



Governance

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Governance

Compliance

Compliance Management

Group Policy

Pursuing Open and Aboveboard Business Activities

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

► Full text of the Global Compliance Code

Compliance Promotion Structure

At Sysmex, compliance violations are considered the most serious risk that could damage our social trust. Under the Group-wide risk management structure, we have established a Compliance Committee as an umbrella organization to promote and enhance compliance.

The chairperson of the Compliance Committee promotes compliance throughout the Group as the Chief Compliance Officer. Each Group company has appointed its own compliance officer. The Compliance Committee monitors the Group-wide compliance promotion activities and their progress. The compliance promotion structure is checked by a third party from the perspective of internal control.

If there is a major compliance violation that has a significant impact on the Group or a Group company, or an event that could cause a similar impact, it will be immediately reported by the compliance officer of the relevant company to the Chief Compliance Officer. After receiving the report, the Chief Compliance Officer will report on the event to the Internal Control Committee, chaired by the President, and members of the Managing Board and Audit & Supervisory Committee. We will also disclose information regarding events for which disclosure is required in accordance with information disclosure regulations.

There were nine ethics incidents in FY2022, but none of them were deemed significant.

► Corporate Governance Structure

► Corporate Governance Report

Internal reporting system

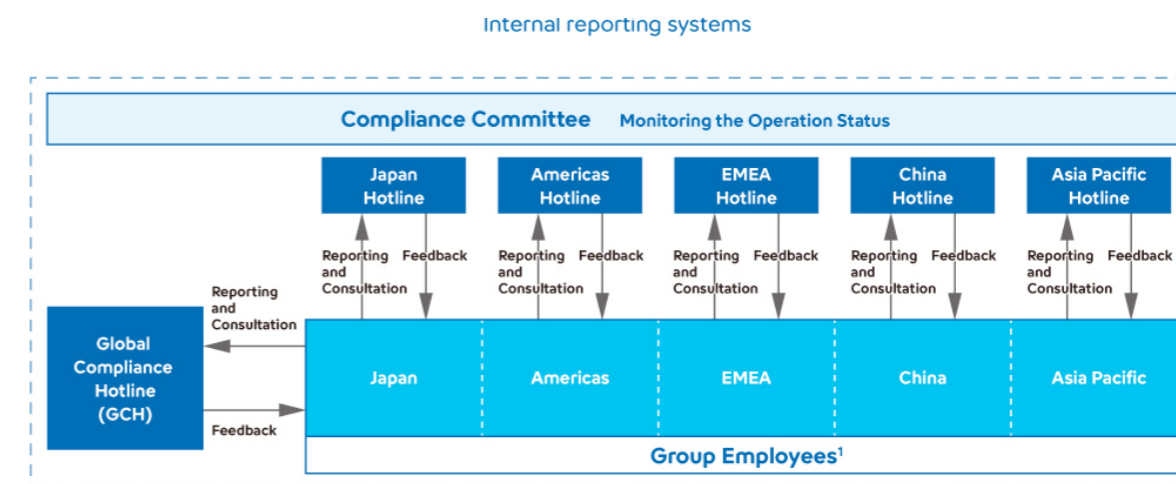
Sysmex has established a global system whereby all the employees of the Group can consult or report on compliance issues, including bribery and human rights abuses. Specifically, it has in place internal reporting desks operated by respective regional headquarters to provide consultation to, and receive reports from, Group employees in each region. We have also established a Group Compliance Hotline (GCH), where all Group employees can directly consult with or report to the Sysmex Corporation. In fiscal 2022, Sysmex integrated platforms of regional internal reporting desks and the GCH platform, which had been separately operated, to further strengthen governance.

In the Japanese region, we separately operate an internal reporting system called the "Campanula Line", which is shared by domestic Group companies and complies with Japan's Whistleblower Protection Act. The Campanula Line offers three routes to seek consultation or make a report: in-house, external, and directly to Audit and Supervisory Committee members. Going through the route of such members, employees can seek consultation about or make reports on compliance issues involving management.

Employees seeking consultation or making a report can remain anonymous through any of these routes. Information received through these routes is handled confidentially, and employees seeking consultation or making reports are protected from any negative consequences caused by doing so.

Information about these systems is disseminated to all the Group employees through the intranet and training to promote the early detection of compliance violations. In addition, the Compliance Committee monitors the operational status of the internal reporting system. In fiscal 2022, the number of internal reports received from Japan and overseas was 21. We conducted investigations regarding these reports and dealt with each of them appropriately.

※ Excluding the Japanese region



¹ All employees (including contract employees and temporary employees)

² The diagram above is an overview of our internal reporting system.

Compliance Education

Providing Education on Compliance

Sysmex views employee education and awareness activities as the foundation of promoting and ensuring compliance, and regularly offers training. During new employee and rank-based training, we take the opportunity to foster an understanding of the Global Compliance Code.

In fiscal 2022, we conducted multilingual global compliance training for all Group employees in accordance with the compliance education policy shared within the Group. This ensures that employees thoroughly understand and consider the importance of compliance, the Global Compliance Code, appropriate reactions when becoming aware of compliance violations, and other necessary matters.

► Education regarding Fair Marketing Activities

► Education and Training on Understanding Respect for Human Rights

► Diversity Education

Governance

Compliance Promotion Initiatives

Anti-Corruption

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

For risk assessments conducted periodically by the Internal Control Committee, compliance violations, including acts of corruption, are recognized as risks, and we are working to reduce them. Additionally, the “Corruption and Bribery” Chapter of the Global Compliance Code clearly prohibits acts of corruption, and the global anti-bribery regulations applicable to all Group companies cover topics such as banned activities, due diligence, the provision of education, and management systems. In these ways, we promote initiatives for Group-wide compliance.

- ▶ [Global Compliance Code](#)
- ▶ [Anti-Bribery Regulations \(Summary\)](#)

Transparency in Relationships with Medical Institutions

Sysmex has increased opportunities for collaboration with medical institutions and professionals at every stage of its operations through research and development, production, sales, and services and support. Transactions with them must be conducted with high ethical standards. The “Transparency in Relationships with Medical Professionals and Medical Institutions” Chapter of the Global Compliance Code stipulates that appropriate relationships with medical professionals and medical institutions must be established and maintained and transparency in these relationships must be ensured.

In Japan, Sysmex Corporation, a member of the Japan Association of Clinical Reagents Industries, concurs with the philosophy outlined in the association’s “Guidelines on Transparency of Relationships between Corporate Activities and Medical Institutions” and discloses information regarding funding to medical institutions.

Countries other than Japan have implemented laws that require companies to ensure transparency in their relations with medical institutions (“Sunshine Acts”) and regulations for the medical device industry. In compliance with these laws and regulations, the Sysmex Group reports to government authorities on funding to medical institutions and industry organizations in relevant countries and regions, as follows:

- ▶ [Japan](#)
- ▶ [U.S.](#)
- ▶ [France](#)
- ▶ [Belgium](#)
- ▶ [Netherlands](#)
- ▶ [Portugal](#)
- ▶ [Europe](#)
- ▶ [UAE](#)
- ▶ [Japan Association of Clinical Reagents Industries “Guidelines on Transparency of Relationships between Corporate Activities and Medical Institutions” \(Japanese\)](#)

Research Ethics

Implementation of Appropriate Research and Development Activities

In the “Appropriate Research and Development Activities” Chapter of the Global Compliance Code, Sysmex stipulates that it must be engaged in appropriate research and development activities while protecting the dignity and human rights of test subjects and complying with relevant laws, regulations, and ethical guidelines in the relevant countries and regions. In accordance with these stipulations, Sysmex conducts R&D activities with high ethical standards. Sysmex has established the “Group Ethics Regulations on Clinical Research and Development” and a Research Ethics Examination Committee, which includes outside members, including legal and scientific experts, to review research content. The list of committee members and deliberation results are disclosed on our website to ensure transparency.

- ▶ [Global Compliance Code](#)
- ▶ [Group Ethics Regulations on Clinical Research and Development](#)
- ▶ [Activities of the Research Ethics Examination Committee](#)

Considerations for Animal Experiments

In accordance with the “Appropriate Research and Development Activities” Chapter of the Global Compliance Code, Sysmex complies with applicable laws and regulations concerning animal welfare in each country and region, minimizes the use of animal experiments by using of alternative methods when available, and takes care to alleviate pain when conducting animal experiments. We conduct animal experiments in line with internal regulations that conform to public guidelines. Our Testing Control Committee rigorously considers testing plans to ensure regulatory conformance.

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

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

Fair Marketing Activities

In order to regulate our global promotional activities, we have included an ethics code for marketing in the “Anti-monopoly and Anti-competitive Behavior” Chapter of the Global Compliance Code. We have also established Global Regulations for Compliance with Competition Laws. Additionally, we provide guidance on competition laws in our global compliance training.

We have formulated the Sysmex Promotion Code for activities in Japan, and in fiscal 2022, we held promotion code-based online training sessions for employees of sales divisions, which included a study of specific cases of misconduct. We also implemented training for managers and e-learning for general employees.

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

Tax Strategy

Sysmex has established a “Tax Strategy” in the Global Compliance Code with the aim of increasing tax-related transparency. In the text setting forth the strategy, Sysmex stipulates that it will comply with the OECD Transfer Pricing

Guideline and all tax laws in the countries and regions in which it conducts business. It will not transfer created value to lower tax jurisdictions only to gain a tax advantage.

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

- ▶ [Global Compliance Code](#)
- ▶ [Sysmex Report \(Operating Results and Financial Analysis\)](#)
- ▶ [Securities Report](#)

Tax Strategy in the United Kingdom

- ▶ [UK Tax Strategy \(97KB\)](#)

Respect for Intellectual Property

In the “Intellectual Property” Chapter of the Global Compliance Code, Sysmex stipulates that all the officers and employees of the Group must respect the intellectual property of third parties as much as the Group’s intellectual property, and handle such intellectual property appropriately. We ensure that all the officers and employees are well informed of this rule and strictly comply with it. When developing new products, Intellectual Property, R&D, and Business Development Department members conduct and discuss global patent reviews for each new project.

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

Promotion of Security Trade Control

In the “Security Trade” Chapter of the Global Compliance Code, Sysmex stipulates that it will comply with the export laws and regulations of individual countries and regions and will not be engaged in transactions likely to impede the maintenance of international peace and safety. Sysmex has established the Security Trade Control Committee, which is under the direct control of the president, to prevent illegal exports. It has also assigned people at overseas regional headquarters to oversee security trade control, bolstering our global operational structure. In addition, it provides annual basic e-learning for all employees, as well as lectures on the latest world affairs and laws and regulations, as well as a variety of other types of training, to raise awareness of security trade control.

- ▶ [Global Compliance Code](#)