

## Sysmex ESG Report (Appendix)

### Contents

---

- 1. CSR Management . . . P.2
  - 2. Realization of an attractive workplace . . . P.3
  - 3. Corporate Citizenship Activity . . . P.4
  - 4. Corporate Governance . . . P.4
- 

#### About Sysmex ESG Report

Sysmex has already published “Sustainability Report 2017” to disclose fiscal 2016 CSR performance data. This report fills in with details of ESG related information.

■Sustainability Report2017

[http://www.sysmex.co.jp/en/csr/report/rnrrkb00000087xr-att/csr2017\\_all\\_en.pdf](http://www.sysmex.co.jp/en/csr/report/rnrrkb00000087xr-att/csr2017_all_en.pdf)

# 1. CSR Management

## 1-1 Materiality Targets and Results

Materiality	Fiscal 2017 Targets	Fiscal 2017 Results	Fiscal 2018 Targets
Resolution of medical issues through products and services	<ul style="list-style-type: none"> <li>Promote activities to prevent the spread of three major infectious diseases</li> <li>Promote activities that help to raise the level of healthcare in emerging markets and developing countries</li> </ul>	<ul style="list-style-type: none"> <li>Continued to participate in the joint industry–government–academia malaria consortium</li> <li>Developed and launched hematology analyzers capable of measuring infected red blood cell parameters, such as the malarial plasmodium*1</li> <li>Enhanced scientific support activities in Mongolia and other emerging markets and developing countries</li> </ul>	<ul style="list-style-type: none"> <li>Continue promoting activities to prevent the spread of three major infectious diseases</li> <li>Promote activities that help to raise the level of healthcare in emerging markets and developing countries</li> </ul>
Responsible provision of products and services	<ul style="list-style-type: none"> <li>Conduct CSR awareness activities targeting business partners</li> <li>Expand CSR survey topics</li> </ul>	<ul style="list-style-type: none"> <li>Conducted briefing sessions for business partners on CSR procurement and overseas legal and regulatory systems (attendees: 233 companies)</li> <li>Conducted CSR surveys of all business partners using common SAQ*2 formulated by GCNJ*3 (attendance by primary suppliers in Japan: 81%)</li> </ul>	<ul style="list-style-type: none"> <li>Expand CSR survey targets to include secondary suppliers in Japan</li> <li>Conduct CSR surveys (implementation rate at primary and secondary suppliers in Japan: 80% or more)</li> <li>Follow up with primary suppliers in Japan based on CSR survey results</li> </ul>
Realization of an attractive workplace	<ul style="list-style-type: none"> <li>Utilize diverse human resources and realize diverse working styles</li> <li>Rate of employment of people with disabilities: 2.0% (Group companies in Japan)</li> <li>Percentage of female managers: 10% (Sysmex Corporation)</li> </ul>	<ul style="list-style-type: none"> <li>Sysmex Harmony Co., Ltd., obtained certification as a special subsidiary company to promote the employment of people with disabilities</li> <li>Rate of employment of people with disabilities: 2.0% (Group companies in Japan)</li> <li>Finished introducing a working-at-home system (131 people registered, of whom 99 are using the system)</li> <li>Conducted training for female leaders</li> <li>Percentage of female managers: 8.62% (Sysmex Corporation)</li> </ul>	<ul style="list-style-type: none"> <li>Formulate and implement diversity promotion plan</li> <li>Rate of employment of people with disabilities: 2.2% or more (Group companies in Japan)</li> <li>Percentage of female managers: 12% (Sysmex Corporation)</li> </ul>
Environmental consideration	<ul style="list-style-type: none"> <li>Formulate medium- to long-term Group environmental objectives</li> </ul>	<ul style="list-style-type: none"> <li>Completed formulation of Sysmex Eco-Vision 2025 and mid-term environmental objectives (fiscal 2017–2019)</li> </ul>	<ul style="list-style-type: none"> <li>Promote environmental activities to achieve the objectives of Eco-Vision 2025</li> <li>Reduce CO<sub>2</sub> emissions</li> <li>Reduce water consumption</li> <li>Promote resource recycling</li> <li>Protect biodiversity</li> </ul>

Governance	<ul style="list-style-type: none"> <li>Enhance compliance activities related to anti-competition laws and anti-bribery</li> <li>Evaluate the effectiveness of the Managing Board</li> </ul>	<ul style="list-style-type: none"> <li>Updated the guidebook on anti-competition laws</li> <li>Conducted education related to bribery prevention</li> <li>Evaluated the effectiveness of the Managing Board</li> </ul>	<ul style="list-style-type: none"> <li>Promote measures to reinforce Group compliance</li> <li>Continue to evaluate and improve the effectiveness of the Managing Board</li> </ul>
------------	---	--	--

\*1: For research, limited to Japan

\*2: CSR procurement global self-assessment tool set

\*3: Global Compact Network Japan

[http://ungcjin.org/common/frame/plugins/fileUD/download.php?type=contents\\_files&p=elements\\_file\\_3240.pdf&token=eb135258af6fdc4f4ecc27afd228cbdeae009599&t=20180706131819](http://ungcjin.org/common/frame/plugins/fileUD/download.php?type=contents_files&p=elements_file_3240.pdf&token=eb135258af6fdc4f4ecc27afd228cbdeae009599&t=20180706131819)

## 2. Realization of an attractive workplace

### 2-1 Employee engagement

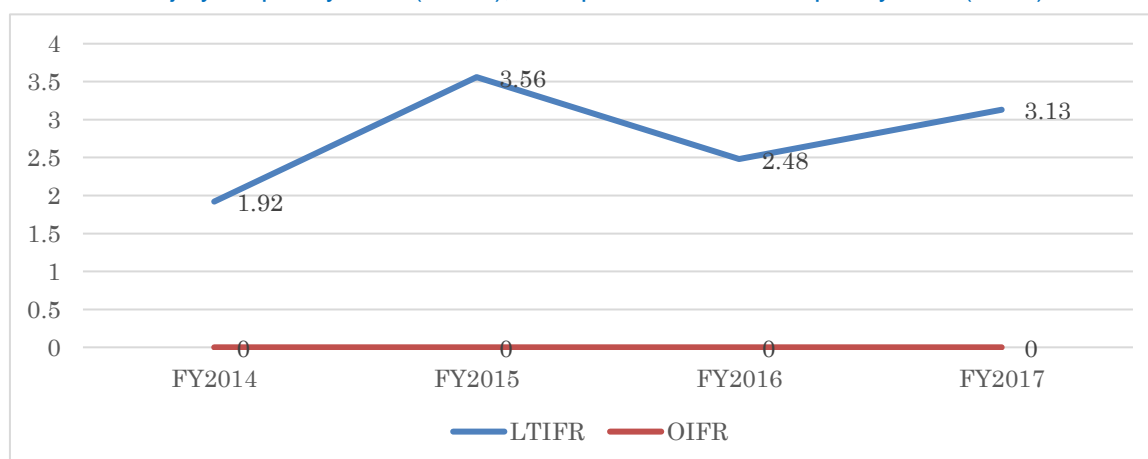
Systemx conducts "corporate culture surveys" once every two years targeting all employees of the Group companies. Employee engagement is one aspect of the surveys.

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2017 target
Employee engagement	70%		75%		84%

Coverage: Systemx group

Method: Willis Towers Watson Corporate Climate Survey

### 2-2 Lost time injury frequency rates (LTIFR), Occupational Illness Frequency Rate (OIFR)



Coverage: Systemx Corporation's employees except contractors (LTIFR and OIFR of contractors are zero)

### 3. Corporate Citizenship Activity

#### 3-1 Expenditures for corporate citizenship activities (Sysmex Corporation, yen)

About 510,000,000 in fiscal 2017 (Cash contribution and projects / partnerships)

### 4. Corporate Governance

#### 4-1 Meetings of the Managing Board

The Managing Board consists of 12 members. The board meets regularly once a month, in principle, to deliberate on important management issues and convenes extraordinary meetings as necessary. In addition, we have established 75% as the minimum rate of attendance at meetings of the Managing Board as part of our aim to ensure higher levels of effectiveness.

#### 4-2 Director Remuneration

- With the exception of the chairman and CEO, fixed compensation for members of the Managing Board (excluding Audit and Supervisory Committee members and outside members of the Managing Board) and executive officers averages ¥24 million. (FY2017)
- Sysmex determines executive compensation amounts and calculation methods by making a clear link between operating performance and responsibility for achievement. Compensation for members of the Managing Board (excluding members of the Audit and Supervisory Committee) divides broadly into fixed and variable portions. Fixed compensation is determined on the basis of a member's position, while variable compensation is allocated each fiscal year in accordance with consolidated profit attributable to owners of the parent for that fiscal year.

#### 4-3 Ownership of the Company's Shares by Members of the Managing Board (Excluding Audit and Supervisory Committee Members and Outside Members of the Managing Board) and Executive Officers

To promote management awareness of long-term increases in corporate value, members of the Managing Board and executive officers contribute a portion of their fixed compensation to purchase the Company's shares via an officers' shareholding association. Officers continue to hold all these shares throughout their tenure at the Company. The chairman and CEO should hold shares equivalent to five times his fixed compensation, and other members of the Managing Board and executive officers should hold shares equivalent to twice their fixed compensation. As of March 31, 2018, the chairman and CEO held 609,000 shares and other members of the Managing Board and executive officers held an average of 25,000 shares.

#### 4-4 Voting right (as of March 31, 2018)

Category	Number of shares	Number of voting rights
Non-voting shares	—	—
Share with restricted voting right(treasury shares)	—	—
Share with restricted voting right(others)	—	—
Voting shares(treasury shares)	Common shares: 445,400	—
Voting shares(others)*	Common shares: 208,435,900	—
Shares less than one unit	Common shares: 83,132	—
Total number of issued shares	—	—
Total number of voting rights	—	—

\*Voting shares (others) includes 800 common shares and 8 voting rights in the name of Japan Securities Depository Center.

#### 4-5 Political contribution

There was no annual political contribution in fiscal 2017.

EOD