of Our Products and Services to Customers

In all our corporate activities, we shall make it a matter of priority to provide our customers with safety and security in the operation and use of our products and services.

2. Promoting Fair Dealing and Free Competition

We shall comply with the laws and regulations of each country and region concerning the promotion of fair and free competition, deal fairly with all our customers and other business partners and conduct transactions under appropriate conditions. In addition, in relation to other companies in the same business, we shall not illegally, dishonestly or unreasonably restrict their business, nor shall we defame them.

3. Fair and Proper Information Disclosure and Exercise of Complete Information Control

Our corporate information, such as our Group’s financial condition and business activities, shall be disclosed in a fair, prompt, correct, and clear manner in accordance with applicable laws and regulations, and we shall exercise strict control over confidential information collected through our business activities so as not to infringe the rights of third parties.

4. Implementation of Appropriate Research and Development Activities

When carrying out research and development, we shall protect the dignity, privacy, and human rights of trial subjects, and shall comply with applicable laws and regulations to carry out our research activities in accordance with high ethical standards.

5. To Respect Intellectual Property

We respect both the rights of our Group’s intellectual property and the intellectual property of others. We shall not unlawfully acquire or use any confidential business information or the proprietary assets of others.

6. To Maintain International Peace and Safety

We shall comply with export-related laws and regulations, and shall not engage in any transaction which may impede the maintenance of international peace and safety.

7. To Conduct Proper Accounting and Appropriate Tax Payments

We shall always apply the appropriate accounting measures and recognize the tax obligations set forth in applicable tax laws and accounting regulations and standards.

8. To Respect Human Rights and to Improve Occupational Health and Safety

We shall support the Universal Declaration of Human Rights and Core Labour Standards, and respect fundamental human rights, and shall not commit acts such as discrimination or harassment. We shall also comply with applicable laws and regulations and endeavor to improve occupational health and safety. Further, we shall not commit any unfair labor practices against the personnel of the company.

9. Prohibition of Conflicts of Interest

We shall not attempt to gain any personal profit in the performance of our duties, and shall not make any unauthorized use of our Group's assets, goods or information, nor shall we perform personal acts that may cause harm to the Group's business activities or reputation.

10. To Maintain Sound Relationships with Society

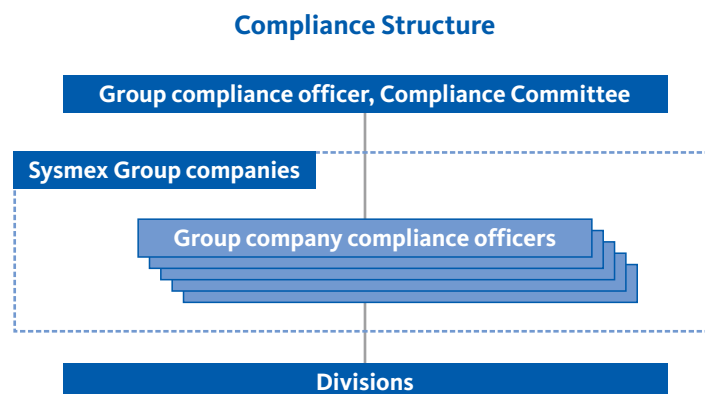
We shall comply with applicable laws and regulations related to anti-bribery statutes and comply strictly with applicable laws regarding making political donations. The company shall not be intimidated by antisocial activities, behavior and groups, nor maintain any relationship with them.

11. To Preserve the Global Environment

We shall comply with environment-related laws and regulations, and respect the environment throughout our business activities, based on applicable laws and international standards, in an endeavor to preserve and improve the global environment.

Compliance Promotion Structure

Sysmex has put in place internal rules related to compliance. We are also working to enhance compliance awareness among employees. The Group compliance officer chairs the Compliance Committee, which promotes compliance throughout the Group. Compliance officers in place at each Group company promote compliance at such companies.



▶ [Click here for information on corporate governance structure.](#)

Internal Reporting System

Sysmex has established and runs an internal reporting system for all Group companies.

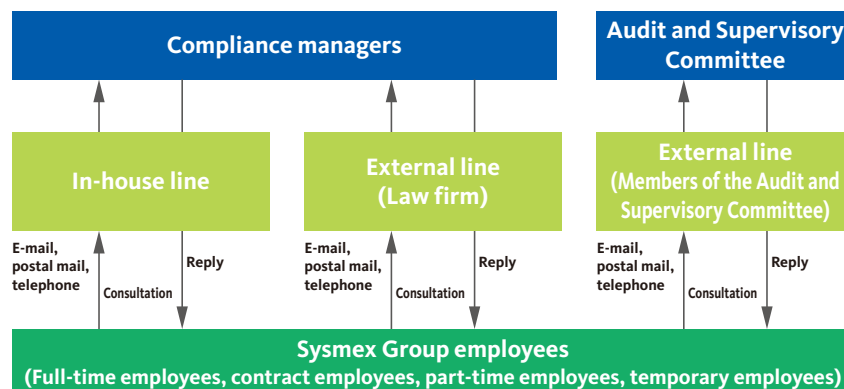
In Japan, we have set up an internal reporting system known as “Campanula Lines.” Through this system, we offer field consultations related to compliance-related issues such as bribery and human rights abuses, and we work to resolve any such issues quickly. The “Campanula Lines” allow our employees to seek consultations and file reports via e-mail, postal mail, or telephone through two lines (in-house and external). We have also established a line via the Audit and Supervisory Committee that enables employees to seek consultations and file reports related to the management team. Information received through these lines is handled anonymously and based on the Whistleblower Protection Act to shield from disadvantage employees making contact or providing information.

We also have consultation and reporting lines for our overseas employees that are available in their local languages.

In fiscal 2019, we set up the Global Compliance Hotline, our global internal reporting system, which allows anyone working at any of our Group companies in Japan or overseas to report issues directly to the Head Office. This system aims to facilitate early detection of non-compliance issues.

In fiscal 2019, we fielded 11 enquiries from Japan and overseas. We conducted investigations regarding these enquiries and dealt with each of them appropriately.

The “Campanula Lines” Internal Reporting System



Compliance Education

Providing Continuous Education on Compliance

To instill compliance, Sysmex views employee education and awareness activities as the foundation of compliance promotion. The Group compliance training program is systematized, and we continue to conduct various types of compliance education based on the Group’s shared way of thinking. During new employee and rank-based training, we take the opportunity to foster compliance with the Global Compliance Code. 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. Through autonomous, planned educational and awareness efforts, we instill and promote compliance awareness within individual divisions and companies.

Main Compliance Education Initiatives in Fiscal 2019

(Japan)

- Conducted compliance training for new employees
- Conducted compliance training for newly appointed managers
- Conducted training on the control and protection of trade secrets for Group employees in Japan
- Conducted human rights training related to harassment, including that of LGBT* employees, as well as on personnel administration and the Workers Dispatch Act, for new employees, mid-career recruits, and newly appointed managers
- Conducted training related to domestic and international competition laws (antitrust laws), primarily for employees involved in sales and services
- Conducted training designed to ensure fair dealing, along with training related to laws, regulations, and industry rules in order to ensure transparency in relationships with medical institutions

* Acronym referring to sexual orientation/gender identification (lesbian, gay, bisexual, and transgender)

(Overseas)

- Conducted compliance training for new employees
- Conducted refresher training to reconfirm the importance of compliance
- Conducted training about rules to promote fair trading in the medical device industry

Materiality

Compliance

Compliance Promotion Initiatives

Anti-Corruption

Preparation of Standards and Provision of Education on the Prevention of Bribery

As one of its voluntary corporate efforts in accordance with the spirit of the UN Global Compact, Sysmex undertakes thorough efforts to prevent bribery, in line with Principle 10, which states that “Businesses should work against corruption in all its forms, including extortion and bribery.”

Efforts to eradicate corruption are gathering momentum throughout the world, and various countries are enacting laws and stepping up enforcement. Against this backdrop, Sysmex clearly prohibits bribery in Item 10 of the Global Compliance Code, “To Maintain Sound Relationships with Society,” which applies to all executives and employees. In addition, we are encouraging a thorough understanding throughout the Group of our anti-bribery regulations, which cover such topics as banned activities, due diligence, the provision of education, and management systems. We have also put in place rules and regulations for each region and promote compliance with them. These rules and regulations are designed to ensure compliance with unique regional laws and regulations and commercial customs while preventing bribery.

▶ [Click here for overview of anti-bribery regulations. \(PDF format / 79KB\)](#) 

Transparency in Relationships with Medical Institutions

Transactions based on a high level of ethics are required at every stage of Sysmex’s operations—from research and development to manufacturing, sales, and after-sales support—as the number of opportunities for collaboration with medical institutions and medical professionals is increasing.

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 such institutions. Overseas, Sunshine Acts, which require companies to ensure transparency in their relations with healthcare institutions, have been enacted in the United States, France, and Belgium. We report and disclose information about relevant funds for healthcare institutions to government authorities in the countries in which we operate. We upload the information to our website, and it has also been published on the websites of these authorities.

▶ [Click here for funding details. \(Governance data\)](#)

▶ [Click here for funding details. \(Details on the Japan region\) \(Japanese only\)](#) 

▶ [Click here for information on the Japan Association of Clinical Reagents Industries’ “Guidelines on Transparency of Relationships between Corporate Activities and Medical Institutions.” \(Japanese only\) \(PDF format / 924KB\)](#) 

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, 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. In addition, 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 such as 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.

▶ [Click here for information on the “Group’s Ethics Regulations on Clinical Research and Development and Human Genome and Genetic Analysis Research.” \(PDF format / 31KB\)](#) 

▶ [Click here for information on the activities of the Research Ethics Examination Committee.](#)

Consideration 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 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.

Guidelines Followed 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)
- Fundamental Guidelines for Proper Conduct of Animal Experiments and Related Activities in Academic Research Institutions (Ministry of Education, Culture, Sports, Science and Technology)
- Guidelines for Proper Conduct of Animal Experiments (Science Council of Japan)

▶ [Click here for information on our shift from animal-derived protein materials to those derived from recombinant silkworms.](#)

Fair Marketing Activities

We have formulated a code of ethics in marketing for our global promotion activities, described in Item 2 of the Global Compliance Code, “Promoting Fair Dealing and Free Competition.” In accordance with this code, we promote fair marketing activities in every region of the world, based on industry standards and our own regulations.

We formulated the Sysmex Promotion Code to cover our activities in Japan. In fiscal 2019, we provided training sessions titled “Key revisions to the Act on Securing Quality, Efficacy and Safety of Products Including Pharmaceuticals and Medical Devices” and “Key revisions to the Code of Practice issued by the Japan Pharmaceutical Manufacturers Association” for about 200 employees in sales departments at our regional headquarters in Japan and East Asia.

▶ [Click here for information on overview of the Sysmex Promotion Code. \(PDF format / 97KB\)](#) 

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. 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.

▶ [Click here for our annual securities report \(Japanese only\).](#)

▶ [Click here for the Sysmex Report \(Financial and Other Information\).](#)

Tax Strategy in the United Kingdom

▶ [Click here for information on our tax strategy in the United Kingdom. \(PDF format / 26KB\)](#) 

To Respect Intellectual Property

Systemex accords third-party intellectual property rights the same level of respect as it does its own. As defined in Item 5 of the Global Governance 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.

Promotion of Security Trade Control

In line with Item 6 of the Global Compliance Code, "To Maintain International Peace and Safety," we comply with 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. Systemex has established the Security Trade Control Committee, which is under the direct control of the President, to prevent illegal exports. We have also assigned people at overseas regional headquarters to oversee security trade control, and we have configured a global operational structure. Every year, we provide basic e-learning training 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.

Materiality

Risk Management

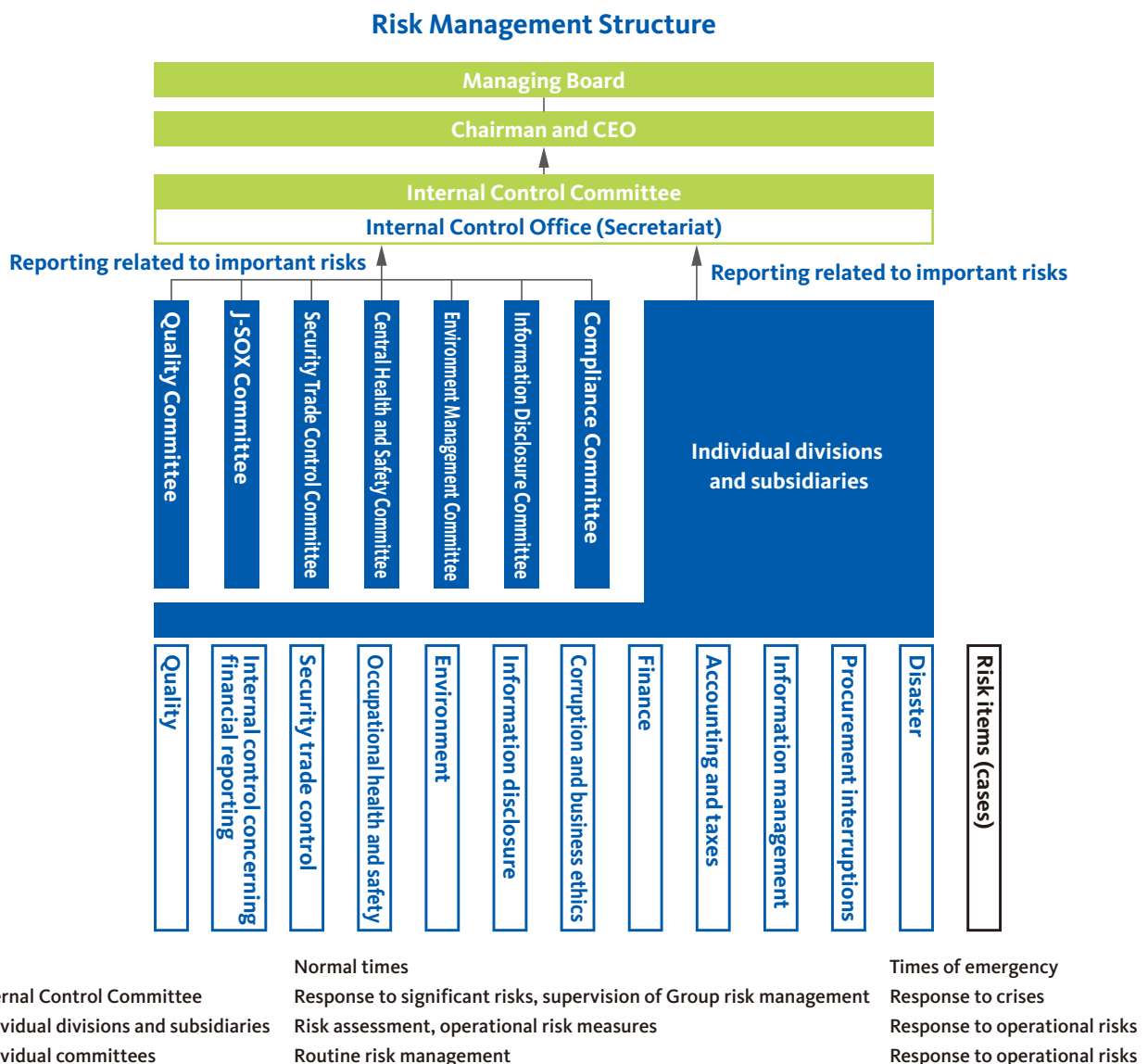
Risk Management Structure

Risk Management Structure

Promoting Risk Management by Establishing a Dedicated Committee

Expanding from the Risk Management Committee that was in place until fiscal 2019, Sysmex established the Internal Control Committee to promote all risk management activities, including strategic risks. The committee is chaired by the Chairman and 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 those related to fair trade, compliance including corruption and business ethics, human resources, occupational health and safety, the environment, and accounting and finance that encompass 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 the relevant committees including the Compliance Committee as well as individual divisions and subsidiaries and periodically reports to the Managing Board. When a risk that will have a major impact on the Group’s business arises, the Internal Control Committee also reports it to the Managing Board and discusses how to respond to the risk, following the PDCA cycle.



Materiality

Risk Management

Response to Risks Related to Business Continuity

Establishment of Business Continuity Plan (BCP)

Response to Major Disaster Outbreaks

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, tsunami, or other large-scale disaster, as well as rapid recovery from such disasters. Our BCPs identify products to be given priority so that our products can continue to function in a stable manner at healthcare institutions, even in crisis situations. We have also prepared disaster-response regulations and manuals, putting in place the systems that enable us to respond swiftly in emergencies. Moreover, we conduct regular training that simulates disasters and we have secured a large stockpile of supplies for employees.

In order to ensure the steady supply of our products, we procure key raw materials from multiple sources. We also select production locations in accordance with the concept of "local production for local consumption." Moreover, we are building a system that enables factories to deliver supplies to each other in emergencies, and we have secured alternative transportation routes. In the aftermath of Typhoon Hagibis in 2019, which wreaked enormous damage on the Kanto, Koshin, and Tohoku regions, we promptly ascertained exactly what damage had been done and acted accordingly, thereby continuing to supply our products. We have adopted a safety confirmation tool as a means of emergency communication for our employees so that we can confirm their safety as rapidly as possible. Systemex has also installed wireless digital equipment at business offices, putting in place a system for communicating in the event of a disruption of conventional communications. We have also amassed stockpiles of supplies and other items to assist stranded personnel, setting aside enough items for every employee. Furthermore, we provide education and simulation training regarding disaster prevention and response through our e-learning programs.

The backbone of our IT system is located at external, disaster-resistant data centers. In addition, we created an IT structure that allows us to quickly switch to a backup system in the event that a disaster renders our regular systems inoperable.

Response to COVID-19

In response to COVID-19, we set up an anti-disaster project in February 2020 to ensure the steady supply of our products and continued service and support for our customers. The project also involved the implementation of telecommuting for our employees in order to prevent the spread of infection.

The work to ensure the steady product supply was led by the production and SCM departments, and measures were taken at all Group factories to prevent our employees from becoming infected, and efforts to ascertain our suppliers' situations and to quickly obtain a clear picture of the impact on our products. Consequently, we were able to continue providing our products without making any changes to our production plans.

To continue our service and support for customers, in addition to offering online support, we ensure that all employees who visit health facilities 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. Among our efforts to protect our employees from exposure to the virus, we urge all the Group companies, including those overseas, to adopt flextime, telecommuting, and web conferencing. This provides a safe work setting for our more than 9,000 employees (including part-time and temporary workers) across the Group and helps keep them employed.

▶ [Click here for other actions we have taken in response to COVID-19.](#)

Materiality

Risk Management

Enhancing Information Security

Establishing an Information Security Structure

Sysmex enacts cyber-security measures for our products and services. We work on the design and production of our products as well as post-marketing risk management in accordance with our Group-wide Product Security Policy.

We are aware that protecting our key information assets is of critical importance to our business. Such information includes data received from our customers and from those who have helped us with laboratory work for research and development, along with information about our proprietary technologies. We have been taking measures to prevent information leakage and cyber-attacks. We have also formulated the Global Information Security Regulations (Information Security Policy) to establish a Group-wide information security management framework under the supervision and management of senior executive officers and senior managing directors who act as information security officers, thereby promoting continuous improvements in order to upgrade our level of IT security.

We take specific measures to protect and continuously manage our information assets. These measures include 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 review of installed applications. We also regularly provide employee training. In fiscal 2019, all employees in Japan throughout the Group received e-learning training on information security and cyber-attacks. Our overseas Group companies also regularly provide regional education programs.

To allow the Skyfront Research Campus to conduct research involving gene sequences and other personal information, in 2019 we obtained international ISO 27001 certification related to our information security management system (ISMS). The Service and Support Division at Sysmex CNA has also received certification, ensuring the confidentiality, completeness, and availability of the information it handles.

▶ [Click here for a summary of the Global Information Security Regulations \(Information Security Policy\).](#) (PDF format / 81KB) 

▶ [Click here for the Product Security Policy.](#) (PDF format / 58KB) 

External Evaluation Performance Data Disclosure System / Editorial Policy

External Evaluation	72
Performance Data	75
Social Data	75
Environmental Data	78
Independent Practitioner's Assurance	83
Governance Data	84



External Evaluations

Evaluations and Results Related to Sustainability

Selection for Global Sustainability Indexes

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 aim of responsible investment from a long-term viewpoint. Around the world, a number of sustainability indexes are used to benchmark responsible investment. Being a highly sustainable company, Sysmex has been selected for numerous sustainability indexes and rankings.

- **Dow Jones Sustainability World Index** (from fiscal 2016)

- **Dow Jones Sustainability Asia Pacific Index** (from fiscal 2012)

An ESG investment index developed through collaboration between the S&P Dow Jones Indices of the United States and Robeco SAM of Switzerland. This index evaluates corporate sustainability from the perspectives of the economy, the environment, and society. The selected companies are expected to achieve long-term sustainable growth based on comprehensive advanced initiatives.

The World Index targets the world's listed companies, while the Asia Pacific Index targets listed companies in the Asia-Pacific region.



- **FTSE4Good Index** (from fiscal 2008)

An ESG investment index announced by FTSE Russell, of the London Stock Exchange Group of the United Kingdom. Excellent companies are selected based on an evaluation of ESG information disclosed by such companies to the general public.



- **FTSE Blossom Japan Index** (from fiscal 2017)

FTSE Russell of the United Kingdom selects Japanese companies based on superior responses relating to ESG matters. The index uses FTSE4Good standards derived from international standards, such as the Sustainable Development Goals (SDGs) of the United Nations.



- **MSCI ESG Leaders Indexes** (from fiscal 2011)

- **MSCI SRI Indexes** (from fiscal 2013)

An ESG investment index developed by MCSI Inc. (Morgan Stanley Capital International), of the U.S. Morgan Stanley Group. Companies are selected based on an evaluation that includes a focus on ESG issues considered important by various indexes based on the industry characteristics of the companies it targets.



- **MSCI Japan ESG Select Leaders Index** (from 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 stocks by market capitalization.



• **MSCI Japan Empowering Women Index (WIN)** (fiscal 2017, 2019, and 2020)

An ESG investment index of MSCI of the United States. The index selects, from among the top 500 Japanese stocks by market capitalization in various sectors, companies that excel in gender diversity.

**2020 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)**

• **S&P/JPX Carbon Efficient Index** (from fiscal 2018)

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



• **Ethibel Excellence** (from fiscal 2011)

• **Ethibel Pioneer** (from 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. The index includes two sub-indexes, Pioneer and Excellence.

Companies in the Pioneer index are selected from among those deemed best in the Excellence index.



• **Ethibel Sustainability Index (ESI)** (from 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 the world)** (fiscal 2011, 2015, and 2016)

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** (from fiscal 2018)

This is an index developed through collaboration between NYSE Euronext (United States), which operates a number of security exchanges in the United States and Europe, and Vigeo Eiris (France and the United Kingdom), an ESG research company. The index, which covers Europe, North America, and the Asia Pacific region, selects for inclusion 120 companies demonstrating superior ESG initiatives.



• **SOMPO Sustainability Index** (from 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.



Other Evaluations and Commendations by Third Parties

Fiscal 2017 - 2019 Performance Data

2020

- February Received the Award for Excellence at the 23rd Environmental Communication Awards (the Environmental Report Category) for the Sysmex Sustainability Data Book 2019.
- February Recognized by the Ministry of Economy, Trade and Industry for excellence in health management as among the “Companies that Excel in Health and Productivity Management 2020” (White 500).

2019

- November Received awards at the 2019 Kinki Local Commendations for Innovations.
- November Received the HL7 Standards Implementer Award for the contribution to HL7, standards for exchanged information about health and healthcare (Sysmex New Zealand).
- September Received the Silver Medal for the Best Customer Training Program at the Excellence in Learning Awards 2019, hosted by the Brandon Hall Group (Sysmex Europe).
 - July Received the 44th Inoue Harushige Prize for “Hepatic fibrosis diagnostic technology using a new glycosylation marker.”
 - May Ranked 8th in the medical devices category in “Top Employer SME 2019,” sponsored by FOCUS-Business (Sysmex Europe).
 - April Awarded for Outstanding Contributions to the Economy by the Pudong District in Shanghai (Sysmex Shanghai).
 - April Received “Supplier Excellence Awards,” sponsored by Quest Diagnostics (Sysmex America).
 - March Selected as a finalist for the NZHIT Innovation Awards (Sysmex New Zealand).
 - March Selected for the “Companies That Care Honor Roll 2019” (Sysmex America).
- February Recognized by the Ministry of Economy, Trade and Industry for excellence in health management as among the “Companies that Excel in Health and Productivity Management 2019” (White 500).
- February Received the Award for Excellence at the 22nd Environmental Communication Awards (the Environmental Report Category) for the Sysmex Sustainability Report 2018.

2018

- December Won the Encouragement Prize in the 6th WICI Japan Award for Excellence in Integrated Reporting.
- November Received awards at the 2018 Kinki Local Commendations for Innovations.
- November Ranked 9th in “The Best-Performing CEOs in the World 2018,” published by the Harvard Business Review.
- October Sysmex Malaysia rated among the “HR Asia Best Companies to Work for in Asia 2018.”
- October Selected as a “Great Place to Work” (Korea Top 100) (Sysmex Korea).
 - May Received the “Medal with Purple Ribbon,” a spring 2018 medal of honor.
 - March Selected for the “Companies That Care Honor Roll 2018” (Sysmex America).
 - March Recognized by the Ministry of Economy, Trade and Industry for excellence in health management as among the “Companies that Excel in Health and Productivity Management 2018” (White 500).
- February Received the Award for Excellence at the 21st Environmental Communication Awards (the Environmental Report Category) for the Sysmex Sustainability Report 2017.

2017

- November Our super-resolution fluorescence microscope received the Good Design Gold Award 2017.
- November Ranked 18th in “The Best-Performing CEOs in the World 2017”, published by the Harvard Business Review.
- October Sysmex Asia Pacific selected as among the “HR Asia Best Companies to Work for in Asia 2017.”
- August Ranked 27th in Forbes’ “The World’s 100 Most Innovative Companies”.
- June Received the “Work & Family in 2017 Award” (Sysmex Europe).
- April Received the “Fiscal 2017 Commendation for Science and Technology” from the Minister of Education, Culture, Sports, Science and Technology, Prize for Science and Technology.

Performance Data

Social Data

Note: The items in blue font are non-financial targets.

Customers

Item	Fiscal 2017	Fiscal 2018	Fiscal 2019	Related Articles
Inquiries received by the Sysmex Customer Support Center	89,583	86,906	86,716	Customer Relations
Customer satisfaction rating in the United States* (On a scale of 1 to 10) * Research by IMV ServiceTrak	9.29	9.37	9.22	

Employees

Employees (All figures are results for Sysmex Corporation.)

Item	Fiscal 2017	Fiscal 2018	Fiscal 2019	Related Articles	
Newly graduated recruits	Total	64	76	59	Promotion of Diversity
	Of which, men	32	44	37	
	Of which, women	32	32	22	
	Of which, non-Japanese	5	8	9	
Mid-career hires	Total	30	42	59	
	Of which, men	23	36	46	
	Of which, women	7	6	13	
	Of which, non-Japanese	2	0	2	
Turnover* * Regular employees only, excluding people who have reached the mandatory retirement age	Turnover (employees)	75	87	72	Materiality and the Status of Non-Financial Targets
	Turnover ratio (%)	3.22	3.78	3.09	
Employment of people with disabilities	Number of people	51 (Group companies in Japan 69)	50 (Group companies in Japan 76)	51 (Group companies in Japan 82)	Promotion of Diversity
	Percentage	1.84 (Group companies in Japan 2.04)	1.81 (Group companies in Japan 2.21)	1.78 (Group companies in Japan 2.30)	
Reemployment of workers after mandatory retirement	Applicants	38	18	32	
	Employees reemployed	38	18	31	
	Percentage reemployment	100	100	97	
Reemployment of personnel leaving for reasons of childcare or nursing care	New registrants	3	2	2	Provision of a Comfortable Working Environment
	Employees reemployed	0	1	1	
	Percentage of reemployment	0	50	50	

Item		Fiscal 2017	Fiscal 2018	Fiscal 2019	Related Articles
Promotion to regular employees	Contract employees	16	21	18	Provision of a Comfortable Working Environment
	Temporary employees	10	9	2	
	Total	26	30	20	
Industrial accidents	Work-related deaths	0	0	0	Materiality and the Status of Non-Financial Targets
	Work-related injuries	2	5	2	
	Lost-time injuries frequency rate	0.35	0.89	0.86	
	Lost work day rate	0.05	0.06	0.08	Promoting Health and Productivity Management
	Total workdays lost	308	325	458	
	Total actual number of working hours	5,635,447	5,612,498	5,842,271	
Paid leave	Days granted	49,177	52,116	53,415	Provision of a Comfortable Working Environment
	Days taken	32,063	35,232	36,821	
	Percentage of days taken	65.2	67.6	68.9	
Employees taking pre-and post-maternity leave		39	41	28	
Employees taking childcare leave	Of which, women	32	40	33	
	Of which, men	1	3	11	
Employees taking shorter work hours for childcare	Of which, women	58	56	70	
	Of which, men	1	2	1	
Employees taking nursing care leave	Of which, women	5	1	2	
	Of which, men	0	1	1	
Percentage of employees returning after childcare leave	Of which, women	97	99	98	
	Of which, men	100	100	100	
Employees taking accumulated paid leave		104	130	129	
Employees in work-at-home arrangements		100	112	134	
Employees in flex-time arrangements		2,086	2,008	2,600	
Children in in-house daycare center	Total during year	34	32	25	
	At fiscal year-end	30	26	22	
Training results	Average training cost per employee (yen)	98,000	103,000	98,000	Development of Human Resources
	Average training time per employee (hours)	24.9	28.9	27.7	
	Number of training programs	18	26	27	
Number of interns accepted	Total	128	125	144	Promotion of Diversity
	Of which, non-Japanese	9	6	13	

Note: Some figures have been revised from previous reporting, owing to changes in definition.

Item	Fiscal 2017	Fiscal 2018	Fiscal 2019
Employees (people) ¹	2,046 (504)	2,049 (501)	2,108 (512)
Average age (years old)	40.7	41.1	41.2
Average number of years of employment (years)	12.0	12.3	12.4
Average annual salary (thousands of yen) ²	7,826	7,822	8,002

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.

Employees (All figures are results for Sysmex.)

Item		Fiscal 2017	Fiscal 2018	Fiscal 2019	Related Articles
Female managers ratio (Percentage of women at director level or above)	Sysmex Corporation (%)	8.6	8.1	7.8	Materiality and the Status of Non-Financial Targets Promotion of Diversity Independent Practitioner's Assurance
	Overall Group (%)	15.2	15.2	15.5	

Item			Fiscal 2017	Fiscal 2018	Fiscal 2019	Target
Percentage of men and women in the Group	Japan	Men (%)	59.1	58.4	57.7	Regular employees, employees on loan, contract employees (excluding executives and temporary employees)
		Women (%)	40.9	41.6	42.3	
	Americas	Men (%)	63.7	61.1	60.9	
		Women (%)	36.3	38.9	39.1	
	EMEA*	Men (%)	55.7	55.2	57.1	
		Women (%)	44.3	44.8	42.9	
	China	Men (%)	65.7	66.0	67.3	
		Women (%)	34.3	34.0	32.7	
	Asia Pacific	Men (%)	61.4	61.9	58.7	
		Women (%)	38.6	38.1	41.3	

Item			Fiscal 2017	Fiscal 2018	Fiscal 2019	Target
Number of Group employees	Japan	Of which, men	2,077	2,071	2,107	Regular employees, employees on loan, contract employees (excluding executives and temporary employees)
		Of which, women	1,440	1,475	1,598	
	Americas	Of which, men	740	731	755	
		Of which, women	422	465	494	
	EMEA*	Of which, men	1,318	1,355	1,388	
		Of which, women	1,049	1,099	1,154	
	China	Of which, men	412	452	527	
		Of which, women	215	233	256	
	Asia Pacific	Of which, men	474	516	583	
		Of which, women	298	318	369	
	Total		8,445	8,715	9,231	

* EMEA: Europe, the Middle East, and Africa













Corporate Citizenship Activities

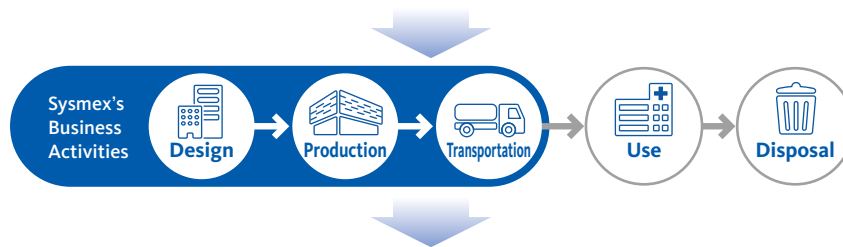
Item	Fiscal 2017	Fiscal 2018	Fiscal 2019
Expenditures for corporate citizenship activities (Sysmex Corporation)	Approximately 510,000,000 yen	Approximately 530,000,000	Approximately 460,000,000







Performance Data

Environmental Data

Material Balance

INPUT				
		Fiscal 2017	Fiscal 2018	Fiscal 2019
	Electricity (thousand kWh)	39,701	41,959	44,551
	City gas (thousand m ³)	600	1,097	1,108
	LPG (t)	24	19	19
	LNG (t)	0	57	0
	Heavy oil (kL)	35	0	0
	Kerosene (kL)	29	29	24
	Diesel oil (kL)	17	38	24
	Gasoline for fleet in Japan (kL)	689	619	604
	Diesel for fleet in Japan (kL)	23	18	10
	Water use volume (thousand m ³)	418	449	512
	Office paper (t)	45	38	36
	PRTR (t)	0	0	0



OUTPUT				
		Fiscal 2017	Fiscal 2018	Fiscal 2019
	Greenhouse gas emissions from business locations (t-CO ₂)	22,187	22,349	24,375
	Greenhouse gas emissions from fleet in Japan (t-CO ₂)	1,661	1,483	1,428
	Waste emissions (t)	1,482	2,255	2,722
	Recycling rate (%)	89	76	67
	Wastewater volume (thousand m ³)	273	292	287
	PRTR (t)	0	0	0

Environmental Performance Data

Item	Content		Unit	Scope ¹	
INPUT	Energy consumption	Consumption of non-renewable energy	Electricity (non-renewable)	1000 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
			City gas	1000 m ³	
			LPG	t	
			LNG	t	
			Heavy oil	kL	
			Kerosene	kL	
		Diesel oil	kL		
	Consumption of renewable energy	Electricity (renewable)	1000 kWh		
	Total consumption		GJ		
	Consumption of other non-renewable energy	Gasoline (fleet)	kL	Major business locations, instrument factories, reagent factories, sales offices, and other business sites in Japan	
Diesel oil (fleet)					
Water use volume	Groundwater	1000 m ³	Major business locations, instrument factories, and reagent factories in Japan; major business locations, factories, and other business sites in other countries		
	Purchased water				
	Total volume				
Amount of office paper used		t	Major business locations, instrument factories, and reagent factories in Japan		
PRTR input		t	Major business locations, instrument factories, reagent factories, sales offices, and other business sites 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.)
		CO ₂ emissions from fleet			
		Total emissions			
	Greenhouse gas emissions Scope 2 ³	Total emissions		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
	Greenhouse gas emissions Scope 3 ³	CO ₂ emissions from logistics		t-CO ₂	Sysmex Corporation
	Waste emissions	Total emissions		t	Major business locations, instrument factories, reagent factories, sales offices, and other business sites in Japan; major business locations and factories in other countries
		Total emissions (excluding sales offices in Japan)			
		Waste used for material recycling			
		Recycled waste (including energy recovery)			
		Total amount of waste disposal			
Material recycling rate		%			
Recycling rate (including energy recovery)					
Wastewater volume	Total emissions		1000 m ³	Major business locations, instrument factories, and reagent factories in Japan; major business locations, factories, and other business sites in other countries	
PRTR output	Emissions		t	Major business locations, instrument factories, reagent factories, sales offices, and other business sites in Japan	
	Transfers				

	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018	Fiscal 2019	Coverage ²	Calculation Method and Other Notes
	37,233	37,193	38,399	40,670	44,551	84%	
	1,544	1,474	600	1,097	1,108		
	19	21	24	19	19		
	0	0	0	57	0		
	0	0	35	0	0		
	35	31	29	29	24		
	19	21	17	38	24		
	243	210	1,302	1,288	6,704		
	439,654	440,124	414,136	461,370	496,798		Total consumption = Σ (consumption by energy type × conversion factor ⁴)
	750	734	689	619	604	37%	
	24	25	23	18	10		
	50	58	53	65	75	84%	Groundwater intake
	341	348	365	384	437		Tap water and industrial water
	391	406	418	449	512		
	44	42	45	38	36	37%	
	0	0	0	0	0		The amount of PRTR substances handled at business sites that handle chemicals in Japan
	3,757	3,559	1,749	2,964	2,665	84%	Emissions = Σ (fuel consumption × CO ₂ emission factor ⁴)
	1,802	1,768	1,661	1,483	1,428		
	5,559	5,327	3,410	4,447	4,093		
	20,278	19,201	20,438	19,385	21,710	84%	Emissions = Σ (purchased electricity consumption × CO ₂ emission factor ⁵) + Σ (purchased steam consumption × CO ₂ emission factor ⁴)
	-	19,573	16,711	21,571	18,547	-	Emissions = Σ (freight weight × transport distance × CO ₂ emissions intensity ⁶) Shipment in Japan: CO ₂ emissions due to physical distribution from warehouses in Japan to customers in Japan, etc. (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
	1,701	2,106	1,482	2,255	2,722		Waste emissions = general waste emissions + industrial waste emissions
	1,535	1,436	1,361	2,117	2,591	83%	Amount of waste converted into valuables as a result of a third-party process. Includes waste converted into fuel (such as RPF) Amount of waste reused, used for material recycling, or used for energy recovery (thermal recycling) Total amount of waste disposal = total emissions - recycled waste (including energy recovery)
	986	814	1,044	1,264	1,560		
	1,411	1,309	1,213	1,617	1,744		
	124	128	148	500	847		
	64	57	77	60	60		
	92	91	89	76	67		
	192	189	273	292	287	84%	
	0	0	0	0	0	37%	Amount of PRTR emitted from business sites that handle chemicals in Japan
	0	0	0	0	0		Amount of PRTR transferred from business sites that handle chemicals in Japan

Item	Content		Unit	Scope ¹
Compliance	Violations of environmental regulations (e.g. air and water pollution)	Total amount of large fines	100 million yen	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
		Number of sanctions other than fines	Cases	
	Significant spills and losses of chemical substances	Total number of cases	Cases	
		Total leakage volume	t	

1. Results in respective years cover the scopes shown for respective indicators.

See below for details on the scopes for fiscal 2019.

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 Medica, 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 Brasil, 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 and factories

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 specific to the electric power company based on the "Act on Promotion of Global Warming Countermeasures" (Fiscal 2015 results)

Other countries: 2016 emission factors provided by the IEA "CO₂ Emissions from Fuel Combustion 2018." (The Emission factors from IEA are used starting from fiscal 2018.)

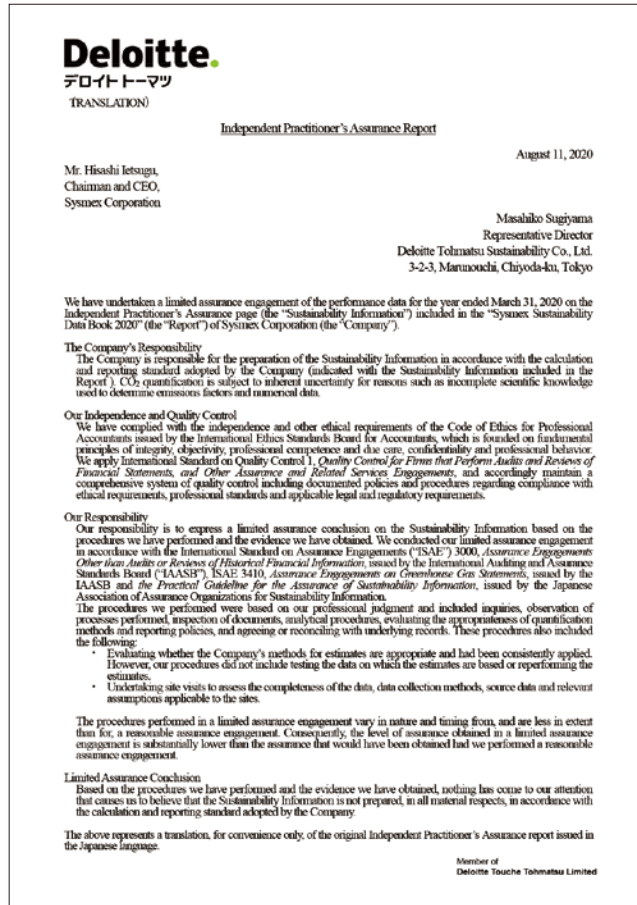
6. Emissions intensity is based on the "Common Guidelines for the Method of Calculating CO₂ Emissions in the Logistics Field Ver. 3.1."

	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018	Fiscal 2019	Coverage ²	Calculation Method and Other Notes
	0	0	0	0	0	84%	
	0	0	0	0	0		
	0	0	0	0	0		
	0	0	0	0	0		

Performance Data

Independent Practitioner’s Assurance

In order to improve the reliability of data disclosed, Sysmex Corporation has obtained an Independent Practitioner’s Assurance from Deloitte Tohmatsu Sustainability Co., Ltd. for the performance data (table below) reported in the Sysmex Sustainability Data Book 2020 in the Japanese version.



Scope of Assurance:

Performance data		FY2019 results	Scopes and calculation methods
Society	Female managers ratio	7.8 %	Sysmex Corporation Percentage of women at director level or above(as of March 31, 2020)
Environment	Greenhouse gas emissions Scope 1 (CO ₂ emissions of energy consumption from stationary combustion sources, and CO ₂ emissions from fleet)	4,093 t-CO ₂	For scopes and calculation methods, refer to page 79–page 81
	Greenhouse gas emissions Scope 2	21,710 t-CO ₂	
	Greenhouse gas emissions Scope 3 (CO ₂ emissions from logistics)	18,547 t-CO ₂	
	Water use volume	512 thousand m ³	
	Industrial waste emissions in Japan	630 t	Major business locations, instrument factories, and reagent factories in Japan Emissions based on the “Waste Management and Public Cleansing Law”

Performance Data

Governance Data

▶ [Click here for information on corporate governance.](#)

Information on Funding Provided to Medical Institutions*

Japan

(Amount: 1,000 JPY)

Category	Details	Fiscal 2016	Fiscal 2017	Fiscal 2018
Research and development	Expenses for trials, reports, and surveillance studies conducted under public regulations (clinical trials for new devices, post-marketing clinical studies, nonconformity and infection case reports, post-marketing surveillance studies, etc.) in addition to those for independent investigations	132,347	297,106	393,458
Academic research support	Expenses for scholarships, general and academic conference donations, as well as academic conference co-sponsoring expenses	1,950,674	312,138	299,657
Manuscript writing fees, etc.	Expenses for lectures, manuscript writing, and the consignment of services, including consulting, to provide information regarding the appropriate use of medical devices and clinical reagents	39,246	42,990	47,903
Expenses related to information provision	Expenses for lectures, workshops, and seminars to provide healthcare professionals with relevant information regarding appropriate and safe use of medical devices and clinical reagents	157,657	233,292	241,298
Other expenses	Expenses for receptions and social courtesies	21,374	35,902	45,736
Total amount		2,301,298	921,428	1,028,052

US

Category		2017	2018	2019
Relevant payments or transfer of value	Number	477	667	265
	Amount	US\$99,210	US\$152,027	US\$146,234
Research	Number	26	9	9
	Amount	US\$342,614	US\$228,092	US\$179,685

France

Category		2017	2018	2019
Relevant payments or transfer of value	Number	346	351	239
	Amount	€53,700	€27,603	€15,416
Remuneration	Number	9	7	8
	Amount	€51,776	€58,500	€13,883
Contracts	Number	16	19	10

Belgium

Category		2017	2018	2019
Relevant payments or transfer of value	Number	6	7	0
	Amount	€11,563	€9,261	0

* This information may be modified after our disclosure in accordance with review by government authorities or medical institutions.

* Some figures have been revised from those disclosed previously.

Targets of Disclosure

US

Payments or transfers of value to, or research agreements with, the following recipients:

- Registered US physicians
- Teaching hospitals in the US

France

Payments, remuneration, or transfers of value to, or contracts with, the following recipients:

- Physicians, medical professionals, and medical students in France
 - Health institutions (educational institutions or medical companies) in France
- Contract amounts are not required under the French Sunshine Act.

Belgium

Relevant payments or transfers of value to the following recipients:

- Healthcare professionals registered in Belgium
- Healthcare organizations in Belgium
- Patient associations in Belgium

Disclosure System

Non-Financial Information

Financial Information


Integrated Report: “Sysmex Report” (Annual report)

This report summarizes financial and non-financial information to help stakeholders understand Sysmex’s medium- to long-term value creation.


Sustainability Site

This site discloses details of sustainability initiatives.



► Sustainability Data Book (annual report)
(PDF format / 5.28MB) 

Corporate Governance Report

(PDF format / 477KB) 

IR Information Site

This site discloses details of financial, stock, and shareholder information.

- Annual securities report
- Summary of consolidated financial results, etc.



Editorial Policy

The Sustainability Data Book complements the Sysmex Report. This is 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. It contains more detailed information pertaining to Sysmex’s corporate social responsibility (CSR). Along with the Sysmex Report, this report—which was first published in fiscal 2019*—aims to enhance dialogue with stakeholders, enabling them to make an overall judgment about Sysmex’s value.

*Until fiscal 2018, published as Sysmex Sustainability Report.

Guidelines Referenced

- GRI (Global Reporting Initiative)
“GRI Sustainability Reporting 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.

Period Covered

Primarily fiscal 2019 (from April 1, 2019 to March 31, 2020). Some activities conducted outside this period are also included. The most recent information is provided on our sustainability topics on the sustainability site.

Date of Publication

September 2020

Updated in January 2021:

Environmental Management > Response to TCFD Recommendations p46-47

Inquiries about This Report

CSR Promotion Department, Sysmex Corporation
1-5-1, Wakinhama-Kaigandori, Chuo-ku, Kobe, Hyogo, 651-0073, Japan
Tel +81-78-265-0500, Fax +81-78-265-0524

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.

Sysmex Corporation

1-5-1, Wakinohama-Kaigandori, Chuo-ku, Kobe 651-0073, Japan
Tel +81-78-265-0500 Fax +81-78-265-0524

www.sysmex.co.jp