



**Sysmex**

# **Sustainability Data Book 2021**

Fiscal 2020 (April 1, 2020 to March 31, 2021)

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**Sysmex Corporation**

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

[www.sysmex.co.jp](http://www.sysmex.co.jp)

Lighting the way **with diagnostics**

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#### Editorial Policy

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

#### Disclosure System

Financial Information	Non-Financial Information
<b>Integrated Report: "Systemx Report" (Annual report)</b>	
<b>IR Information Site</b> <a href="https://www.systemx.co.jp/en/ir/index.html">https://www.systemx.co.jp/en/ir/index.html</a> This site discloses details of financial, stock, and shareholder information. ・Financial Reports & Presentations	<b>Sustainability Site</b> <a href="https://www.systemx.co.jp/en/csr/index.html">https://www.systemx.co.jp/en/csr/index.html</a> ・Sustainability Data Book (annual report) (PDF) <a href="https://www.systemx.co.jp/en/csr/report/sustainability2021_all_e.pdf">https://www.systemx.co.jp/en/csr/report/sustainability2021_all_e.pdf</a>
<b>Corporate Governance Report</b> <a href="https://www.systemx.co.jp/en/corporate/governance_e.pdf">https://www.systemx.co.jp/en/corporate/governance_e.pdf</a>	

#### Guidelines Referenced

- ・GRI (Global Reporting Initiative)
- "GRI Sustainability Reporting Standards"
- ▶ [GRI Comparative Table](#)
- ・The Japanese Ministry of the Environment's Environmental Reporting Guidelines (2018 ed.)

#### Organizations Covered

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

#### Independent Practitioner's Assurance

We obtain an Independent Practitioner's Assurance for some of our ESG data every year.

- ▶ [Independent Practitioner's Assurance](#)

#### Period Covered

Primarily fiscal 2020 (from April 1, 2020 to March 31, 2021). Some activities conducted outside this period are also included.  
 \* For the most recent information, we keep information on our sustainability site updated as it becomes available.

#### Date of Publication

October 2021

#### Note on the Forecasts

Statements in this report pertaining to Systemx'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.

## 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

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.

	Materiality	SDGs Targets	
Society	Resolution of Medical Issues through Products and Services	Resolution of medical issues through innovation	3 GOOD HEALTH AND WELL-BEING, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 17 PARTNERSHIPS FOR THE GOALS
		Improvement in accessibility to healthcare	
	Responsible Provision of Products and Services	Pursuit of quality and trust	8 DECENT WORK AND ECONOMIC GROWTH, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
		Strengthening of supply chain management	
	Realization of an Attractive Workplace	Provision of a comfortable working environment	5 GENDER EQUALITY, 8 DECENT WORK AND ECONOMIC GROWTH
		Promotion of diversity and inclusion	
Development of human resources			
Environment	Environmental Consideration	Environmental consideration through product lifecycle	6 CLEAN WATER AND CLEAN SANITATION, 7 AFFORDABLE AND CLEAN ENERGY, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 13 CLIMATE ACTION
		Reduction in environmental burden through activities at business offices	
Governance	Strengthening of Governance	Corporate governance	10 REDUCED INEQUALITIES, 16 PEACE, JUSTICE AND STRONG INSTITUTIONS, 17 PARTNERSHIPS FOR THE GOALS
		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 <sup>1</sup>	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 <sup>2</sup>	Number of briefings, training, and other training sessions for domestic suppliers	—	—	—	2	6		
Realization of an attractive workplace	 	Third-party certification rate of suppliers <sup>2</sup>	Percentage of primary raw material suppliers (domestic) obtaining third-party certification for manufacturing and product quality	—	—	—	86%	—		
		Provision of a comfortable working environment	Engagement score	Corporate climate survey result	72%	—	—	66% (except EMEA)	75%	
			Turnover ratio <sup>1</sup>	Turnover ratio of regular employees, excluding those who have reached the mandatory retirement age	—	—	—	2.7%	—	
			Percentage of days of paid leave taken <sup>1</sup>	Percentage of days of annual paid leave taken per regular employee	—	—	—	61.3%	—	
		Promotion of diversity and inclusion	Percentage of men taking childcare leave <sup>2</sup>	Percentage of male employees (including part-time workers) taking childcare leave after their spouse bears a child	—	—	—	33.8%	30.0%	
			Female managers ratio	Ratio of women at director level or above	15.2%	15.2%	15.5%	16.2%	17.0%	
			Percentage of employees with disabilities <sup>1</sup>	Percentage of employees with physical, intellectual or mental disabilities	2.0%	2.2%	2.3%	2.3%	2.4%	
		Development of human resources		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
				Total annual working hours <sup>1</sup>	Total annual hours worked per regular employee	—	—	—	2,030 hours	1,950 hours
				Lost-time injury frequency rate <sup>1</sup>	Number of employee death or injuries resulting from work-related accidents per million hours actually worked	—	—	—	0.78	0.58
Lost work day rate <sup>1</sup>	Number of days absent from work due to work-related injuries per 1,000 hours actually worked			—	—	—	0.05	0.02		
Environmental consideration	   	Reduction of CO <sub>2</sub> emissions (instruments) <sup>3</sup>	Percentage reduction of CO <sub>2</sub> 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) <sup>3</sup>	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 <sub>2</sub> emissions (shipping)	Percentage reduction of CO <sub>2</sub> emissions per S-Corp sales with FY2016 as the base year	Cut 17%	Up 1%	Cut 17%	Cut 25%	Cut 20%	Cut 15%	
		Reduction of packaging and labeling materials	Percentage reduction of total packaging material weight with FY2019 as the base year	—	—	—	Cut 4%	—	—	
		Reduction in environmental burden through activities at business offices	Reduction of CO <sub>2</sub> emissions (business activities) <sup>3</sup>	Percentage reduction of CO <sub>2</sub> 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%	—
Strengthening of governance	  	Ratio of product waste to sales	Ratio of product waste caused by expiry and other reasons to consolidated sales	—	—	—	0.6%	—		
		Corporate governance	Number of meetings with investors and analysts <sup>2</sup>	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 <sup>1</sup>	Number of participants in information security training (gross)	—	—	—	2,720	—	
		Participation rate in disaster drills <sup>1</sup>	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

# RESOLUTION OF MEDICAL ISSUES THROUGH PRODUCTS AND SERVICES

## WHY IT IS IMPORTANT

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

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

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

## POLICY

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

- Sysmex Report (Strategy to Realize Sustainable Growth)

- P8 Resolution of Medical Issues through Innovation
- P10 Improvement in Accessibility to Healthcare

## FRAMEWORK

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

- Sysmex Report (Corporate Governance)

Results  
(fiscal 2020)



1,6 thousand

Number of cancer genomes analyzed



46 thousand

Number of breast cancer tests using OSNA method



122.0 billions yen

Sales in emerging markets



SOCIETY

## Materiality

## Resolution of Medical Issues through Products and Services

## Resolution of Medical Issues through Innovation

## Cancer Genomic Medicine Initiatives

The number of cancer patients around the world has risen to approximately 18.1 million, with the annual number of deaths from cancer estimated to be approximately 9.6 million. Furthermore, over the next 20 years, the number of patients is expected to increase by at least 60%\*.

Sysmex aims to contribute to improving the quality of life (QOL) for individual patients and curtailing healthcare expenses by providing tests that help in diagnosing cancer cases, determining treatment methods, and measuring results during treatment, as well as in post-treatment monitoring.

\* "WHO Report on Cancer" (published February 2020)

## Cancer Genome Profiling

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.

Sysmex and the National Cancer Center jointly developed the system for use in cancer genome profiling. The system is used in clinical practice to measure 124 cancer-related genes in tumor tissue to analyze solid tumors and acquire a comprehensive cancer genomic profile. With this profile, gene mutations unique to each patient's cancer are analyzed to provide information that is useful in diagnosis and determining the course of treatment, including the selection of anti-cancer drugs. In February 2021, the system underwent functional enhancement so that more gene mutations could be detected. The enhanced system is expected to contribute more to the proper selection of drugs to be administered, which will lead to better treatment outcomes.

Starting in fiscal 2021, we set the number of tests for cancer gene profiling as an indicator for monitoring the progress towards sustainability targets. We will continue our efforts to expand the use of this profiling.

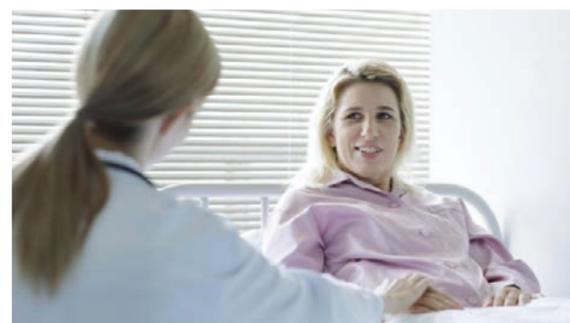


## Lymph Node Metastasis Testing Using the OSNA Method

Lymph node metastasis testing plays an important role in the selection of surgical and non-surgical treatment procedures. With conventional testing methods, a pathological specimen is prepared using surgically removed lymph node slices, and a pathologist microscopically examines the specimen for cancer cells during or after surgery to make an evaluation. However, this procedure involves issues that arise on site, such as the workload of preparing specimens, dependence on the quality of the specimen makers' skills, and varying accuracy in evaluations of specimens among pathologists.

Sysmex developed a system to test for breast cancer lymph node metastasis. The system uses the OSNA method\*—Sysmex's proprietary technology—to determine in approximately 30 minutes whether cancer has spread to a patient's lymph nodes. The automated, simplified testing enabled by this system produces objective test results that are not dependent on individual examiner's skills, thereby helping to reduce pathologists' workloads and standardize breast cancer screening. Furthermore, rapid testing has enabled intraoperative testing. This reduces the burden of multiple operations on patients as well as the risk of recurrence. Starting in fiscal 2021, we set the number of tests for breast cancer lymph node metastasis that use the OSNA method as an indicator for monitoring the progress against sustainability targets. We will continue our efforts to expand the use of the OSNA method.

\* One-Step Nucleic Acid Amplification method developed by Sysmex. Designed to support the determination whether cancer has spread to the lymph nodes.



## Hemostasis Testing for Efficient Screening Workflow

Hemostasis tests are used mainly for the diagnosis and treatment of hemorrhagic diseases (e.g., hemophilia) and thrombotic diseases (e.g., myocardial infarction and cerebral infarction). In recent years, with an increase in thrombotic diseases attributable to patient lifestyle and/or age, and with the development of new blood products designed to improve the quality of life (QOL) of patients with hemorrhagic diseases, the need for hemostasis tests for early diagnosis and proper treatment of these diseases has become more diverse. On the other hand, hemostasis tests generally use multiple devices with different measurement principles, including immunoassay instruments and platelet aggregometers. This has created issues in the clinical setting, such as complicated screening workflows and delays in obtaining test results needed to understand patients' conditions and treat them.

Sysmex provides the Automated Blood Coagulation Analyzers, which enable the flexible measurement of coagulation molecular markers using the CLEIA method\*, as well as blood coagulation and platelet aggregation parameters, in response to a wide range of testing orders in the thrombosis and hemostasis areas. These analyzers provide efficient screening workflows that meet various needs in the clinical setting. Moreover, the combined use of Caresphere, our network solution, allows customers to easily check and analyze, from remote locations, the number of processed specimens, remaining quantities of consumables such as reagents, operation of equipment including the results of quality control, and the operational status of laboratories overall. This helps raise the efficiency of routine operations in laboratories.

\* Chemiluminescence enzyme immunoassay



## Our Response to COVID-19

We are making efforts toward halting the further spread of COVID-19 by providing medical professionals with new diagnostic technologies utilizing our global networks, as well as our proprietary measurement technologies and assay services.

▶ [Details about Our Response to COVID-19](#)

## Story

## Stakeholder's Voice



"Can we ask Sysmex to develop COVID-19 test kits?" This was a request we received from the national government via the Japan Association of Clinical Reagents Industries at the end of January 2020. Executive Vice President Mitsuru Taniguchi of the LS (Life Science) Division, who leads multiple projects as a pivotal figure behind Sysmex's fight against COVID-19, reflects on the days when the projects were launched.

[Confronting COVID-19 by Establishing a PCR Testing System Through Public-Private Partnerships](#)

– Continuing our Dedication as a Healthcare Company for the Good of the People and Medical Professionals –

Materiality

# Resolution of Medical Issues through Products and Services Improvement in Accessibility to Healthcare

People in some parts of the world have difficulty receiving proper healthcare because the systems that encompass healthcare environments and programs are underdeveloped. To address one of its responsibilities as a global company, Sysmex is working to improve access to proper healthcare so that as many people as possible may receive it. To that end, we are helping promote universal health coverage (UHC)\* in emerging countries and developing countries by making testing widely available.

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

## Improving Access to Diagnostics for Infectious Diseases

Sysmex 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

Sysmex 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.

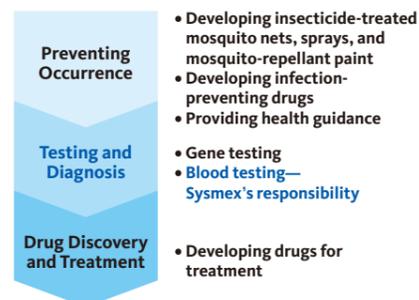
In June 2020, Sysmex obtained marketing approval for its Automated Hematology Analyzer as a specially controlled medical device (Class III)<sup>1</sup> that aids the diagnosis of malaria for the first time in Japan. The Company acquired the EU's CE certification for the device in 2019, and it has been working on obtaining approval in African nations.

The current mainstream method of testing for malaria uses a rapid diagnostic kit or a microscope. But both options pose 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 Automated Hematology Analyzer can identify red blood cells infected with malaria parasites and measure the percentage of infected cells without pretreatment, executing both processes in about one minute<sup>2</sup> automatically and precisely.<sup>3</sup>

Malaria is a disease in 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, Sysmex contributes to measures against imported infectious diseases in Japan. Also, domestic marketing approval as a specially controlled medical device is listed in the procurement criteria of international funds and funding from other organizations<sup>4</sup> 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 eliminate malaria globally. Sysmex 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 7th Nikkei FT Communicable Diseases Conference, all sessions of which were streamed live, we made an activity report on the industry-government-academia initiatives at the Malaria Consortium.

1. Medical device considered to pose a 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 analyzer does not mean replacement of malaria diagnosis by microscopic testing. Nor does it mean, a diagnosis can be made through the outcome of analyzer testing alone. Diagnostic confirmation is based on a doctor's comprehensive judgment which includes other clinical information.
4. 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.



Malaria Consortium Initiatives



Analyzer delivered to a medical institution in Côte d'Ivoire

## Our Contributions to the Quality of HIV Diagnosis and Treatment

Sysmex provides the CD4+ lymphocyte testing system developed and produced by Sysmex 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 diagnoses and treatment in emerging markets and developing countries.

\* 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.



CD4+ lymphocyte testing system

In fiscal 2010, Sysmex donated hematology analyzers in support of ILFAR, a nonprofit organization dedicated to building an HIV/AIDS medical infrastructure in Kenya, and Sysmex has continued to provide support since then. ILFAR provides education about HIV/AIDS and conducts regular free screening in the area. Sysmex made another donation to the organization in fiscal 2020.

## 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.

Story

Stakeholder's Voice



Chiaki Takeuchi is involved in product planning, business development, and collaborative study development of new diagnostic technologies in the Hematology Business Development Department. "It was like venturing into uncharted territory", she says, looking back on their multi-year project.

Dedicated to Eliminating Malaria Through the Development of Diagnostic Devices

## Improving Access to Diagnostics for Non-communicable Diseases

In emerging and developing countries, infectious diseases are still a major problem, whereas the number of people with non-communicable diseases (NCDs) such as cancer, diabetes, and renal disease are on the rise, especially in urban areas. Sysmex works to make the tests that are key to countering NCDs widely available. Such tests are necessary for the prevention, early detection, and early treatment of NCDs.

### System Certified a “JICA-SDGs Partner” through Its Project for Dissemination of Automated Urinalysis Diagnosis Technology in Ghana

System 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 general urinalysis testing system to the Komfo Anokye Teaching Hospital (KATH), Ghana’s national education hospital, and held seminars and symposiums for a total of about 500 local healthcare professionals. In August 2020, this project was recognized as an effort toward the attainment of the Sustainable Development Goals (SDGs), and System was certified as a JICA-SDGs Partner. We will remain committed to enlightening local health workers on the clinical value and effectiveness of automated urinalysis diagnosis technology as part of our efforts to help raise healthcare standards in Ghana and other developing countries.



Symposium at KATH



JICA-SDGs Partner Certificate

## Improving Healthcare Environments in Asia

In addition to improving healthcare infrastructures, having appropriately trained healthcare professionals is an essential part of improving access to healthcare. In Asia, System provides educational support to increase the quality of clinical laboratories and clinical testing. We also conduct seminars and study sessions that impart leading-edge scientific information to healthcare professionals.

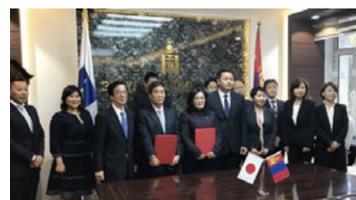
### ► Scientific Activities

### Technical Support to Provide High-quality Test Data

In Asia, System has to date provided activities designed to help improve the quality and accuracy of clinical tests in China, Mongolia, Cambodia, Myanmar, Thailand, and the Philippines. In Mongolia, System 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, System 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. In Myanmar and Cambodia, System engages in similar activities in external quality control for blood cell count examination, thereby helping improve the quality of clinical tests.

Moreover, in China, our System 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 device. System 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. System 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



Signing ceremony with Mongolia’s Ministry of Health

## Improving Healthcare Environments in Africa

In Africa, System has established local subsidiaries in five 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 to raise local healthcare standards.

### Helping Clinical Laboratories with Capacity Building

System opened a training center called the System Academy for each of its 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

System 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 created opportunities for blood tests, including 1.2 million new blood tests per year at local medical institutions in rural regions and remote areas. We are already scheduled to launch similar activities for malaria tests and blood coagulation tests. 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 System equipment to healthcare professionals at regional health departments in an effort to help with health worker development and improve the healthcare environment. In Kenya and Senegal, as a member of the strategic alliance between the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and medical device manufacturers, System offers a program to train clinical laboratory technicians as part of a joint effort to develop a bachelor’s program in biomedical engineering, thereby helping raise local healthcare standards. System South Africa offers a variety of educational opportunities in partnership with the Global Educational Exchanges in Medicine and the Health Professions (GEMx), an organization working with medical schools and institutions around the world to promote education and exchange programs. System also works with many other government agencies and international organizations, including national health departments across Africa and the World Health Organization (WHO).

### ► Providing Solutions for COVID-19 Pandemic and Other Global Health Issues

Story
Stakeholder’s Voice



### Comments from Trainees

“In the mentorship program, training on laboratory quality enhancement was provided to us as staff members. It was very meaningful to learn about quality control systems for clinical laboratories that match international standards, and we reconfirmed the objectives and significance of testing. I think this program will help raise the level of quality in clinical testing”.

[Initiatives to Improve Access to Medical Services and Develop Human Resources Around the World](#)

# 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.

## POLICY

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

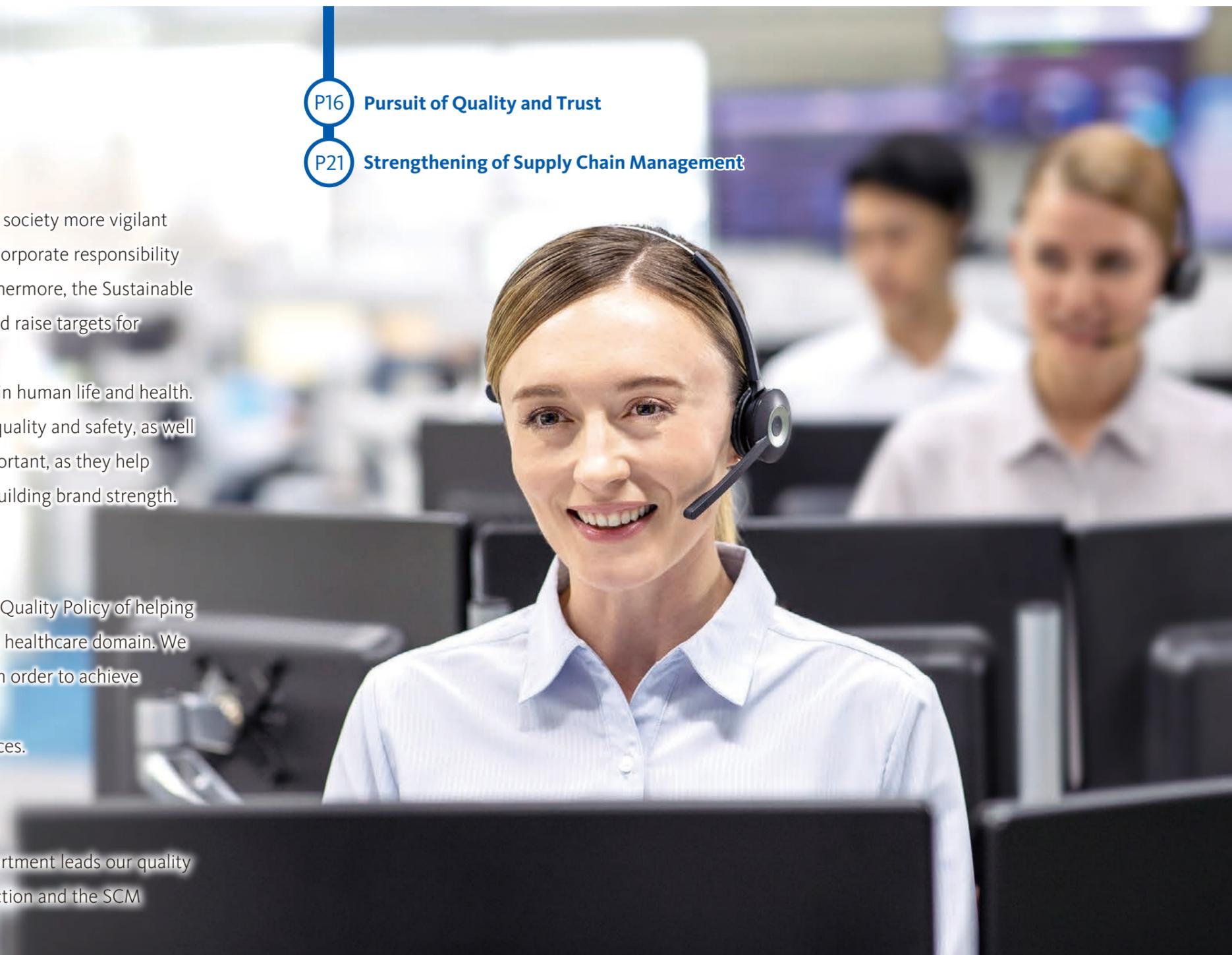
► [Click here for our policies on the responsible provision of products and services.](#)

## FRAMEWORK

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

P16 Pursuit of Quality and Trust

P21 Strengthening of Supply Chain Management



Targets  
(fiscal 2023)



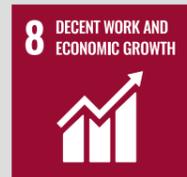
90%

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



6

Number of training  
sessions for suppliers



SOCIETY

Materiality

# Responsible Provision of Products and Services

## Pursuit of Quality and Trust

### Quality Management

#### Group Quality Management System

At Sysmex, under the supervision and management of the 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, 35 have been ISO 9001 certified and 22 have been ISO 13485 certified. In fiscal 2020, 11 cases of nonconformity were identified during an internal quality audit. These issues are being addressed. No cases of nonconformity were found during an external quality audit. Starting from fiscal 2021, we set the number of recalls and the number of FDA warning letters as indicators for the monitoring of progress toward sustainability targets, thereby improving quality.

\* Wholly owned subsidiaries



- ▶ The applicable scope of activities  
For details, refer to ID 0910589004 on [www.tuv.com/japan/en/](http://www.tuv.com/japan/en/).
- ▶ Quality Policy
- ▶ Product Security Policy

### 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 their products. In addition to these efforts, in the unlikely event of a product defect, we have systems in place to quickly identify and respond to 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. Sysmex International Reagents received ISO Guide 34 certification (now ISO 17034). 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. It certifies a manufacturer's competence to provide reference materials of proper quality. This certification will strengthen our credibility concerning the quality of data of our products and services, enabling our customers in global clinical laboratories to verify their own competence to provide proper test data.

- ▶ Utilizing ISO to Increase the Quality of Clinical Testing

### 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 2020, we provided quality training for a total of about 3,000 employees across Japan in the Group companies' various development, production, and marketing and service departments, as well as in ISO-certified business offices. We also held quality training at all production facilities for final products\* and ISO-certified business offices managed by our Group companies overseas. As a company that provides products and services in more than 190 countries and regions around the world, we conduct training on the regulatory systems of individual countries for engineers in development departments, ensuring that we develop products in accordance with applicable laws and regulations.

\* Wholly owned subsidiaries

### 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; to share this information with the design, manufacturing, and other divisions; and to improve quality. In addition, we have put in place a structure for incorporating this information in the next generation of products.

#### Product Recall and Repair Information Posted on Our Website

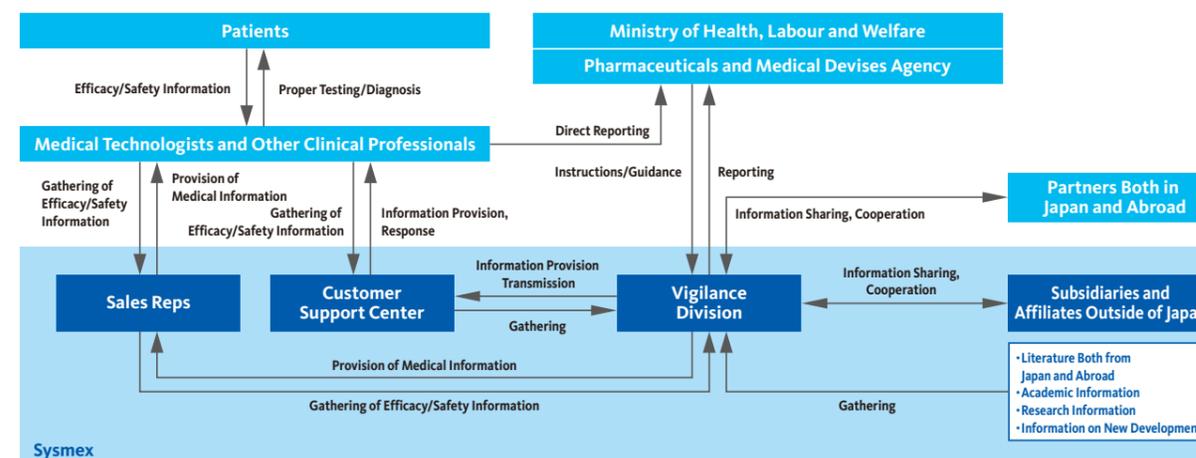
Sysmex posts information about product recalls and repairs on its website under "Important Product Notices".

- ▶ [Important Notice about Products \(Information for Japanese Market\)](#)

#### 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.

Product Quality and Vigilance Control System



## Enhancing Customer Satisfaction

### Conducting Customer Satisfaction Surveys in Japan and Overseas

Sysmex conducts customer satisfaction surveys in various countries and regions, including China and Japan as well as major countries in the Americas, EMEA\*, and the Asia Pacific region. These surveys use indices customized for each country and region in accordance with the products and services offered in each market. Sysmex America has ranked number one for 14 consecutive years among manufacturers of hematology analyzers in an IMV ServiceTrak survey of customer satisfaction. Sysmex America was also one of the recipients of the 2020 GHXcellence Awards, which are given to healthcare providers that go above and beyond to support patients and communities, as a top performer in the North American market. We also conduct regular customer satisfaction surveys in EMEA and the Asia Pacific region, which have reported high levels of customer satisfaction.



\* EMEA: Europe, the Middle East, and Africa

▶ Performance Data for the Results of Our Customer Satisfaction Surveys

### Efforts to Incorporate Customer Feedback into Our Products and Services

Requests and comments from customers are gathered by the Voice of the Customer (VOC) Group. After analyzing this information from various perspectives, the results are provided as feedback to related divisions so they can be utilized in new product development and operational improvements. In fiscal 2020, we gathered some 18,000 customer's feedback in the Japanese market. We have received a positive response to instruments with new functions and equipment that we have added as a result of customer input, which is indicated by the VOC mark in our product catalog.

**Voice of Customer**  
**VOC**  
 お客様の声が活きています

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

## Providing Highly Satisfying User Training

Sysmex conducts instrument and maintenance training in each region as part of its customer support. In the United States, Canada, and Latin America, where medical institutions are scattered over a large area, Sysmex America offers "Center for Learning" online training so that customers do not have to travel to a Sysmex training facility. During fiscal 2020, we made improvements to the training system we had offered based on customer comments. These improvements included customization and better accessibility. Consequently, more than 90% of approximately 3,000 users in a user survey replied that they were satisfied or very satisfied with the improved system. For this effort, we worked with the online program development team of Sysmex Europe. This cooperation allowed us to incorporate the merits of Sysmex Academy Online run by Sysmex Europe and to share the content of their website. The success of this project led the Center for Learning and its development team to win the Gold Awards for Best Customer Training Program and Best Learning Team categories from the Brandon Hall Group, and the Annual LTEN Excellence Awards from the Life Sciences Trainers & Educators Network.



Virtual training via the Center for Learning

## Disseminating Useful Information

Sysmex disseminates information that is useful for its customers in the "Support Information" section of its website. Up-to-date information is distributed using an email magazine 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.



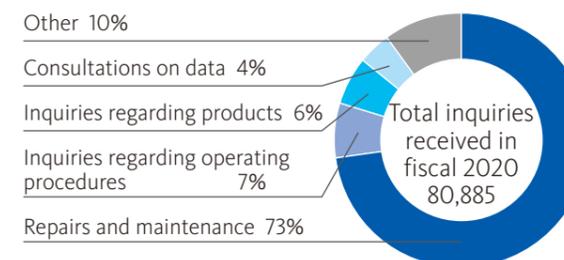
Support Information Site

## Enhancing Service and Support

### Responding to Inquiries Rapidly and Responsibly

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

### Responding to Inquiries at the Customer Support Center



## Offering Solutions Utilizing IT

Sysmex offers Caresphere, a network solution designed to provide a wide range of online support options and services. Caresphere supports stable operation of test instruments at hospitals through such functions as instrument quality control\*, automated monitoring, and failure prediction based on real-time analysis. We also offer application services to assist with the efficiency and quality management of testing.

\* A management method that guarantees the values measured by testing equipment. It is designed to confirm that a customer's equipment is functioning correctly.

### Utilizing ISO to Increase the Quality of Clinical Testing

Recently, the field of clinical testing has met with a 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 certification based on this standard 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, 2021, we had issued calibration certificates for more than 7,200 instruments. Furthermore, Caresphere XQC, 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).

## Scientific Activities

Sysmex holds scientific seminars to impart the latest information about clinical testing in various countries and regions across the world. In Asia, we work with government agencies (e.g., countries' health ministries) and major academic societies in order to run scientific activities designed to help improve the quality of clinical testing.

### Holding Scientific Seminars for Clinical Professionals

Sysmex has held a Sysmex Scientific Seminar annually since 1978. This seminar discusses subjects selected from a range of medical research areas in order to serve as an opportunity to provide the latest information and share knowledge acquired from research. The 43rd Seminar scheduled in fiscal 2020 was postponed due to the COVID-19 pandemic.

Under these circumstances, we held the Sysmex Global Webinar for COVID-19 to provide the latest on-the-ground clinical information around the world, with the aim of developing testing systems that work amid the pandemic. At the Webinar, distinguished doctors from different countries, including Japan, gave lectures on what the COVID-19 pandemic looked like in their regions, and they offered new knowledge and insight. The Webinar was also held in EMEA, the United States, and Asia. A total of around 1,800 healthcare professionals attended.

We also hosted online seminars on other subjects, which were attended by approximately 2,000 healthcare professionals in total.

Through these initiatives, we aim to build trust-based relationships with healthcare professionals and help improve the quality of healthcare.

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



Sysmex Global Webinar for COVID-19



EMEA Sysmex Virtual Expo 3D booth

## Materiality

# Responsible Provision of Products and Services Strengthening of Supply Chain Management

## Supply Chain Management

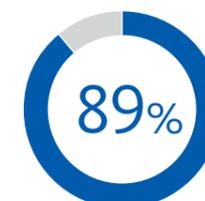
### Conducting CSR Surveys

Sysmex conducts CSR surveys in order to learn about its partners' CSR activities. 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, 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 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 workplace environment in order to confirm that no problems exist.

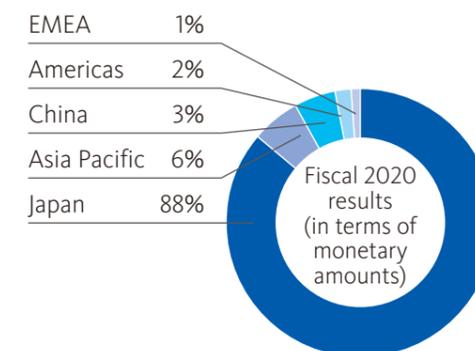
The rate of response to the CSR survey of primary suppliers conducted in fiscal 2020 was 89%, and we also conducted follow-ups with four of our partners in response to risk analyses. Moreover, to further encourage our partners to engage in CSR activities, we checked with 13 primary suppliers identified as high-risk, regarding how they manage their secondary suppliers. Starting from fiscal 2021, we set the CSR survey response rate as a sustainability target. We have also added the number of training sessions provided to our partners as a sustainability target, and we use the response rate of the CSR survey of secondary suppliers in Japan and the percentage of primary suppliers with third-party certificates as indicators for monitoring.

Sysmex Europe surveys all new partners about their CSR activities that involve human rights and green procurement, and it annually evaluates existing partners. Sysmex Malaysia, Sysmex Wuxi, Jinan Sysmex, and Sysmex Shanghai, among others, also survey their partners each year to assess risks and make improvements.

CSR survey response rate (fiscal 2020)



Analysis of Regions in Which Equipment Has Been Procured



- ▶ CSR/Sustainable Procurement Self-Assessment Tool Set, the Common CSR survey form Prepared by Global Compact Network Japan
- ▶ Status of Sustainability Targets

### Improving the Quality of Supplied Parts and Raw Materials

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

In fiscal 2020, 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. Furthermore, we will continue to improve 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 these partners.



Technical seminar with partners

### Conducting Internal Awareness Activities to Ensure Compliance with Legislation

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

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

Story

Stakeholder's Voice

“Our products are essential in supporting people’s health and peace of mind through healthcare. We must maintain a stable supply of our products no matter what happens,” says Tomohito Yamagata, who has engaged in procurement services for 25 years and currently leads Reagent Material Procurement in the SCM (Supply Chain Management) Division. Amid the pandemic, he has been active in solving various issues concerning procurement and production.

[Undertaking the Never-Ending Mission of “Creating a Stable Supply of Reagents” – Efforts by Sysmex to Maintain Laboratory Testing During the COVID-19 Pandemic –](#)

## WHY IT IS IMPORTANT

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

## POLICY

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

► Policies for the realization of an attractive workplace

- P26 Provision of a Comfortable Working Environment
- P28 Promotion of Diversity and Inclusion
- P30 Development of Human Resources
- P33 Promotion of Health and Occupational Safety

## FRAMEWORK

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

**Targets**  
(fiscal 2023)



75%

Engagement score



0.58

Lost-time injuries frequency rate



0.02

Lost work day rate



17.0%

Female managers ratio



40.0 hours

Training time per employee



SOCIETY

## Materiality

## Realization of an Attractive Workplace

## Provision of a Comfortable Working Environment

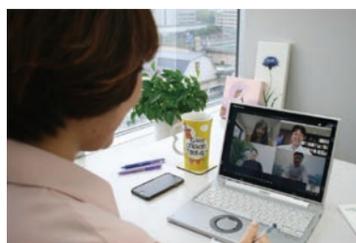
## Accommodating Diverse Working Styles

## Our Efforts to Accommodate Diverse Working Styles

Systemex Corporation is working to create in-house environments that allow employees to work comfortably and achieve optimal work-life balance. We aim to ensure that all employees find their work fulfilling and rewarding as they pursue their diverse careers, and that they continue to work in ways that suit their family circumstances and local conditions. In addition to flex-time, which was adopted as part of our efforts to create a comfortable working environment, we launched a "smart work" system that enables employees to choose their working hours, along with where and how they work, in fiscal 2021. Under this system, employees are allowed to work the hours of their choosing between five in the morning and ten at night. They can work at home or a satellite office if that suits their work or individual lifestyles. As measures to urge employees to take paid leave, we introduced a half-day paid leave system, and we provide recommended dates for paid leave. Other various efforts include allowances paid from the Cafeteria Plan\*, our welfare program, to employees who take paid leave for travel, leisure, or cultural schooling. Starting from fiscal 2021, we also set the rate of paid leave taken as a sustainability target among our efforts to continue raising the rate. In addition, we have a leave of absence and re-employment program designed to offer a wide range of opportunities for employees who leave our employment due to their spouses' overseas assignment or for other personal reasons, so that they can return to work. Our flex-time system and welfare program (the Cafeteria Plan), which were originally for regular employees, have been expanded to include contract employees.

## ▶ Introducing Smart Work (Sustainability Topics)

\* The Cafeteria Plan provides Cafeteria Points, which entitle employees to select and sign up for certain programs (e.g., parenting support, care assistance, health improvement, and certification) on their own accord.



Working from home

## Supporting a Balance between Work and Child-Rearing

Systemex Corporation has introduced diverse programs to provide family support, from pre-natal care to child-rearing. These programs include leave for fertility treatment or morning sickness, a spouse's childbirth, and nursing children. When child care leave expires upon the employees' child turning two years of age, employees are entitled to the reduced working hours program and the work-from-home program, until the child enters junior high school. To support employees returning to work after childcare leave, we hold seminars for them before they go back to work. We also deliver newsletters for employees on childcare leave to keep them informed of work issues. We have set the rate of childcare leave taken by male employees as a sustainability target and have implemented measures to boost this rate. During fiscal 2020, we hosted a seminar titled "Supporting a Balance between Work and Child-Rearing: Parenting Seminar for Dads" led by a guest lecturer. We also published a guidebook to male employees presenting the parenting programs available. Technopark, our R&D site, has an in-house daycare center called Systemex Kids Park. It is also available for temporary use when employees' spouses work part-time, children's guardians are sick, or employees' family members are unable to look after children because of a funeral. We have received the next-generation support certification logo (nicknamed *Kurumin*\*) as a "company that supports child-rearing" from the Ministry of Health, Labour and Welfare.

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



Systemex Kids Park

Next-generation support certification logo (*Kurumin*)

## Other Systems to Support Work-Life Balance

## Supporting Nursing Care, Corporate Citizenship Activities, and Others

Systemex Corporation has introduced a program that allows employees who need to attend to family members in the hospital to take short-term nursing care leave and accumulated paid leave for up to 40 days in half-day increments. We also have a work-at-home system that enables employees to care for family members who require nursing care or other types of support. Furthermore, we have an income indemnity system for employees on nursing care leave lasting one month or longer (100,000 yen per month), and a program for re-employment of employees whose careers have been interrupted because of nursing care. Volunteer leave and donor leave programs are also available as support systems intended to make it easier for employees to take leave for particular purposes.

## Activities at Group Companies

Our Group companies also engage in various initiatives to provide comfortable working environments. Recognized for its satisfying working environment, Systemex Europe was ranked 10th in the Great Place to Work awards<sup>1</sup> in 2021.<sup>2</sup> The company is also certified as a "family-friendly working environment" by Berufundfamilie Service, a German consulting firm. Systemex Germany was ranked eighth and Systemex Turkey fourth in the Great Place to Work awards.<sup>2</sup>

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



2. Systemex Europe, Systemex Deutschland: In the category of enterprises with 251-500 employees; Systemex Turkey: In the category of medium-sized enterprises



## ▶ Activities at Other Group Companies

## Efforts to Enhance Employee Satisfaction

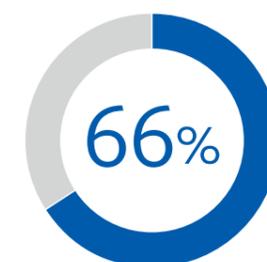
Every year, Systemex conducts an engagement survey of all employees across the Group.<sup>1</sup> Results are fed back to individual divisions, where they work to enhance the level of employee engagement by drafting and executing action plans for improvement and implementing a PDCA cycle for monitoring. For divisions with poor survey scores, the human resources division offers advice for improvement. The results of each engagement survey serve as engagement scores for sustainability targets, and they are reflected in medium- to long-term measures for personnel management. The score for fiscal 2020 across the Group was 66%, a 6% drop from the last survey.<sup>2</sup> While considering the change of working styles due to the COVID-19 pandemic, we plan to identify questions that are closely correlated with engagement and to visualize priority issues to address. In doing so, we will establish working environments that ensure physical and mental well-being, job satisfaction, and good human relationships for all Group employees, thereby promoting measures that will lead to high productivity and successful outcomes.

<sup>1</sup> Conducted every year since fiscal 2020

<sup>2</sup> The survey was not conducted in the EMEA region due to the COVID-19 pandemic.

## ▶ Status of Sustainability Targets

## Engagement Scores (Fiscal 2020)



## Materiality

## Realization of an Attractive Workplace

## Promotion of Diversity and Inclusion

## Promoting Diversity and Inclusion

## Supporting Diverse Human Resources in Pursuing Careers

Systemex considers human resources an important management resource for achieving sustainable growth, and we have evolved 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. Systemex Corporation has a diversity promotion function that delivers information and engages in activities to promote the understanding of diversity. We also conduct an employee opinion survey about diversity to incorporate the views of personnel into the measures we implement. Systemex Corporation recruits new employees based on an evaluation of individuals, without regard to nationality, race, gender, age, employment history, or disability status. Furthermore, we have established processes that allow us to employ talented human resources in and outside Japan at the right time. We hire job applicants straight out of overseas universities, and we appoint women employees and employees with foreign citizenship as officers on the management team. In March 2021, Systemex Corporation was selected as a winner of the New Diversity Management Selection 100 by the Ministry of Economy, Trade and Industry (METI). The Selection honors progressive companies that engage in diversity management.



- ▶ New Diversity Management Selection 100 and Diversity Management Selection 100 Prime by METI [🔗](#)
- ▶ Recruitment Policy (Japanese)

## Activities at Group Companies

Systemex America conducts measures based on its affirmative action program, aiming to erase prejudices and discrimination against minorities. Systemex Asia Pacific signed TAFEP's\* Employers' Pledge of Fair Employment Practices in 2008, and it continues to provide employee training.

\* An organization which was founded to promote fair employment through an alliance of three parties: government, labor, 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).

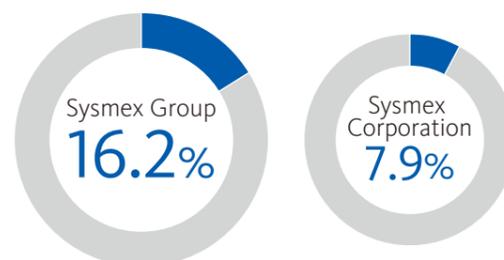
## Supporting Women's Career Activities

Systemex Corporation works to provide a comfortable working environment by establishing a system to support employees in pursuing their careers while raising children, and taking other supportive actions. We also engage in leadership training for women. In fiscal 2020, we launched a new Action Plan under the Act on the Promotion of Women's Active Participation based on the Act on the Promotion of Female Participation and Career Advancement in the Workplace. This Plan presents the goals\* of having women make over 15% of our managers and of having the number of hours worked be less than 1,950 per year by fiscal 2024.

We have set the target percentage of women managers across the Group and the target rate of childcare leave taken by male employees as sustainability targets. We are determined to continue actions to empower women in the workplace. Our initiatives in fiscal 2020 include unconscious-bias training, a training program to support career motivation, and a training program to promote understanding of the empowerment of women in the workplace for newly appointed managers.

\* Target: Systemex Corporation

Female Managers Ratio (Fiscal 2020)



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



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

## Supporting People with Disabilities

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

Since its establishment in 2017, Systemex Harmony, a special subsidiary\*, has expanded the types of operations it undertakes and has grown in size. Today, the company has 23 employees. The company's operations center on assistance in the production of reagents and devices, including inspection of products, and labeling containers at factories. Systemex Harmony assigns its employees to work based on their individual abilities, and it ensures close communication between employees and their supervisors through regular interviews. Consequently, the company has maintained a zero turnover as of March 2021.

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

Starting from fiscal 2021, we set a target percentage of employees with disabilities across the Group companies in Japan as a sustainability target among our efforts to create a workplace in which diverse human resources can pursue their careers.

\* 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 inspecting reagents and labeling reagent containers (Systemex Harmony)

## Seniors in the Workforce

In March 2021, Systemex Corporation raised the retirement age from 60 to 65\*, and established a system that allows employees nearing retirement to work shorter hours, have a

side job, and/or work concurrently for a different company. Our employees are also entitled to work as senior contract employees until they turn 70.

We have launched the Career Development Support Program among our efforts to assist senior employees in career development. This program is designed to impart basic knowledge and promote understanding about views needed for career planning. It combines e-learning, group training, and individual consultations to support participants in their autonomous career planning and specific behavior change.

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

## Understanding of Sexual and Gender Minorities and Our Actions

In fiscal 2020, Systemex Corporation established a partnership registration system, under which partners in same-sex relationships are recognized as spouses.

Our intranet page dedicated to the subject of gender-neutrality provides information to help employees learn more about gender minorities in order to enhance company-wide understanding. During fiscal 2020, we held a diversity roundtable discussion<sup>1</sup> on the subject "LGBTQ<sup>2</sup> and Diversity", and distributed Ally stickers that show support for LGBTQ people, among others.

- 1 Roundtable discussions are held to exchange opinions about a wide range of topics, including work-life balance and cross-cultural understanding, and to offer an opportunity for interdepartmental community building.
- 2 Acronym referring to sexual orientation/gender identification (lesbian, gay, bisexual, transgender, questioning/queer)

## Diversity Education

Systemex Corporation publishes a monthly in-house magazine called the "Diversity Newsletter" to share information with employees and promote their understanding about this idea. In fiscal 2020, we hosted roundtable discussions about diversity and inclusion, LGBTQ, and support for people with disabilities, among others. We also provided "unconscious bias" training designed to help employees recognize and address their unconscious biases, and a seminar on universal etiquette where employees learned how to think and take actions in order to interact with people with diverse backgrounds.



Diversity Newsletter

Materiality

# Realization of an Attractive Workplace Development of Human Resources

## Autonomous Career Development

### Our Approach to Personnel Management

Systemex aims to create a corporate culture that enables diverse talent to feel a sense of unity and security as they work to fulfill their potential.

In April 2020, we departed from the performance-based personnel system that ranked employees' competence in order to start introducing a job-based personnel system\* that determines employees' ranks based on their roles and what their jobs entail. We plan to provide an environment that allows diverse human resources to pursue successful careers among our efforts to maintain considerable growth potential as a company, while retaining our focus on talent development for long-term employment.

We will also implement a ranking system, evaluation system, and human resource development for all key positions in the Group according to our Group-wide HR policy, thereby establishing consistent personnel management applied to all Group companies across the globe. In addition, we will switch to a more externally competitive pay system in order to hire and develop talented human resources capable of successfully working anywhere in the world, which will enable us to achieve sustained business growth.

\* The system was first introduced for managers in fiscal 2020. It will be gradually expanded to include other employees around the world.

### Positioning of Global HR Policy



▶ Global HR Policy

## Equitable Personnel Evaluation Based on Abilities and Accomplishments

What Systemex evaluates is not just employees' achievements. Our evaluation is also based on the processes that have led to success, how leadership was exercised, and various other factors. Moreover, employees regularly have one-on-one meetings with their supervisors and receive feedback on their work. This is among our efforts to ensure fair and satisfying personnel evaluations.

We determine market-competitive compensation for managers based on the responsibilities required in their positions. We also remunerate non-managers appropriately, in accordance with factors such as their occupations and qualifications, and base salaries are the same regardless of gender. "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 a payroll system to ensure that pay will not fall below the minimum wage or fall short of the standard of living in any region.

## Supporting Employee Career Design

Systemex Corporation has introduced a voluntary reporting system for all employees. Once a year, we interview each employee to learn what they envision for their medium- to long-term career, what type of job they wish to engage in, and if they hope to work in overseas locations. The interview serves as an opportunity for our employees to contemplate where they hope to go with their careers and what life plans they should make. We also plan and implement capacity building and staffing based on what employees have reported. With the introduction of the job-based personnel system for managers, we now provide a job description that defines the responsibilities and skills required in each managerial position. The job descriptions of all positions are disclosed in order to make clear what the positions require, thereby helping managers envision a linear career path.

We also offer the Career Development Support Program, intended for employees who are troubled about their careers. The program provides training that combines input (e-learning), output (group training), and individual career consultations to support participants in their autonomous career planning and specific behavior changes. In fiscal 2020, 46 employees participated, and the overall satisfaction rating was 80%.

## Introducing Internal Awards Systems to Motivate Employees

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

To motivate R&D engineers and heighten awareness of intellectual property, we have also introduced the Patent Grand Prize/Patent Prize of Distinction, the Patent Meister, and the Filing Commemoration Prize. In addition, we present the Quality Award for success in quality improvements.

## Improving the Treatment of Contract and Temporary Employees

Systemex 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 have announced these regulations on the intranet to make sure that they are known to all employees.

▶ Our Efforts to Accommodate Diverse Working Styles

## Development of Human Resources

### Promoting Global Human Resource Development

Systemex cultivates a sense of unity in business activities and the workplace, while developing next-generation human resources, under its Group-wide global human resource development system. We are also reinforcing networks within the Group and undertaking various measures to foster intercultural understanding. Based on its four concepts for human resource development, "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.

▶ Three Core Training Systems

### Human Resource Development Programs in the Age of the New Normal

Systemex is working on the introduction of human resource development programs suitable for the age of the new normal, in response to the need for diverse working styles and to the COVID-19 pandemic. To be more specific, we have developed a system for online classes and made improvements to existing of online programs. Furthermore, the smart work system, which was introduced to facilitate diverse working styles, encourages employees to spend 15 minutes of their working hours per day on self-study. These efforts led a total of about 34,000 employees to take classes in fiscal 2020, and 92% of them took online training.\* About 80% of these trainees had favorable responses to the online programs according to the trainees' questionnaire. The introduction of a job-based personnel system has improved the training designed to enhance skills and competencies suitable for trainees' positions. Systemex College, our voluntary training program, offers knowledge programs in which in-house instructors impart knowledge, skills, and know-how, as well as practical business programs that focus on specific competencies. During fiscal 2020, 23 courses were offered and approximately 2,700 employees participated. In the newly introduced learning management system, supervisors check how their staff members are doing in the programs they are taking, give advice on career development, and provide opportunities to have dialogues.

\* Target: Systemex Corporation

Trainees' questionnaire (Fiscal 2020)



Three Core Training Systems

Training Type	Objective	FY2020 Results
Selective training	- Cultivate global leaders - Cultivate future management personnel	To discover potential next-generation leaders at an early stage of their careers and prepare them for leadership, the training requires trainees to take up the challenge of reaching stretch goals (i.e., to experience formidable obstacles) to acquire the ability to develop a vision and strategies and to improve their practical skills. Training period: six months; number of trainees: 7
Rank-based training	- Deepen our employees' understanding of the Group's corporate philosophy and history - Acquire an understanding and expertise in management and issue resolution required at each level - Promote communication between departments	Number of programs: 26; number of trainees: approx. 4,400
Elective training (Sysmex College)	- Obtain practical expertise, knowledge, and skills in business execution - Gain business and management expertise	The training offers practical business courses designed to develop trainees' competencies, including strategic thinking, team building, negotiation, and problem solving. Knowledge training led by in-house instructors is also conducted. Number of programs: 30 Number of trainees: approx. 2,700

**Sysmex University, a Training Program of Sysmex America, Wins International Human Resource Development Awards**

Sysmex America has a training program called Sysmex University for all its employees in the United States, Canada, and Latin America.

Sysmex University offers a number of programs related to business skills and specific professional skills, including leadership skills. In 2020, Sysmex America's human resource development team analyzed details of these programs, learning needs, and trainee satisfaction survey results, among other factors, to improve the company's system for better usability and to enhance the programs. Consequently, the percentage of the employees who have taken the programs increased, and trainees' skills and competencies improved.

These achievements were recognized and won the Brandon Hall Group Gold Award for Excellence in the Best Advance in Business Strategy and Technology Innovation category, and a Silver Award for Excellence in the Best Advance in Learning Management Technology. Brandon Hall Group<sup>1</sup> is a world-class research firm. Sysmex America also won the 2021 BEST Award organized by the Association of Talent Development (ATD)<sup>2</sup> in the United States.



- 1 ▶ <https://www.brandonhall.com/>
- 2 ▶ <https://www.td.org/about>

▶ Other Key Human Resource Development Programs

Materiality

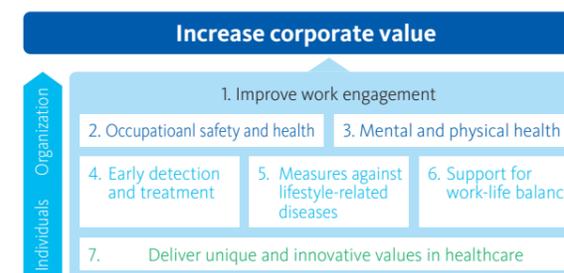
Realization of an Attractive Workplace  
Promotion of Health and Occupational Safety

Declaration of a Healthy Company

Sysmex Declaration of a Healthy Company

Sysmex 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 Sysmex 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 Sysmex Declaration of a Healthy Company specifies matters of critical importance, including occupational health and safety as well as mental and physical health (materiality of health and productivity management). In this way, Sysmex is prompted to continuously enhance employees' health and create work environments that value diversity while providing employees with a workplace they feel proud of.

Materiality Issues to Be Prioritized:



▶ [Sysmex Declaration of a Healthy Company](#)

Our Efforts toward Health Enhancement

Efforts toward Employees' Health Enhancement

Sysmex Corporation provides regular medical checkups for its employees, together with complete physical examinations and health screening for female-specific cancers. In fiscal 2020, we increased the amount of the allowance\* provided to cover a secondary test in order to raise the percentage of employees who take the test. If an employee needs to receive medical examinations and treatment continually over a long term, we make work-at-home arrangements for them among our efforts to help them continue to work. Moreover, in addition to mandatory special medical checkups, we provide our own biannual checkups that include tests for hepatitis B and C for

employees engaging in operations that deal with infectious substances. This is to ensure early detection and treatment of any illnesses.

Sysmex is registered as a partner company in the Ministry of Health, Labour and Welfare's Cancer Screening Corporate Action and Know about Hepatitis Project, and it has signed the Agreement to Promote an Increase in the Rate of Cancer Screening with Hyogo Prefecture. These actions are among our activities to educate employees about diseases and to raise the rate of our employees who take medical checkups. As a measure against passive smoking, Sysmex removed smoking areas at business offices retained by its Group companies in Japan (by the end of March 2021). We also provide allowances to cover stop-smoking services and attendance at smoking-cessation seminars\*.

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

- ▶ [Cancer Screening Corporate Action \(Japanese\)](#)
- ▶ [Know about Hepatitis Project \(Japanese\)](#)



Efforts to Ensure Employees' Mental Health

Sysmex Corporation performs "Kokoro no Health Checks" annually to confirm mental health and uncover any harassment-related situations. We track results over time and strive to make workplace improvements. We also provide channels for health consultations with industrial physicians and public health nurses, together with an Employee Assistance Program (EAP) for mental health, to ensure that external professionals are available to our employees when they need help.

### Efforts for Employees' Active and Healthy Lives

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



Tennis Courts, Gymnasium (Solution Center)

### Recognition as a Company that Excels in Health and Productivity Management

Sysmex Corporation undertakes various initiatives for health and productivity management, and we have an established framework for our activities that encompasses Group companies in Japan. These efforts have received positive responses and, in March 2021, we were recognized for the fifth 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".



▶ Activities at Group Companies

### Framework and Promotion of Occupational Health and Safety

#### Framework for Promoting Occupational Health and Safety

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

#### Initiatives for Occupational Health and Safety

In fiscal 2020, Sysmex set health and safety targets of "a maximum of one case involving the loss of four or more working days due to an occupational accident (including accidents on the way to work and fleet accidents)" 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.

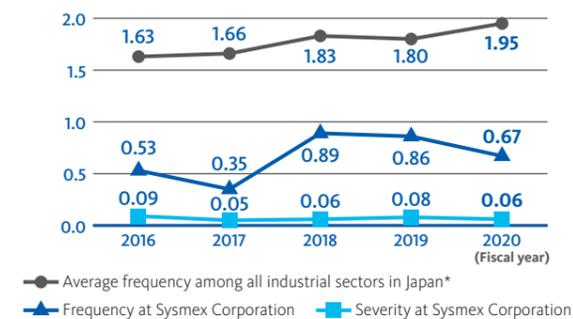
In addition, employees are given safety training on appropriate emergency and evacuation measures to be taken in the event of an accident or sudden illness, and on handling hazardous machinery and raw materials. We also regularly hold comprehensive fire drills based on hypothetical large-scale disaster scenarios, conduct training on the use of automated external defibrillators (AEDs), 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 2020, the lost-time injuries frequency rate caused by absence from work due to occupational injuries at factories and other causes was 0.67\*. 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. Sysmex Brazil has acquired ISO 45001 certification, an international standard for occupational health and safety management systems.

\*Target: Sysmex Corporation

#### ▶ Our Response to COVID-19 to Protect Our Employees

#### 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.

# Corporate Citizenship Activities

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

- ▶ [Corporate Philosophy and Core Behaviors](#)
- ▶ [Policy on Corporate Citizenship Activities and Philanthropy](#)

## Our Group-Wide Contributions to Healthcare

When Sysmex celebrated its 50th anniversary in 2018, we created our global theme of "Aim for a Healthier Society" based on our Policy on Corporate Citizenship Activities and Philanthropy. All Group companies have since been working together on our social contribution programs. In fiscal 2020, we offered two Group-wide programs: the Sysmex Gives Back Challenge from June to September, and the Sysmex Gives Back Day from October to January. As part of these programs, in addition to blood donation and environmental activities, we also conducted corporate citizenship activities in response to COVID-19. A total of more than 2,800 employees worldwide participated in our corporate citizenship activities through these programs. We will continue our Group-wide efforts to promote a fulfilling and healthy society.

### Our Response to COVID-19

In addition to the 30 million yen donated to the Kobe City Support Fund for Medical Professionals to support the fight against COVID-19, Sysmex also engaged in support activities around the world in response to COVID-19 based on its Policy on Corporate Citizenship Activities and Philanthropy. For medical institutions, we provided up-to-date academic information while also donating masks, protective gear, safety goggles, and non-contact infrared thermometers to enable safe medical practices. Furthermore, for local communities in the United States and Brazil, where we have our reagent production bases, we manufactured liquid sanitizers at the reagent manufacturing factories and donated them not only to medical institutions but also to police stations and local charitable organizations. Through our Group-wide programs, the Sysmex Gives Back Challenge and Sysmex Gives Back Day, we supported medical personnel and local communities with donations of food and supplies, masks, and liquid sanitizers while also continuing our blood donation efforts as a Group so as to deliver blood for blood transfusions to as many patients as possible.



Donating handmade masks (Sysmex America) Donating liquid sanitizers (Sysmex Malaysia)

## 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 500 employees throughout the Group donated their blood during fiscal 2020.



Sysmex Australia Sysmex Partec

## Social Contribution Point Program

Sysmex has declared its support for employees' volunteer activities in our Policy on Corporate Citizenship Activities and Philanthropy and established a volunteer leave system. It has also introduced a program to encourage employees to participate in volunteer activities on their own initiative. Under this program, employees earn points for social contribution activities in local communities, as well as social contribution events sponsored by the company, and we make donations based on the number of points accumulated. In fiscal 2020, 1,053 employees (27% of Group employees in Japan) participated in this program, which resulted in a donation of about 1.06 million yen.

**1,053 employees across the Group in Japan participated. Sysmex donated about 1.06 million yen.**

COVID-19 emergency fundraising: donation of masks and hygiene products (UNICEF)

Support for children with pediatric cancer and their families (Japan Heart)

One of the recipients of the donations under the Social Contribution Points Program is the International Medical Volunteers Japan Heart, an incorporated nonprofit organization. In support of their "SmileSmilePROJECT", our employees also provide assistance to pediatric cancer patients and their families through volunteer activities. Although we were unable to hold events in fiscal 2020 due to the COVID-19 pandemic, we continued our support by making cards for children. There were also social service activities at business sites planned by employees, which included donating used books and clothes to NPOs.

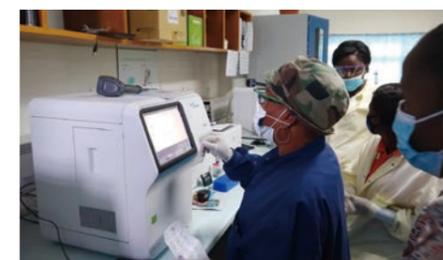
### ▶ SmileSmilePROJECT



©UNICEF/UNI1355865/Panjwan Courtesy of Japan Committee for UNICEF Making cards for children

## Donation of a Hematology Analyzer to a Nonprofit Organization in Haiti

Sysmex America donated a hematology analyzer to a nonprofit organization, Nuestros Pequeños Hermanos, which safeguards and supports children who are living separately from their families for various reasons. We contribute to an improvement in local access to medicine by conducting training for local laboratory technicians and providing support so that the equipment can be used without any issues.



Using the donated equipment

## Contributing to Biodiversity Preservation through the "Sysmex Forest"

As part of the "Enlist the Participation of All Citizens in Creating Woodland" project promoted by the Hyogo Prefectural Government, Sysmex took responsibility for a two-hectare portion of the 17-hectare Kawai Kaiteki Forest near our reagent factory in the city of Ono, Hyogo Prefecture. We dubbed this portion the "Sysmex Forest" and aim to make *satoyama* a place of tranquility for people and wildlife.



Sysmex Forest (forest maintenance activities)

### Initiatives at the Sysmex Forest

Approach	Content
Biodiversity Protection	<ul style="list-style-type: none"> <li>- Protection of endangered species (such as protecting the habitat of the clouded salamander<sup>1</sup> and planting plants to attract the chestnut tiger butterfly<sup>2</sup>)</li> <li>- Protection of rare wild plants (cultivating the Japanese lily to aid its recovery and protecting the habitat of Cephalanthera falcata [the Golden Orchid]<sup>3</sup>)</li> </ul>
Education and Awareness	<ul style="list-style-type: none"> <li>- Registration with Green Wave 2020 (a campaign to increase understanding and public awareness of biodiversity via activities related to the forest and trees) promoted by the Ministry of the Environment, the Ministry of Agriculture, Forestry and Fisheries, and the Ministry of Land, Infrastructure, Transport and Tourism</li> </ul>

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

### ▶ Corporate Citizenship Activities in Other Countries

## 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.

## 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.

▶ Environmental Policy 

- P40 Environmental Management
- P43 Environmental Consideration through Product Lifecycle
- P47 Reduction in Environmental Burden through Activities at Business Offices

## FRAMEWORK

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

### Targets (fiscal 2025)

#### Reduce CO<sub>2</sub> emissions



**-15%** When using instruments  
**-50%** In business activities  
**-15%** When shipping

#### Reduce water consumption



**-15%** When using instruments  
**-15%** In business activities

#### Recycle rate



**93%** or higher  
 In business activities



# ENVIRONMENT

Materiality

# Environmental Consideration

## Environmental Management

### 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 CO<sub>2</sub> 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.

▶ [Status of Sysmex Eco-Vision](#)

▶ [Environmental Data](#)

#### Long-Term Environmental Objectives (Fiscal 2025)

	<b>Reduce CO<sub>2</sub> emissions*</b>
	When using instruments <b>By 15%</b>
	In business activities <b>By 50%</b>
	<b>Reduce water consumption*</b>
	When using instruments <b>By 15%</b>
	<b>Promote resource circulation</b>
	Increase the recycle rate in business activities <b>93% or higher</b>
	<b>Protect biodiversity</b>
	Expand the line using alternatives to animal-derived substances

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

#### 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, 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 disclosed the information below based on this framework.

#### 1. Governance

▶ [Group Environmental Management System](#)

#### 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 assessed climate-related risks and opportunities and discussed these results at a meeting of the Environmental Management Committee and a management meeting that included the members of the Managing Board. 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.

▶ [Risk Management Structure](#)

#### 3. Risks and Opportunities

Based on the framework outlined in the TCFD recommendations, we have identified climate change risks and opportunities at a management meeting that includes the members of the Managing Board. 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 divisions have 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 will make it difficult to provide a stable supply of products and services.	M	H	- We have formulated a business continuity plan (BCP) to disperse risks such as those associated with raw material supply, supply systems, and transportation routes.
	- Regional shortages of water due to drought will disrupt stable supply of product.	L	M	- We are reducing the risk by periodically monitoring water-related risks and establishing BCPs.

Opportunities	Scenario	Financial effect		Approach
		2°C	4°C	
Resource Efficiency	- Optimization of use of transportation methods and operations using IoT. - Review of packaging and product design will lower raw materials costs and waste.	M	L	- Review logistics processes and systems in response to diversification of logistics and promote CO <sub>2</sub> reduction through remote services. - We will save resources by reviewing materials and packaging options.
Energy Source	- Reduction of energy costs through energy saving and shifting to low-carbon energy, which will improve social evaluation.	M	L	- Energy saving measures and greater efficiency of equipment have been introduced. - We have introduced renewable energy.
Products and Services	- Changes in customers' environmental awareness promote the purchasing of environmentally friendly products. - There will be creation of new testing opportunities and expansion of demand due to long-term disease-trend changes.	M	M	- We continue to promote environmentally friendly product development. - We undertake new product development, such as products contributing to the eradication of malaria and other infectious diseases.
Market	- Our initiatives for climate change and disclosure will earn us a greater reputation and expectations in financial markets.	M	L	- We support the TCFD and disclose environmental data via the Sysmex Sustainability Data Book and other means.
Resilience	- A stable supply of products and services in the event of a natural disaster improves customer trust.	L	M	- We implement a global supply system and backup system through multiple raw material procurement measures.

\* For all businesses (including supply chain) within Sysmex Group, analysis was conducted for a 2-degree scenario that assumed strict measures were taken for climate change, and a 4-degree scenario that assumed no deliberate action exceeding the status quo would be taken for global warming. The financial effect from identified climate-related risks and opportunities were evaluated on a three-stage standard (H: High; M: Middle; L: Low) based on their impact on the operating profit in fiscal 2030.

## Environmental Management System

### Group Environmental Management System

Systemx has formulated Global Environmental Management Regulations to clarify the responsibilities and roles of each Group company. Under the oversight and management of the environmental management officer (a senior executive officer), appointed by the CEO, we are taking initiatives toward environmental management as a Group, centered on the Environmental Management Committee. We have integrated environmental objectives as part of the Group Management Plan and report on their progress as sustainability targets at Managing Board meetings semiannually.

### Promoting the Acquisition of ISO 14001 Certification

Systemx is working toward the acquisition of ISO 14001, the international standard for environmental management systems, for the Group's principal affiliated companies. As of March 31, 2021, 17 Group companies had acquired ISO 14001 certification, and these companies account for 67% 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 (Systemx Corporation, Systemx International Reagents, Systemx RA, and Systemx 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	Systemx Corporation, Systemx International Reagents, Systemx Medica, Systemx RA
Americas	Systemx America, Systemx Reagents America, Systemx Brazil
EMEA	Systemx Europe, Systemx Germany, Systemx France, Systemx Spain
China	Systemx Wuxi, Jinan Systemx
AP	Systemx Asia Pacific, Systemx India, Systemx New Zealand, Systemx Australia



▶ For details, refer to ID 0910589004 on [www.tuv.com/japan/en/](http://www.tuv.com/japan/en/).

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

### Conducting Environmental Auditing

In line with environmental management system requirements, we perform regular internal and external environmental audits at locations that have obtained ISO 14001 certification. In fiscal 2020, neither internal nor external environmental audits at our domestic Group locations (for which certification in Japan has been integrated) revealed any cases of nonconformity.

### Environmental Education

#### Conducting Environmental Education and Training

Systemx conducts general education for all employees to foster an awareness of the impact of the Group's environmental activities and individual operations. We conduct specialized training 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 2020, 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

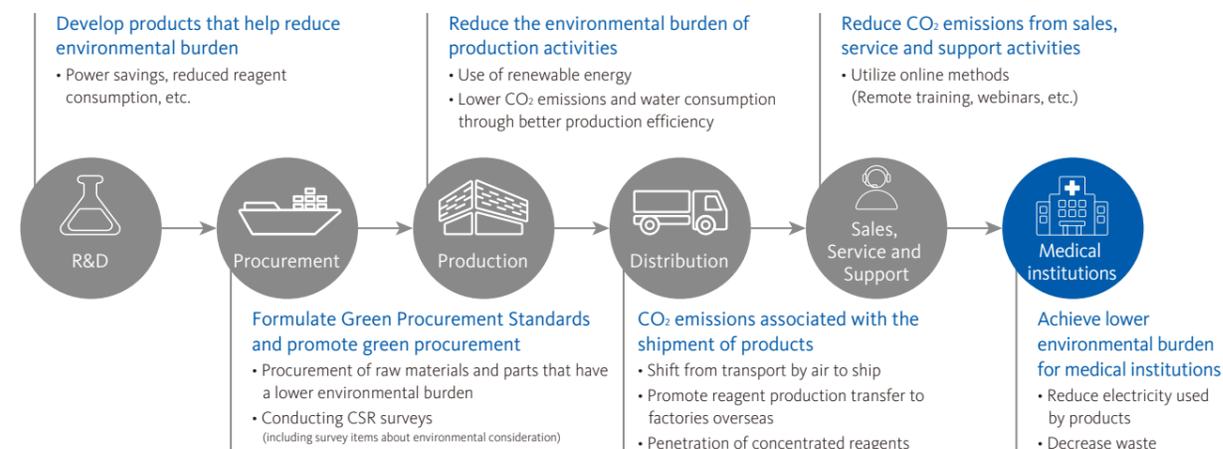
### Environmental Consideration

# Environmental Consideration through Product Lifecycle

### Product Lifecycle and Initiatives at Each Stage

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

#### Key Initiatives



### Environmental Friendliness in Product Design

In our global regulations concerning product lifecycle management, Systemx 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. The Automated Hematology Analyzer that was released for sale in 2021 achieved 30% less volume than conventional equipment, consumed 25% less electricity, and its reagent consumption was reduced by approximately 30%.

**Weight**  
30% reduction

**Electricity consumption**  
25% reduction

**Reagent consumption**  
Up to 30% decline



Automated Hematology Analyzer

\* Comparisons with conventional equipment

### Fiscal 2020 Results

The sales of large, high-power-consumption hematology analyzers including newly launched models increased, but with the reduction in CO<sub>2</sub> emission factors, CO<sub>2</sub> emissions per device from the use of our equipment products fell 8% from fiscal 2016 (the base year specified in Systemx Eco-Vision 2025). Water consumption of equipment products in use decreased by 6% as sales of products requiring less reagent consumption increased. Going forward, we will continue to promote reductions in CO<sub>2</sub> emission and water consumption by developing and selling new products requiring less power and water usage, among other measures.

#### ▶ Status of Sustainability Targets

### Biodiversity 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 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.

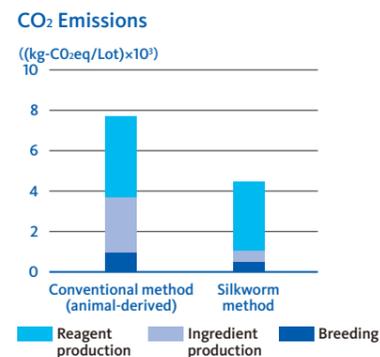
We use proteins produced by silkworms in the reagent for hemostasis tests we launched in fiscal 2017. This is the first reagent using proteins from silkworms to receive manufacturing and marketing approval in Japan. We also offer protein production contracting services using this technology and provide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

▶ Contributing to Biodiversity Preservation through the “Sysmex Forest”

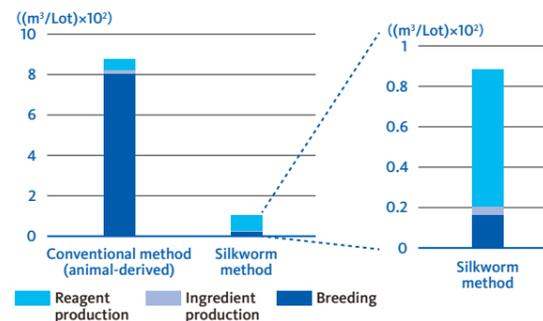


Production of raw materials using silkworms

Comparison of Method Using Silkworms and Conventional Method the Reagent for Hemostasis Tests



### Water Resources



\* 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 set out the company’s fundamental stance on environmental considerations in procurement activities. To that end, we promote the procurement of raw materials and parts that have low environmental impact and are expanding our business with suppliers who are impacts to protect the environment. We also conduct annual CSR surveys of our business partners to confirm that they have environmental management policies in place, as well as targets and plans for CO<sub>2</sub> reduction and energy conservation.

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

Furthermore, based on its Green Procurement Standards, Sysmex discloses prohibited substances and substances to be reduced with regards to chemical substances (substances with environmental impacts) contained in the products we manufacture and sell, as well as their constituent parts, devices, and materials.

- ▶ Prohibited Substances
- ▶ Substances to be Reduced

### Environmentally Conscious Transportation

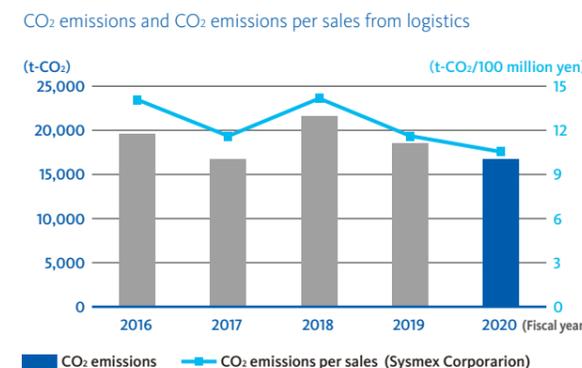
#### Efforts to Lower CO<sub>2</sub> Emissions in Domestic and Inter-regional Transportation of Products

As Sysmex’s global business continues to expand, we are working to curb CO<sub>2</sub> emissions by reviewing our logistics processes and systems designed to handle diversified logistics, packaging materials, and inventory management.

#### Fiscal 2020 Results

By switching from air shipments to shipments by sea even more proactively, we succeeded in reducing CO<sub>2</sub> emissions for logistics by 25% from fiscal 2016 (the base year specified in Sysmex Eco-Vision 2025) and continuing on from the previous fiscal year, we achieved the fiscal 2025 target reduction of 15% early. We will work to promote a modal shift toward transportation methods that have a lower impact on the environment, such as utilizing railways.

#### ▶ Status of Sustainability Targets



### Realized Ultra-Low Temperature Transportation That Uses Less Dry Ice

Sysmex, in a joint effort with Yamato Logistics Co., Ltd.\* has succeeded in ultra-low temperature transportation while cutting down the use of dry ice. In transporting reagents to be used for gene testing, the use of a dedicated truck and dry ice was required regardless of quantity, to fulfill advanced quality requirements, and this created a burden on the environment. To tackle this, we jointly conducted demonstration experiments with Yamato Logistics, and by using a specially designed carrier box, we were able

eliminate the use of dry ice in transportation in the frozen temperature range (negative 20 degrees C or below) and reduced the use of dry ice by half for ultra-low temperature transportation (negative 65 degrees C or below). Additionally, now that it is possible to load and transport together with regular transportation, we are able to reduce CO<sub>2</sub> emissions from the dedicated trucks.

Moving forward, we will jointly conduct demonstration experiments to enable the long-distance transportation of items in the ultra-low temperature range without dry ice.



\* Merged with Yamato Transport Co., Ltd. since April, 2021

### Environmental Considerations for Distribution Packaging

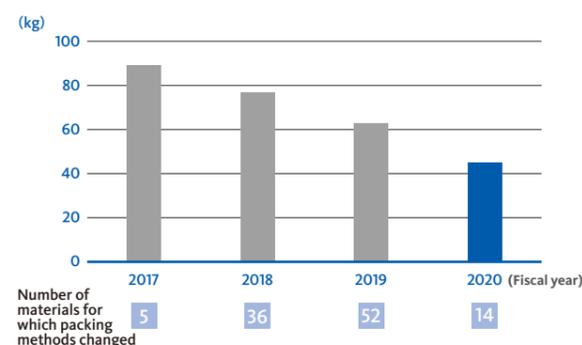
With growing exports from Japan of bio-diagnostic reagents, we began the global reuse of cold storage materials necessary for transportation, and we are working toward reducing the disposal of plastic cold storage materials. In fiscal 2020, we implemented such reuse between Japan and China, Singapore, and Europe, which led to the reduction of approximately 2.0 tons of waste.

Sysmex International Reagents works with its suppliers to promote a switchover from cardboard to returnable boxes (plastic containers) for transporting materials, and the company reduced all packing material waste by 20%.

### Saving Resources by Revising Packaging Materials

Systemex is continuing to work on reducing packing materials to conserve natural resources. We downsized our package boxes for optimization and switched our packing method from bag-shaped cushioning materials to plastic film, thereby reducing the amount of petroleum-based cushioning materials used in fiscal 2020 by approximately 50% from fiscal 2017.

Volume of petroleum-based cushioning materials used (monthly average)



\* Applicable to packaging maintenance parts and consumable goods

### Saving Resources by Promoting Review of Inventory Management

Systemex promoted a company-wide review of its supply chains to reduce product waste, thereby cutting the proportion of waste to total sales in fiscal 2020 by approximately 10% from fiscal 2018. 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.

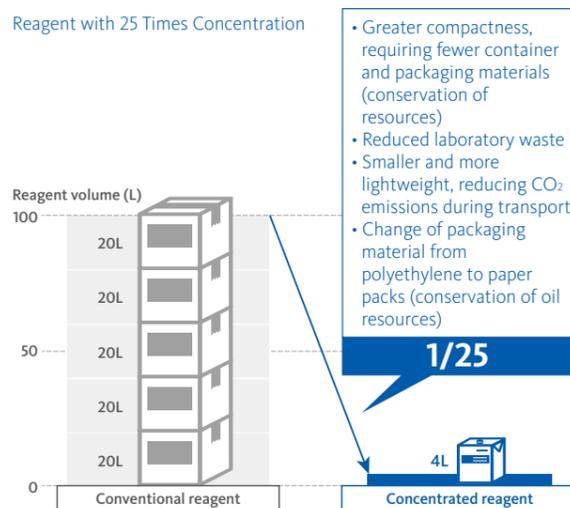
▶ Activities at Other Group Companies

### Environmentally Conscious Use and Disposal of Products

#### Use of Concentrated Reagents

For some analysis devices in the hematology field, reagents that are 25 times more concentrated than traditional reagents can be used. Such concentrated reagents not only contribute significantly to improving usability by reducing the frequency of reagent replacement in laboratories and saving warehouse space, but also enable us to be considerate of the environment by reducing the amount of disposed containers and packing materials and reducing CO<sub>2</sub> at time of transportation. Also, since fiscal 2021, we have set the rate of adoption of concentrated reagents and the rate of transfer of reagent production to local production as sustainability targets, and we will contribute further to reducing environmental burden.

Reagent with 25 Times Concentration



### 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 fiscal 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, at Systemex International Reagents, the production reform 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, and we implemented *Karakuri Kaizen*\* to use the weight of the products as a source of power in our manufacturing line. This resulted in the enhancement of productivity of some products by about 12 times since the production reform began. Furthermore, we received the "33rd Nikkei New Office Award," which is given to offices that sufficiently take into consideration their co-existence with the global environment.

\* *Karakuri Kaizen*: Improvements that divert power that already exists on site, and wherever possible, do not use man-made energy such as electric power but rather use gravity, natural energy, and other forms of power as sources of power (Source: Japan Institute of Plant Maintenance)



The "Helpful Pedal", which won the special award at the *Karakuri Kaizen* Exhibition (A tool that uses the principle of leverage to help transport mobile one ton tank for reagent preparation)

At Systemex Europe, 100% of the electricity used is generated from renewable energy, and solar panels have also been installed at its factory. A group of employees promoting environmental action was also formed, and in addition to holding frequent discussions and making improvement proposals, the group issues a newsletter for employees three times a year to promote awareness.

Systemex America and Systemex Reagents America switched to

renewable energy for 50% of the electricity used since fiscal 2019. They also reestablished a system that enables customer training and employee training to take place online so as to reduce the amounts of CO<sub>2</sub> emissions that result from traveling.



Employee newsletter



Customer training on the Center for Learning

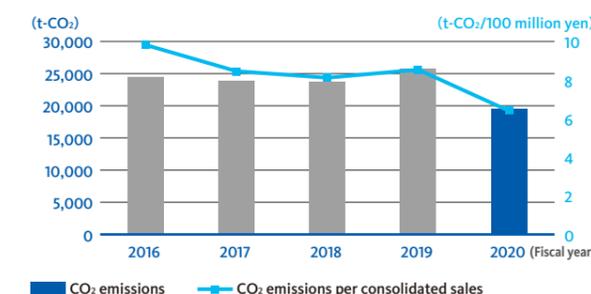
- ▶ Customer Training on the Center for Learning
- ▶ Employee Training at Systemex University

#### Fiscal 2020 Results

Energy-saving efforts such as business optimization and the impact of working from home led to a decline in electricity consumption, and CO<sub>2</sub> emission factors for electric power were changed to the latest emission factors in fiscal 2020.\* For these reasons, CO<sub>2</sub> emissions from activities at business offices fell 35% from fiscal 2016, the base year for Systemex Eco-Vision 2025. We will continue promoting activities at our business sites to reduce CO<sub>2</sub> emissions.

\* For details, please refer to note #5 on P70.

CO<sub>2</sub> emissions and CO<sub>2</sub> emissions per sales at business locations



▶ Major Initiatives at Business Offices

### Decreasing CO<sub>2</sub> Emissions from Fleet

To cut down on fuel consumption by our 400 vehicles across Japan and curb CO<sub>2</sub> emissions, we used the intranet and dedicated on-board devices to automatically determine travel distances, fuel consumption, and driving behaviors for each vehicle and convert it to points to visualize the quality of driving. In this way, we aim to raise the environmental awareness of each driver while also proactively introducing fuel-efficient vehicles and hybrid cars.

### Complying with Related Laws and Regulations

Based on the Energy Conservation Act, Sysmex Corporation and Sysmex 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

Sysmex 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, Sysmex has set targets for the decrease of water use in Sysmex Eco-Vision 2025, and it is working to improve the efficiency of water use at individual sites.

#### Water Risk Assessments

Sysmex assesses risks related to water stress. As a result of analysis using Aqueduct, an assessment tool provided by the World Resource Institute (WRI), we identified China, Brazil, and India, where we have our diagnostic reagent production bases, as areas of relatively high water stress. The water risk at each of the diagnostic reagent production bases has not become apparent to date, but we are coordinating with the production bases and continue to monitor the situation. At the same time, we are taking measures to reduce risk such as optimizing water usage in production processes and reducing supply risks by securing safety stock.

### Involvement with Biodiversity

Sysmex 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.

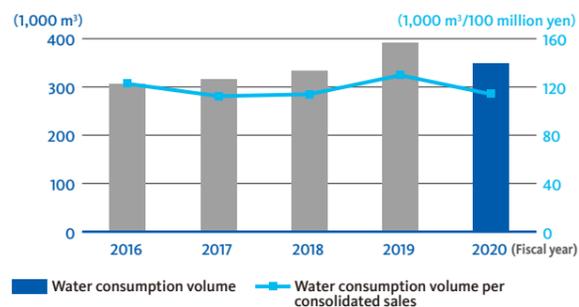
- ▶ Contributing to Biodiversity Preservation through the "Sysmex Forest"

### Fiscal 2020 Results

As a result of employees working from home, water consumption at business offices declined. Consequently, water consumption from activities at business offices declined 7% compared with fiscal 2016, the base year for Sysmex Eco-Vision 2025.

We will work to reduce water consumption by further improving production efficiency.

Water consumption volume\*



\* Excluding consumption of water for reagents

- ▶ Major Initiatives at Business Offices

### Wastewater Management and Processing

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

- ▶ Major Initiatives at Business Offices

### Managing and Recycling Waste

#### Reducing Waste and Promoting a Stable Recycling Rate

Sysmex 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 fertilizers, which is offered to food growers, to reduce food waste 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

Sysmex 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.

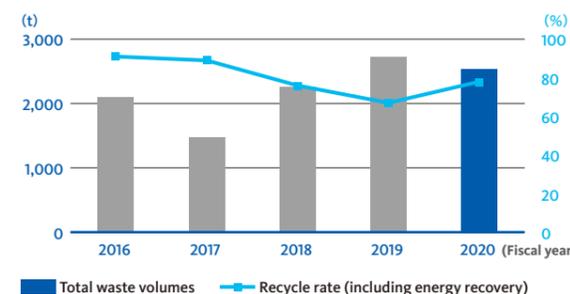
### Fiscal 2020 Results

As the recycling rate improved at our sites abroad, including those in the Americas, our overall recycling track record ended up at 78% against the recycling rate of 93% or more targeted in Sysmex Eco-Vision 2025.

We will continue to promote initiatives aimed at achieving our targets, including the enforcement of measures to improve the recycling rate at each of our business sites.

- ▶ Status of Sustainability Targets

Total waste volumes and recycle rate



- ▶ Initiatives to Reduce Waste in Logistics and Packaging

- ▶ Major Initiatives at Business Offices

### Managing Harmful Substances

#### Managing Chemical Substances

Sysmex 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.

#### 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.

## WHY IT IS IMPORTANT

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

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

## POLICY

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

- ▶ Corporate Governance
- ▶ Policies for compliance/risk management

- P52 Compliance Management
- P54 Compliance Promotion Initiatives
- P56 Respect for Human Rights
- P58 Risk Management Structure
- P59 Response to Risks Related to Business Continuity
- P60 Enhancing Information Security

## FRAMEWORK

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

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

- ▶ Sysmex Report (Corporate Governance)

**Results**  
(fiscal 2020)



12

Number of internal reports



5

Number of unethical incidents



2,720

Number of information security trainees



# GOVERNANCE

Materiality

# Compliance Compliance Management

## Group Policy

### Pursuing Open and Aboveboard Business Activities

Based on our Group philosophy, the “Systemex 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. This was not only provided in Japanese but was translated into many languages, including English, so that 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 in terms of damaging social trust. Under our company’s Group-wide risk management structure, we have established a Compliance Committee as the umbrella organization to promote and enhance compliance. 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 while the Compliance Committee monitors Group-wide activities. The compliance promotion structure receives checks from third parties for internal control purposes.

If there is a major compliance violation that has or could have a significant impact on a company or the Group, each Group company compliance officer via the Compliance Committee chair reports to the Internal Control Committee chair (CEO) and the Audit and Supervisory Committee members who are members of the Managing Board. Furthermore, information is disclosed regarding occurrences based on information disclosure regulations. There were five unethical incidents in fiscal 2020, but none of them were significant violations.

▶ [Corporate Governance Structure](#)  
▶ [Corporate Governance Report](#)

## Internal Reporting System

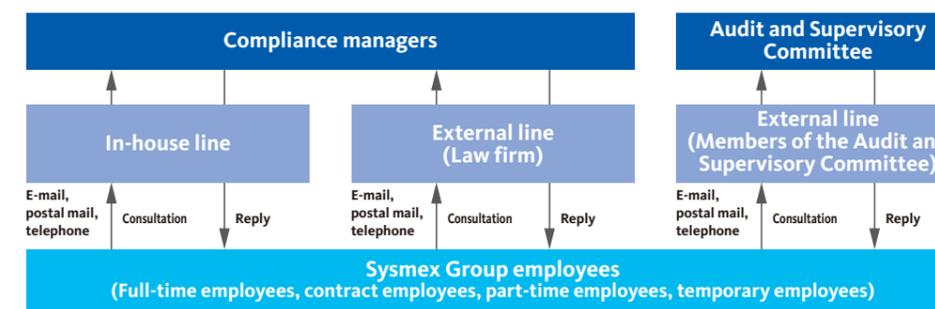
Sysmex has established and runs an internal reporting system for all Group companies. In Japan, we have set up an internal reporting system known as “Campanula Lines”. Through this system, we offer field consultations related to compliance-related issues such as bribery and human rights abuses, and we 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 Audit and Supervisory Committee members who are also members of the Managing Board, which 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 2020, the number of internal reports received from Japan and overseas was 12. We conducted investigations regarding these reports and dealt with each of them appropriately.

### 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.

The “Campanula Lines” Internal Reporting System



## Compliance Education

### Providing Continuous Education on Compliance

Sysmex views employee education and awareness activities as the foundation of promoting and ensuring compliance, and we continuously conduct education. During new employee and rank-based training, we take the opportunity to foster compliance with the Global Compliance Code. In fiscal 2020, we conducted global compliance training in various languages for all Group employees in order to raise Group-wide awareness of particularly important topics such as

“the code of conduct and ethics” and “prevention of bribery and corruption”.

We are expanding our educational tools to provide more detailed explanations of the Global Compliance Code on such themes as promoting fair trading and prohibitions against bribery, insider trading, and discrimination or harassment. These are applied through autonomous, planned educational and awareness efforts within individual divisions and companies.

▶ [Education regarding Fair Marketing Activities](#)  
▶ [Education and Training on Understanding Respect for Human Rights](#)  
▶ [Diversity Education](#)

## Materiality

## Compliance

## 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 among the risks, and we are working toward risk reduction. Additionally, Item 10 of the Global Compliance Code, “To Maintain Sound Relationships with Society”, clearly prohibits acts of corruption and the global anti-bribery regulations applicable to all Group companies cover topics such as specific banned activities, due diligence, the provision of education, and management systems. In these ways, we promote initiatives for Group-wide compliance.

- ▶ [Global Compliance Code](#) 
- ▶ [Overview of Anti-Bribery Regulations](#) 

## Transparency in Relationships with Medical Institutions

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, etc. 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.

- ▶ [Information on Funding Provided to Medical Institutions](#)
- ▶ [Information on Funding Provided to Medical Institutions \(Details on the Japan region\)](#) (Japanese) 
- ▶ [Japan Association of Clinical Reagents Industries “Guidelines on Transparency of Relationships between Corporate Activities and Medical Institutions”](#) (Japanese) 

## Research Ethics

## Implementation of Appropriate Research and Development Activities

As defined in Item 4 of the Global Compliance Code, “Implementation of Appropriate Research and Development Activities”, when carrying out research and development, 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.

- ▶ [Global Compliance Code](#) 
- ▶ [Group Ethics Regulations on Clinical Research and Development](#)
- ▶ [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)

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

## 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 2020, we provided training sessions based on the Sysmex Promotion Code titled “Recent examples of scandals”, “Sales information provision activities”, and “Fundamental knowledge of laws and ordinances related to bidding and collusion” for about 200 employees in sales departments at our regional headquarters in Japan and East Asia.

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

## Tax Strategy

Sysmex has established Item 7 of the Global Compliance Code, “To Conduct Proper Accounting and Appropriate Tax Payments”, as a measure to heighten tax transparency. This section describes how, in transactions with foreign affiliated companies, we calculate appropriate transfer prices in accordance with the OECD Transfer Pricing Guidelines and the transfer pricing tax system in each country. The text also states that tax havens shall not be used solely for the purpose of tax avoidance or benefit. In addition, we disclose Group payments of taxes in financial and other reports, as well as the reasons for any discrepancies from effective statutory tax rates.

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

## Tax Strategy in the United Kingdom

- ▶ [UK Tax Strategy](#) 

## Respect for Intellectual Property

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

- ▶ [Global Compliance Code](#) 

## 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. Sysmex has established the Security Trade Control Committee, which is under the direct control of the CEO, to prevent illegal exports. We have also assigned people at overseas regional headquarters to oversee security trade control, and we have 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.

- ▶ [Global Compliance Code](#) 

## Materiality

## Compliance

## Respect for Human Rights

Policies and Initiatives Related to  
Respect for Human RightsParticipating 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 its zero tolerance policy regarding discrimination, harassment, forced labor, and child labor. We also conduct various types of training to ensure employee awareness of these matters. Sysmex began participating in the UN Global Compact in 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.

▶ [Global Compliance Code](#) 

Identifying Risks to Human Rights  
(Human Rights Due Diligence)

In accordance with Item 8 of our Global Compliance Code, "To Respect Human Rights and to Improve Occupational Health and Safety", we believe it is necessary to conduct "human rights due diligence". This involves identifying negative impacts on human rights and preventing or reducing them via our business activities throughout 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 the 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.

▶ [Strengthening of Supply Chain Management](#)  
▶ [Anti-Slavery and Human Trafficking Policy](#) 

Consultation and Reporting Systems  
Related to Human Rights

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

▶ [Internal Reporting System](#)

Education and Training on Understanding  
Respect for Human RightsConducting 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 2020, in addition to conducting an e-learning session on harassment as part of our global compliance training for all Group employees, we provided training on harassment, including that of LGBTQ\* persons, and labor management on a continuing basis, to approximately 170 newly appointed managers at Sysmex Corporation and some of our Group companies in Japan. We also conducted training for new employees and mid-career recruits.

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

▶ [Compliance Education](#)

Upholding the Freedom of Labor  
Association and Recognizing the Right to  
Collective BargainingParticipating in the UN Global Compact and  
Supporting the ILO's Core Labour Standards

Sysmex 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 Sysmex Corporation employees, except executive employees and some in managerial posts, are members of the Sysmex Union, the in-house labor union. In fiscal 2020, membership consisted of 61% of employees. Labor unions have also been formed at overseas Group companies, including Jinan Sysmex, Sysmex Vietnam, and HYPHEN BioMed.

## Labor-Management Dialogue

Dialogue between Labor and Management at  
Group Companies

Each year, Sysmex Corporation engages in collective bargaining with the Sysmex Union. In fiscal 2020, in addition to regular council meetings, labor and management met to discuss the productivity improvement through the optimization of working hours and streamlining of operations, the working environment of diverse employees and the personnel system, responses to a change in environment due to the COVID-19 pandemic, and the promotion of health and productivity management.

Our Group companies also participate in labor-management dialogues. Sysmex CNA has set up an employee group that consists of departmental representatives to discuss topics quarterly such as work environments, management of work hours, and the status of paid leave acquisition.

Materiality

Risk Management

Risk Management Structure

Risk Management Structure

Promoting Risk Management by Establishing a Dedicated Committee

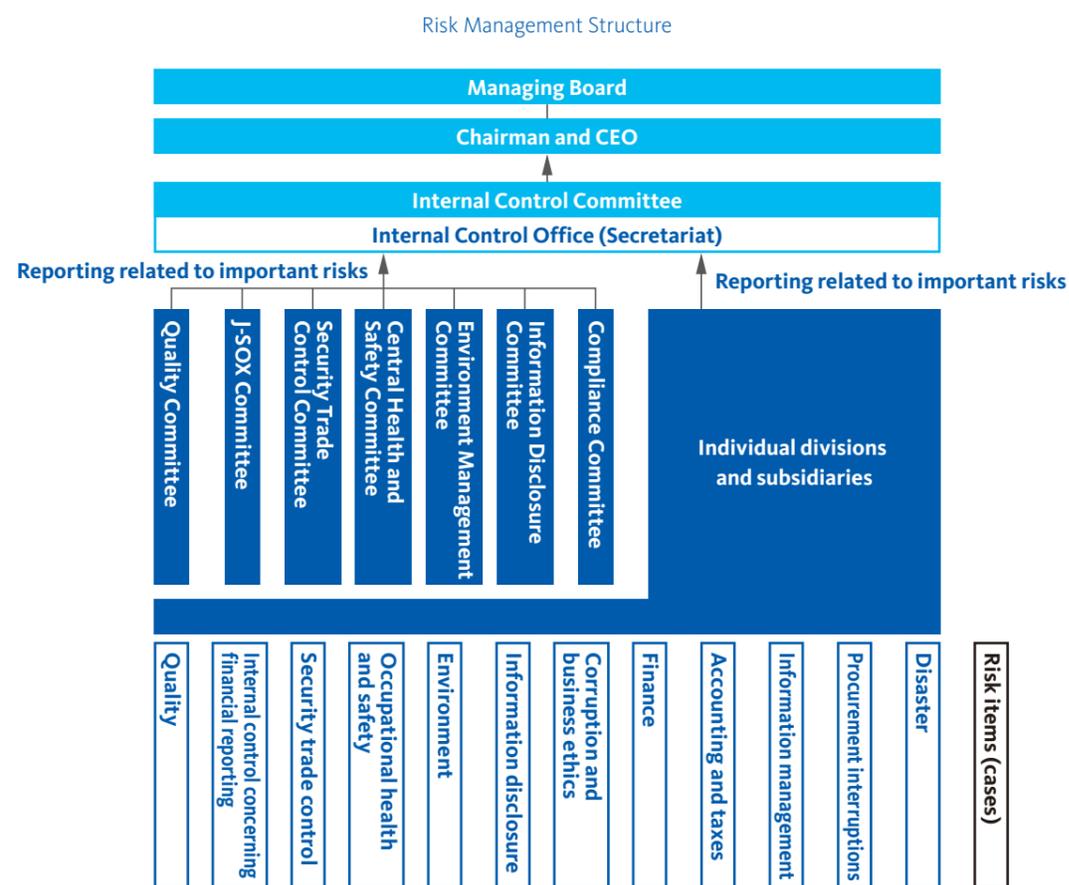
Systemx established the Internal Control Committee to supervise risk management for the Group as a whole and promotes all risk management activities, including strategic risks. The committee is chaired by the CEO, and its members include relevant executive officers and Audit and Supervisory Committee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

By regularly assessing risks involved in such items as 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 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.

- ▶ Corporate Governance
- ▶ Sysmex Report (Risk Management)



	Normal times	Times of emergency
■ Internal Control Committee	Response to significant risks, supervision of Group risk management	Response to crises
■ Individual divisions and subsidiaries	Risk assessment, operational risk measures	Response to operational risks
■ Individual committees	Routine risk management	Response to operational risks

Materiality

Risk Management

Response to Risks Related to Business Continuity

Establishment of Business Continuity Plan (BCP)

Response to Major Disasters

Systemx has formulated business continuity plans (BCPs) for production, procurement, and other functions to ensure the continuity of important operations in the event of an earthquake, storm and flood damage, 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. We periodically review BCPs and other regulations and manuals that were formulated, and work to raise awareness and make improvements through the training of 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 recent years, there have been increased occurrences of earthquakes, localized storms, and flood damage. However, each time a disaster occurs, we are able to assess the impact rapidly to ensure that product supply is continuous.

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. Systemx 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 sufficient items for every employee. We also periodically provide education and simulation training regarding disaster prevention and response through our e-learning programs to raise the awareness of each employees.

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 if a disaster renders our regular systems inoperable.

Response to COVID-19

In response to COVID-19, we set up an anti-disaster project at the beginning of the pandemic to ensure the 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. We established a response flow in the event there is a positive case in the Company and have put in place a structure that enables us to respond immediately. The work to ensure a steady product supply was led by the production and SCM departments to ascertain our suppliers' situations and to quickly obtain a clear picture of the impact on our products. We thus strive 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 to 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 employees (including part-time and temporary workers) across the Group and helps keep them employed.

- ▶ Other Responses to COVID-19

Materiality

Risk Management

# Enhancing Information Security

## Enhancing Product Security and Information and Cyber Security

### Product Security Initiatives

Systemex has established the Product Security Policy for our products and services used by customers and has established a Product Security Incident Response Team (PSIRT) to manage product design and manufacturing as well as post-marketing vulnerabilities.

Sensitive information obtained from our customers and those who have cooperated in our research and development and experiments (including individual, patient, and test subject information), as well as advanced, original technology regarding products and intellectual property are considered important information assets for management, and necessary measures are taken to prevent information leakages and internal fraud.

### Information and Cyber Security Initiatives

We formulated the Global Information Security Regulations (Information Security Policy) to establish a Group-wide information security management framework under the supervision and management of a senior executive officer and senior managing director who acts as Information Security Officer, thereby controlling and managing security with the DX Strategy Development Division at its core. We also established a Systemex Computer Security Incident Response Team in fiscal 2020 to enhance our initiatives.

In terms of cooperating with outside organizations, we participate in the Medical Device Cyber Security Council, which is made up of the Ministry of Health, Labour and Welfare, hospitals, and domestic medical device manufacturers. We are also affiliated with the Nippon CSIRT Association and share information regarding threats from emergencies and significant incidents.

Internally, we implemented specific measures including rigorous management and regular review of access to information, regular updates to security patches, login restrictions by biometric authentication (facial and fingerprint recognition) for laptop computers and mobile devices on loan from the Company, and review of installed applications. In addition to these continuous operational and control measures, we also installed endpoint detection and response (EDR) for PCs and server devices as part of our ransomware countermeasures (endpoint technology measures).

## Information and Cyber Security Education

At Systemex, we provide annual e-learning training on information security for all our Group employees as well as our temporary employees and independent contractors. Furthermore, beginning in fiscal 2021, the number of participants attending information literacy education was set as a monitoring index within the sustainability targets, enabling us to work toward improving our information security level.

## Acquiring Certification Regarding Information Security

Our Skyfront Research Campus (Kawasaki-ku, Kawasaki) obtained ISO 27001 certification related to our Information Security Management System (ISMS), and Systemex is enhancing its information security management to conduct research involving gene sequences and other personal information. Additionally, the service and support division at Systemex CNA has also received the same certification, ensuring the confidentiality, completeness, and availability of the information it handles.

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

Materiality

Stakeholder Engagement

# Communication with Stakeholders

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

Stakeholder	Society's Requirement Related to Business	Main Dialogue with Stakeholders	Related Articles
Customers	<ul style="list-style-type: none"> <li>- Ensuring the quality and safety of products and services</li> <li>- Enhancing customer satisfaction through products and services</li> <li>- Stable supply</li> <li>- Creating innovative products and services</li> </ul>	<ul style="list-style-type: none"> <li>- Customer Support Center (for inquiries)</li> <li>- Customer Satisfaction Survey</li> <li>- Collection of the voice of the customer (VOC)</li> <li>- Customer training/user meetings</li> <li>- Scientific seminars</li> <li>- Website/social media</li> </ul>	<ul style="list-style-type: none"> <li>▶ <a href="#">Quality and Safety Information (P17)</a></li> <li>▶ <a href="#">Enhancing Customer Satisfaction (P18)</a></li> <li>▶ <a href="#">Enhancing Service and Support (P19)</a></li> <li>▶ <a href="#">Scientific Activities (P20)</a></li> </ul>
Employees	<ul style="list-style-type: none"> <li>- Ensuring long-term employment</li> <li>- Fair treatment in accordance with employees' achievements</li> <li>- A workplace that enables employees to fulfill their potential</li> <li>- Accepting diversity</li> <li>- Providing opportunities for self-fulfillment and personal development</li> </ul>	<ul style="list-style-type: none"> <li>- Corporate Culture Survey/mental health checkup</li> <li>- Voluntary reporting system (survey on employee's visions of career design)</li> <li>- Diversity roundtable discussions</li> <li>- Briefings and meetings to exchange views on the personnel system and human resource development system</li> <li>- Internal reporting system</li> <li>- Labor and management council</li> </ul>	<ul style="list-style-type: none"> <li>▶ <a href="#">Accommodating Diverse Working Styles (P26)</a></li> <li>▶ <a href="#">Promotion of Diversity and Inclusion (P28)</a></li> <li>▶ <a href="#">Autonomous Career Development (P30)</a></li> <li>▶ <a href="#">Our Efforts toward Health Enhancement (P33)</a></li> <li>▶ <a href="#">Compliance Promotion Structure (P52)</a></li> <li>▶ <a href="#">Labor-Management Dialogue (P57)</a></li> </ul>
Business Partners	<ul style="list-style-type: none"> <li>- Fair and equitable dealing</li> <li>- Synergistic growth through mutual trust and dedicated work</li> </ul>	<ul style="list-style-type: none"> <li>- CSR surveys of suppliers</li> <li>- Supplier visits</li> <li>- Meetings with/visits to distributors</li> <li>- Training sessions for suppliers</li> </ul>	<ul style="list-style-type: none"> <li>▶ <a href="#">Supply Chain Management (P21)</a></li> </ul>
Shareholders and Investors	<ul style="list-style-type: none"> <li>- Ensuring sound and transparent management</li> <li>- Commitment to reliable and innovative management</li> <li>- Maintaining sustainable growth potential</li> <li>- Finding a balance between the sustainability of the company and society</li> <li>- Active information disclosure (transparency)</li> </ul>	<ul style="list-style-type: none"> <li>- General meetings of shareholders and social events for shareholders</li> <li>- Technology presentation for institutional investors and analysts</li> <li>- Orientation briefings/company tours for individual investors</li> <li>- Business results briefings</li> <li>- Conference calls</li> <li>- Investor visits</li> </ul>	<ul style="list-style-type: none"> <li>▶ <a href="#">IR information</a></li> </ul>
Society	<ul style="list-style-type: none"> <li>- Contributing to advances in the field of healthcare and the development of a healthy society</li> <li>- Helping resolve issues facing local communities</li> <li>- Reducing environmental burdens through business activities</li> <li>- Encouraging employees to get involved in corporate citizenship activities</li> </ul>	<ul style="list-style-type: none"> <li>- Collaboration with government agencies and international organizations</li> <li>- Participation in industry groups</li> <li>- Participation in local communities</li> </ul>	<ul style="list-style-type: none"> <li>▶ <a href="#">Improvement in Accessibility to Healthcare (P10)</a></li> <li>▶ <a href="#">Transparency in Relationships with Medical Institution (P54)</a></li> <li>▶ <a href="#">Corporate Citizenship Activities (P36)</a></li> </ul>

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

## External Evaluations

# Evaluations and Results Related to Sustainability

### Selection for Global Sustainability Indices

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

#### • Dow Jones Sustainability World Index (fiscal 2016–)

#### • Dow Jones Sustainability Asia Pacific Index (fiscal 2012–)

An ESG investment index published by S&P Dow Jones Indices of the U.S. 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.

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

#### • FTSE4Good Index (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 (fiscal 2017–)

FTSE Russell of the United Kingdom selects Japanese companies based on superior responses related to ESG matters. The index uses FTSE4Good standards derived from international standards, such as SDGs.



#### • MSCI ESG Leaders Indexes (fiscal 2011–)

#### • MSCI SRI Indexes (fiscal 2013–)

An ESG investment index developed by MSCI Inc. of the U.S. Morgan Stanley Group. Companies are selected based on an evaluation that includes a focus on ESG issues considered important by various Indices based on the industry characteristics of the companies it targets.



#### • MSCI Japan ESG Select Leaders Index (fiscal 2017–)

An ESG investment index of MSCI of the United States. This index selects companies with relatively high ESG ratings in individual sectors from among the top 500 Japanese stocks by market capitalization.

2021 CONSTITUENT MSCI JAPAN  
ESG SELECT LEADERS INDEX

#### • MSCI Japan Empowering Women Index (WIN) (fiscal 2017, 2019–)

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

2021 CONSTITUENT MSCI JAPAN  
EMPOWERING WOMEN INDEX (WIN)

#### • S&P/JPX Carbon Efficient Index (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).



#### • "Prime" status given by ISS ESG (fiscal 2019–)

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



#### • Ethibel Excellence (fiscal 2011–)

#### • Ethibel Pioneer (fiscal 2014–)

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



#### • Ethibel Sustainability Index (ESI) (fiscal 2015–)

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



#### • Global 100 (100 Most Sustainable Corporations in World) (2012, 2016, 2017, and 2021)

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



#### • Euronext Vigeo Eiris World 120 Index (fiscal 2018–)

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



#### • SOMPO Sustainability Index (fiscal 2018–)

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



## Performance Data

# Social Data

### Customers

Item	Fiscal 2018	Fiscal 2019	Fiscal 2020	Related Articles
Inquiries received by the Sysmex Customer Support Center	86,906	86,716	80,885	Pursuit of Quality and Trust
Customer satisfaction rating in the United States* (On a scale of 1 to 10) * Research by IMV ServiceTrak	9.37	9.22	9.28	

### Employees

► “Realization of an Attractive Workplace” on the Status of Sustainability Targets

### Other Results<sup>1</sup>

Item	Fiscal 2018	Fiscal 2019	Fiscal 2020	Related Articles	
Employees taking childcare leave	Of which, women	40	33	32	Provision of a Comfortable Working Environment
	Of which, men	3	11	27	
Employees taking shorter work hours for childcare	Of which, women	56	70	81	
	Of which, men	2	1	1	
Employees taking nursing care leave	Of which, women	1	2	1	
	Of which, men	1	1	0	
Percentage of employees returning after childcare leave	Of which, women	99	98	100	
	Of which, men	100	100	100	
Employees taking accumulated paid leave	130	129	84		
Employees in work-at-home arrangements	112	134	142		
Employees in flex-time arrangements	2,008	2,600	2,668		
Children in in-house daycare center	Total during year	32	25	17	
	At fiscal year-end	26	22	17	
Reemployment of personnel leaving for reasons of childcare or nursing care	New registrants	2	2	3	
	Employees reemployed	1	1	0	
	Percentage of reemployment	50	50	0	
Turnover (Regular employees only, excluding people who have reached the mandatory retirement age)	Turnover (employees)	86	67	57	
	Turnover ratio (%)	3.79	2.89	2.39	
Female managers ratio (Percentage of women at director level or above)	(%)	8.1	7.8	7.9	Promotion of Diversity and Inclusion
Reemployment of workers after mandatory retirement	Applicants	18	32	17	
	Employees reemployed	18	31	17	
	Percentage reemployment	100	97	100	

Item	Fiscal 2018	Fiscal 2019	Fiscal 2020	Related Articles	
Newly graduated recruits <sup>2</sup>	Total	62	77	52	Development of Human Resources
	Of which, men	32	45	35	
	Of which, women	30	32	17	
	Of which, non-Japanese	5	12	4	
Mid-career hires <sup>2</sup>	Total	48	63	76	
	Of which, men	36	43	64	
	Of which, women	12	20	12	
	Of which, non-Japanese	0	2	6	
Promotion to regular employees <sup>2</sup>	Contract employees	13	22	18	
	Temporary employees	10	10	3	
	Total	23	32	21	
Number of interns accepted	Total	125	144	594	
	Of which, non-Japanese	6	13	0	
Training results	Average training cost per employee (yen)	10,300	98,000	63,000	
	Average training time per employee (hours)	28.9	27.7	34.0	
	Number of training programs	26	27	82	
Industrial accidents <sup>2</sup>	Work-related deaths	0	0	0	Promotion of Health and Occupational Safety
	Work-related injuries	5	2	2	
	Lost-time injuries frequency rate	0.89	0.86	0.67	
	Lost work day rate	0.06	0.08	0.06	
	Total workdays lost	325	458	336	
	Total actual number of working hours	5,612,498	5,828,206	5,987,268	

<sup>1</sup> Target: Sysmex Corporation on a non-consolidated basis

<sup>2</sup> Some figures have been revised from previous reporting.

Item	Fiscal 2018	Fiscal 2019	Fiscal 2020
Employees (people) <sup>1</sup>	2,049(501)	2,108(512)	2,175(552)
Average age (years old)	41.1	41.2	41.4
Average number of years of employment (years)	12.3	12.4	12.5
Average annual salary (thousands of yen) <sup>2</sup>	7,822	8,002	7,390

<sup>1</sup> 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.

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

## Performance Data Environmental Data

### Material Balance

Item		Fiscal 2018	Fiscal 2019	Fiscal 2020	Target	
Percentage of men and women in the Group	Japan	Men (%)	58.4	57.7	57.0	Regular employees, employees on loan, contract employees (excluding executives and temporary employees)
		Women (%)	41.6	42.3	43.0	
	Americas	Men (%)	61.1	60.9	61.2	
		Women (%)	38.9	39.1	38.8	
	EMEA	Men (%)	55.2	57.1	54.1	
		Women (%)	44.8	42.9	45.9	
	China	Men (%)	66.0	67.3	66.5	
		Women (%)	34.0	32.7	33.5	
	Asia Pacific	Men (%)	61.9	58.7	61.9	
		Women (%)	38.1	41.3	38.1	

Item		Fiscal 2018	Fiscal 2019	Fiscal 2020	Target	
Number of Group employees	Japan	Of which, men	2,071	2,107	2,180	Regular employees, employees on loan, contract employees (excluding executives and temporary employees)
		Of which, women	1,475	1,598	1,646	
	Americas	Of which, men	731	755	769	
		Of which, women	465	494	488	
	EMEA	Of which, men	1,355	1,388	1,446	
		Of which, women	1,099	1,154	1,227	
	China	Of which, men	452	527	520	
		Of which, women	233	256	262	
	Asia Pacific	Of which, men	516	583	602	
		Of which, women	318	369	370	
	Total		8,715	9,231	9,510	

### Corporate Citizenship Activities

Item	Scope	Fiscal 2018	Fiscal 2019	Fiscal 2020
Expenditures for corporate citizenship activities	Systemx Corporation	Approximately 530,000,000	Approximately 460,000,000	Approximately 303,000,000

INPUT				
		Fiscal 2018	Fiscal 2019	Fiscal 2020
	Electricity (thousand kWh)*	41,958	51,255	48,158
	City gas (thousand m³)	1,097	1,108	1,212
	LPG (t)	19	19	16
	LNG (t)	57	0	0
	Heavy oil (kL)	0	0	0
	Kerosene (kL)	29	24	1
	Diesel oil (kL)	38	24	13
	Gasoline for fleet in Japan (kL)	619	604	518
	Diesel for fleet in Japan (kL)	18	10	10
	Water use volume (thousand m³)	449	512	452
	Office paper (t)	38	36	30
	PRTR (t)	0	0	0



OUTPUT				
		Fiscal 2018	Fiscal 2019	Fiscal 2020
	Greenhouse gas emissions from business locations (t-CO <sub>2</sub> )	22,349	24,375	18,283
	Greenhouse gas emissions from fleet in Japan (t-CO <sub>2</sub> )	1,483	1,428	1,227
	Waste emissions (t)	2,255	2,722	2,529
	Recycling rate (%)	76	67	78
	Wastewater volume (thousand m³)	292	287	270
	PRTR (t)	0	0	0

\* Some figures have been revised from previous reporting.

Performance Data

Environmental Performance Data

Item	Content		Unit	Scope <sup>1</sup>	Fiscal 2016	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Coverage <sup>2</sup>	Calculation Method and Other Notes	
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	37,193	38,399	40,670	44,551	42,287	84%	
			City gas	1000 m <sup>3</sup>		1,474	600	1,097	1,108	1,212		
			LPG	t		21	24	19	19	16		
			LNG	t		0	0	57	0	0		
			Heavy oil	kL		0	35	0	0	0		
			Kerosene	kL		31	29	29	24	1		
		Diesel oil	kL	21		17	38	24	13			
	Consumption of renewable energy	Electricity (renewable)	1000 kWh	210	1,302	1,288	6,704	5,871				
	Total consumption		GJ	440,124	414,136	461,370	496,798	498,657	Total consumption = Σ (consumption by energy type × conversion factor <sup>4</sup> )			
	Consumption of other non-renewable energy	Gasoline (fleet)	kL	Major business locations, instrument factories, reagent factories, sales offices, and other business sites in Japan	734	689	619	604	518	37%		
Diesel oil (fleet)		25			23	18	10	10				
Water use volume	Groundwater	1000 m <sup>3</sup>	Major business locations, instrument factories, and reagent factories in Japan; major business locations, factories, and other business sites in other countries	58	53	65	75	86	84%	Groundwater intake		
	Purchased water			348	365	384	437	366				
	Total volume			406	418	449	512	452				
Amount of office paper used		t	Major business locations, instrument factories, and reagent factories in Japan	42	45	38	36	30	37%			
PRTR input		t	Major business locations, instrument factories, reagent factories, sales offices, and other business sites in Japan	0	0	0	0	0	37%	The amount of PRTR substances handled at business sites that handle chemicals in Japan		
OUTPUT	Greenhouse gas emissions Scope 1 <sup>3</sup>	CO <sub>2</sub> emissions of energy consumption from stationary combustion sources		t-CO <sub>2</sub>	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 <sub>2</sub> emissions from fleet comprises vehicles in Japan only.)	3,559	1,749	2,964	2,665	2,807	84%	Emissions = Σ (fuel consumption × CO <sub>2</sub> emission factor <sup>5</sup> )
		CO <sub>2</sub> emissions from fleet				1,768	1,661	1,483	1,428	1,227		
		Total emissions				5,327	3,410	4,447	4,093	4,034		
	Greenhouse gas emissions Scope 2 <sup>3</sup>	Total emissions		t-CO <sub>2</sub>	19,201	20,438	19,385	21,710	15,476	84%	Emissions = Σ (purchased electricity consumption × CO <sub>2</sub> emission factor <sup>6</sup> ) + Σ (purchased steam consumption × CO <sub>2</sub> emission factor <sup>6</sup> )	
	Scope 1+2	Total emissions		t-CO <sub>2</sub>	24,528	23,848	23,832	25,803	19,510			
	Greenhouse gas emissions Scope 3 <sup>3</sup>	CO <sub>2</sub> emissions from logistics		t-CO <sub>2</sub>	Sysmex Corporation	19,573	16,711	21,571	18,547	16,691	-	Emissions = Σ (freight weight × transport distance × CO <sub>2</sub> emissions intensity <sup>7</sup> ) Shipment in Japan: CO <sub>2</sub> emissions due to physical distribution from warehouses in Japan to customers in Japan, etc. (including branches and sales offices) Overseas shipment: CO <sub>2</sub> emissions due to physical distribution from warehouses in Japan to ports and airports in other countries
	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	2,106	1,482	2,255	2,722	2,529	82%	Waste emissions = general waste emissions + industrial waste emissions
		Total emissions (excluding sales offices in Japan)				1,436	1,361	2,117	2,591	2,411		
		Waste used for material recycling				814	1,044	1,264	1,560	1,711		
		Recycled waste (including energy recovery)				1,309	1,213	1,617	1,744	1,884		
Total amount of waste disposal		128	148			500	847	527				
Material recycling rate		57	77			60	60	71				
Recycling rate (including energy recovery)		91	89	76	67	78						
Wastewater volume	Total emissions		1000 m <sup>3</sup>	Major business locations, instrument factories, and reagent factories in Japan; major business locations, factories, and other business sites in other countries	189	273	292	287	270	84%		
PRTR output	Emissions		t	Major business locations, instrument factories, reagent factories, sales offices, and other business sites in Japan	0	0	0	0	0	37%	Amount of PRTR emitted from business sites that handle chemicals in Japan	
	Transfers				0	0	0	0	0		Amount of PRTR transferred from business sites that handle chemicals in Japan	

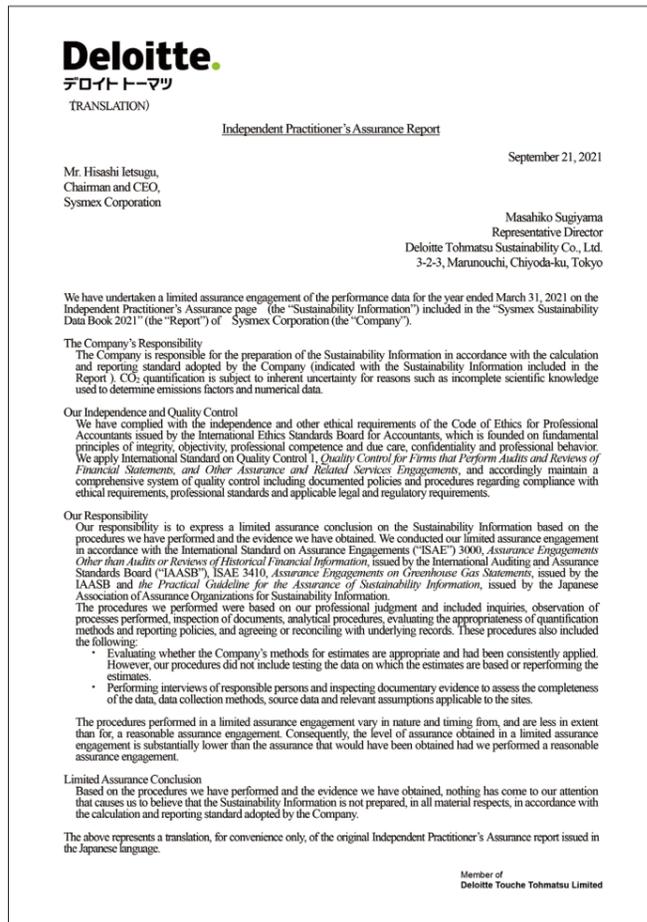
Item	Content		Unit	Scope <sup>1</sup>	Fiscal 2016	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Coverage <sup>2</sup>	Calculation Method and Other Notes
Compliance	Violations of environmental regulations (e.g., air and water pollution)	Total amount of large fines	100 million yen	Major business locations, instrument factories, reagent factories, sales offices, and other business sites in Japan; major business locations, factories, and other business sites in other countries	0	0	0	0	0	100%	
		Number of sanctions other than fines	Cases		0	0	0	0	0		
	Significant spills and losses of chemical substances	Total number of cases	Cases		0	0	0	0	0		
		Total leakage volume	t		0	0	0	0	0		

- Results in respective years cover the scopes shown for respective indicators.  
See below for details on the scopes for fiscal 2020.  
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
- Coverage is calculated based on net sales by company.
- Scope 1: GHG emitted directly by company facilities, factories, and fleet.  
Scope 2: GHG emitted indirectly by the company due to energy use  
Scope 3: GHG emitted throughout the value chain in relation to products and services
- Conversion factors and emission factors are based on the "Act on Promotion of Global Warming Countermeasures."
- Japan: Adjusted emission factors from the list of emission factors for each electric power company released in accordance with the "Act on Promotion of Global Warming Countermeasures" (For submission in 2020)  
Other countries: 2018 emission factors from the IEA Emission Factors 2020, IEA.  
In fiscal 2020, calculation methodology changed to the latest emission factors. The following emission factors were used previously.
  - Japan (fiscal 2016–2019): Adjusted emission factors from the list of emission factors for each electric power company released in accordance with the "Act on Promotion of Global Warming Countermeasures" (For submission in 2017)
  - Other countries (fiscal 2016–2017): GHG Protocol 2005
  - Other countries (fiscal 2018–2019): 2016 emission factors from the Emissions from Fuel Combustion 2018, IEA
- Emissions intensity is based on the "Common Guidelines for the Method of Calculating CO<sub>2</sub> Emissions in the Logistics Field Ver. 3.1."

# 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 2021 in the Japanese version.



### Scope of Assurance:

Performance data		FY2020 results	Scopes and calculation methods
Society	Female managers ratio	7.9 %	Sysmex Corporation Percentage of women at director level or above (as of March 31, 2021)
Environment	Greenhouse gas emissions Scope 1 (CO <sub>2</sub> emissions of energy consumption from stationary combustion sources, and CO <sub>2</sub> emissions from fleet)	4,034 t-CO <sub>2</sub>	For scopes and calculation methods, refer to page 68–page 70
	Greenhouse gas emissions Scope 2	15,476 t-CO <sub>2</sub>	
	Greenhouse gas emissions Scope 3 (CO <sub>2</sub> emissions from logistics)	16,691 t-CO <sub>2</sub>	
	Water use volume	452 thousand m <sup>3</sup>	
	Industrial waste emissions in Japan	513 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

► Corporate Governance

### Information on Funding Provided to Medical Institutions\*

#### Japan

(Amount: 1,000 JPY)

Category	Details	Fiscal 2017	Fiscal 2018	Fiscal 2019
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	297,106	393,458	335,606
Academic research support	Expenses for scholarships, general and academic conference donations, as well as academic conference co-sponsoring expenses	312,138	299,657	219,013
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	42,990	47,903	41,890
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	233,292	241,298	177,272
Other expenses	Expenses for receptions and social courtesies	35,902	45,736	30,615
Total amount		921,428	1,028,052	804,396

#### US

Category		2018	2019	2020
Relevant payments or transfer of value	Number	667	265	31
	Amount	US \$152,027	US \$146,234	US \$197,763
Research	Number	9	9	4
	Amount	US \$228,092	US \$179,685	US \$21,568

## France

Category		2018	2019	2020
Relevant payments or transfer of value	Number	351	239	53
	Amount	€ 27,603	€ 15,416	€ 4,332
Remuneration	Number	7	8	9
	Amount	€ 58,500	€ 13,883	€ 75,930
Contracts	Number	19	10	17

## Belgium

Category		2018	2019	2020
Relevant payments or transfer of value	Number	7	0	0
	Amount	€ 9,261	0	0

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

## 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