

CSR Management Basic Policy and Structure

Basic Policy

Today's world is host to numerous healthcare-related issues. These range from epidemics, aging populations, and rising medical costs due to new 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 focused on our goal to help extend healthy lifespans and configurate a sustainable healthcare infrastructure by providing products and services to medical institutions in more than 190 countries and regions. 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 these 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.

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

CSR Management Structure

Sysmex has established a specialized CSR Promotion 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 a senior managing director and member of the Managing Board.

We have also identified priority issues (materiality) with a view to realizing a sustainable society and achieving sustainable

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

The UN Global Compact

Sysmex 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



Logo for the Sustainable Development Goals (SDGs)

- ▶ The UN Global Compact's Ten Principles [E+](#)

CSR Management Materiality and Sustainability Targets

In fiscal 2017, Sysmex identified priority issues (materiality) with a view to realizing a sustainable society and achieving sustainable growth for the Group. In fiscal 2020, we reviewed materiality while working on our new mid-term management plan (fiscal 2021 to 2023), taking account of changes in economic, environmental taking into account. We also revisited our KPIs linked to the materiality and set the


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

* New materiality topics: No major changes have been made to the those most recently identified, in fiscal 2017. Some modifications were made to wording.

- ▶ The Process of Identifying Materiality

Status of Sustainability Targets

Materiality	SDGs Targets	KPI	Results				Target				
			Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2023	Fiscal 2025 (Eco-Vision)			
Resolution of medical issues through products and services	  	Hematology market share	Percentage of consolidated sales to market size of instruments, reagents, and services in a single year in the field of hematology	52.7%	53.8%	54.7%	56.3%	—			
		Number of patents	Total number of patents, utility model rights and design rights obtained	2,709	2,987	3,143	3,485	—			
		Number of new patents	Total number of patents, utility model rights and design rights applied for	301	346	306	287	—			
		Number of cancer genomes analyzed ¹	Number of cancer genomes analyzed by the NCC OncoPanel	—	—	—	1,6 thousand	—			
		Number of breast cancer tests using the OSNA method	Number of breast cancer tests using the OSNA method	—	—	—	46 thousand	—			
		Improvement in accessibility to healthcare	Sales in emerging markets	Consolidated sales in emerging markets	—	—	—	¥122.0 billion	—		
Responsible provision of products and services	 	Number of recalls	Number of voluntary recalls/repairs for products sold (instruments and reagents)	—	—	—	4	—			
		Number of FDA warning letters	Number of FDA warning letters issued to Sysmex	—	—	—	0	—			
		CSR survey response rate	Percentage of raw material suppliers that responded to CSR surveys (primary suppliers in Japan and overseas)	81%	84%	85%	89%	90%			
		Number of training sessions for suppliers ²	Number of briefings, training, and other training sessions for domestic suppliers	—	—	—	2	6			
Realization of an attractive workplace	 	Engagement score	Corporate climate survey result	72%	—	—	66% (except EMEA)	75%			
		Turnover ratio ¹	Turnover ratio of regular employees, excluding those who have reached the mandatory retirement age	—	—	—	2.7%	—			
		Percentage of days of paid leave taken ¹	Percentage of days of annual paid leave taken per regular employee	—	—	—	61.3%	—			
		Percentage of men taking childcare leave ²	Percentage of male employees (including part-time workers) taking childcare leave after their spouse bears a child	—	—	—	33.8%	30.0%			
		Promotion of diversity and inclusion	Female managers ratio	Ratio of women at director level or above	15.2%	15.2%	15.5%	16.2%	17.0%		
		Development of human resources	Percentage of employees with disabilities ¹	Percentage of employees with physical, intellectual or mental disabilities	2.0%	2.2%	2.3%	2.3%	2.4%		
		Promotion of health and occupational safety	Training time per employee	Average training time per employee for training provided by HR and each division (including online training)	—	—	—	24.5 hours	40.0 hours		
		Environmental consideration	 	Reduction of CO ₂ emissions (instruments) ³	Percentage reduction of CO ₂ emissions per instrument unit with FY2016 as the base year	Cut 12%	Cut 10%	Cut 2%	Cut 8%	Cut 20%	Cut 15%
				Reduction of water consumption (instruments) ³	Percentage reduction of water consumption per instrument unit with FY2016 as the base year	Cut 8%	Cut 2%	Cut 4%	Cut 6%	Cut 10%	Cut 15%
				Reduction of CO ₂ emissions (shipping)	Percentage reduction of CO ₂ emissions per S-Corp sales with FY2016 as the base year	Cut 17%	Up 1%	Cut 17%	Cut 25%	Cut 20%	Cut 15%
Environmental consideration	 	Reduction of packaging and labeling materials	Percentage reduction of total packaging material weight with FY2019 as the base year	—	—	—	Cut 4%	—	—		
		Reduction of CO ₂ emissions (business activities) ³	Percentage reduction of CO ₂ emissions from business activities per consolidated sales with FY2016 as the base year	Cut 14%	Cut 17%	Cut 13%	Cut 35%	Cut 40%	Cut 50%		
		Reduction of water consumption (business activities)	Percentage reduction of water consumption from business activities per consolidated sales with FY2016 as the base year	Cut 8%	Cut 7%	Up 6%	Cut 7%	Cut 5%	Cut 15%		
		Recycling rate	Resources recycled per total waste generated	89%	76%	67%	78%	85% or higher	93% or higher		
		Reduction of total waste	Percentage of reduction of total waste generated by business activities per consolidated sales with FY2019 as the base year	—	—	—	Cut 7%	Cut 10%	—		
		Ratio of product waste to sales	Ratio of product waste caused by expiry and other reasons to consolidated sales	—	—	—	0.6%	—	—		
Strengthening of governance	  	Corporate governance	Number of meetings with investors and analysts ²	Number of meetings with institutional investors and securities analysts	—	—	—	506	—		
		Compliance	Number of internal reports	Number of internal reports of incidents received	32	14	11	12	—	—	
			Number of unethical incidents	Total number of incidents in which the violations of the law were found, and disciplinary actions were taken for the violation of the Global Compliance Code	—	9	7	5	—	—	
		Risk management	Number of information security trainees ¹	Number of participants in information security training (gross)	—	—	—	2,720	—	—	
			Participation rate in disaster drills ¹	Percentage of participants in training using safety confirmation tool assuming a disaster, etc. (including employees on long-term leave)	—	—	—	98.7%	—	—	

1. Target: Group companies in Japan 2. Target: Sysmex Corporation on a non-consolidated basis 3. Some figures have been revised from previous reporting.

Newly added KPIs from fiscal 2021