

# Contributing to Sustainability through Our Business Activities

## Shimadzu Group Sustainability Management

Ever since its founding, Shimadzu has remained committed to solving challenges in society through our business activities and engaging in business practices that reflect our responsibilities as a member of society. The Shimadzu Group will continue to engage in sustainability management practices in accordance with the Shimadzu Group Sustainability Charter, which was created based on our corporate philosophy, management principles, and the following three criteria.

- 1) Sustainability of the global environment and society
- 2) Sustainability and growth of Shimadzu Group business activities
- 3) Improvement in employee health and engagement



### Global Environment and Society

#### (1) Sustainability of the Global Environment and Society

- Global environmental protection
- Long and healthy life expectancies for people around the world
- Industrial development and a safe and secure society

### Shimadzu Group

#### (2) Sustainability and Growth of Shimadzu Group Business Activities

- Stronger capabilities for supplying social value through business activities
- Addressing and preventing factors that inhibit business sustainability
- Stronger value chains that are unified with suppliers



### Employees

#### (3) Improvement in Employee Health and Engagement

- Improved health management, diversity management, and employee satisfaction
- Development of global human resources
- Increased awareness of the Shimadzu corporate principle and sustainability management practices instilled throughout the company



## Shimadzu Group Sustainability Charter

SHIMADZU CORPORATION will create a bright future by engaging in company activities based on two principles - "solve the challenges of society through business operations" and "engage in activities as a responsible member of society" - while working towards harmony between the earth, society, and people.

The Shimadzu Group will engage in sustainability management practices in order to achieve 1) a sustainable global environment and society, 2) sustainability and growth of the Shimadzu Group's business activities, and 3) improvements in employee health and engagement.

<https://www.shimadzu.com/sustainability/concept/index.html>



## Environment Management

In order to expand business activities by solving environmental problems and increasing corporate value, Shimadzu will engage in measures to reduce CO<sub>2</sub> emissions, recycle resources from business activities throughout the entire value chain, and offer innovative products and solutions in environmental and alternative energy fields. In addition, we will engage in biodiversity conservation and forestation activities.

### Five Measures for Shimadzu Group Environmental Management

#### (1) Measures to Address Climate Change

In addition to actively introducing renewable energy sources, such as solar power generation and installing smart meters to improve energy efficiency by making energy consumption visible, we will focus efforts on reducing the environmental impact of our entire supply chain.



#### (2) Measures to Establish a Recycling-Oriented Society

We will steadily implement 3R practices (reduce, reuse, and recycle) and maintain a 99 % waste recycling rate at all production sites, research laboratories, and other facilities in Japan. We will also work with suppliers to collect plastic waste more efficiently using IoT technology and strengthen our effluent water and other environmental monitoring capabilities.



#### (3) Developing and Supplying Products and Services that Protect the Global Environment

In the environmental testing and alternative energy fields, we will supply products and technologies that help solve the development challenges faced in achieving carbon neutrality. We will reduce our environmental impact throughout the product life cycle by constantly improving energy efficiency and reducing the size of all products.



#### (4) Activities for Biodiversity Conservation

We will deploy a wide range of biodiversity conservation activities, including forestation activities, and organize environmental education classes at schools in cooperation with local communities, educational institutes, and other groups.



#### (5) Actively Promote Environmental Conservation Efforts that Involve All Employees

All employees are actively committed to a variety of environmental initiatives as members of Shimadzu, an environmentally friendly company.



### Towards Carbon Neutrality

Shimadzu adopted TCFD\* recommendations for disclosing climate change-related information and specified science-based targets (SBTs) for the reduction of CO<sub>2</sub> emissions consistent with Paris Agreement temperature targets. In addition, Shimadzu committed to using 100% renewable energies by endorsing the RE100 initiative and is actively engaged in achieving carbon neutrality.

\* An international framework that requires businesses to disclose information related to climate change.



### Acquired Japan Habitat Evaluation Program (JHEP) Certification

The Japan Habitat Evaluation Program provides an objective assessment of biodiversity conservation or biodiversity restoration measures and is accredited by the Ecosystem Conservation Society - Japan. The Shimadzu Forest at Sanjo Works was the first site in Kyoto Prefecture to earn the highest AAA rating.



Shimadzu Forest at the Head Office/Sanjo Works

## Promoting the Use of Diverse Human Resources

### Training Advanced Global Specialists through Industry-Academia Collaboration

Since 2021, Shimadzu and Osaka University have been collaborating on the REACH Laboratories Project, which helps Shimadzu engineers and researchers obtain doctoral degrees. The project dispatches employees recruited from within Shimadzu to work as post-doctoral students under the supervision of a prominent researcher in the REACH laboratory established at the Osaka University Shimadzu Omics Innovation Research Laboratories. In 2023, the project expanded to establish the REACH Project, which is intended to foster human resources and leaders who will ensure that research results are implemented in society. After the Osaka University graduate school students finish their master's program, they are hired as Shimadzu employees for their doctoral program, where they are assigned to work on joint research projects. The scope of research themes has been expanded from traditional scientific fields to fields that integrate science with the humanities or social sciences.



## Health Management

### Promoting the Mental and Physical Health of Every Employee

Shimadzu provides support for employee health management by offering access to full-time public health nurses and counselors who can provide advice or mental health follow-up counseling. To offer the benefits of Shimadzu products and technologies to employees, Shimadzu subsidizes the cost of breast cancer screenings using a dedicated breast PET system and the cost of "MCI Screening Test Plus" testing used to determine the risk of developing mild cognitive impairment (MCI), a preliminary stage of Alzheimer's dementia. In addition to successively extending no-smoking periods, a "kencom" health website, where employees can view information about their health and medication histories, was introduced to encourage employees to proactively adopt healthy habits.

### Selected as a Health Management Brand

Shimadzu Corporation has been selected as a Health Management Brand by the Japanese Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange. Additionally, for the seventh consecutive year, Shimadzu Corporation has been recognized jointly by the Japanese Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi as a "White 500" company, which recognizes large corporations with outstanding health and productivity management practices.



## Supply Chain Management

### Establishing Symbiotic Partnerships with Suppliers

The Shimadzu Group procures parts, materials, and other supplies for manufacturing products from many suppliers globally. Given that procurement is a basic function that serves as the foundation for other business activities, our procurement policy is to engage with fair trade suppliers, build partnerships with them, fulfill our corporate social responsibility (CSR), and conduct transactions based on the fundamental principles of mutual benefit and EQCD (environment, quality, cost, and delivery). In particular, CSR procurement guidelines have been established to specify the issues Shimadzu and its business partners should address together to fulfill our social responsibilities in the five areas of "human rights and labor," "health and safety," "environment," "ethics," and "business continuity plan (BCP)."

We also make every effort to respect human rights and reduce environmental impact throughout our entire supply chain. That includes establishing internal systems that are consistent with international frameworks for conflict minerals. Procurement standards have been specified to ensure compliance with product chemical content regulations in Europe and other countries, and we are actively engaged in Green Procurement practices for purchasing raw materials with a low environmental impact, based on systems for obtaining non-inclusion guarantees, auditing suppliers, and analyzing samples of all types of parts and materials.



## Governance Reforms

### Strengthening Corporate Governance

To achieve sustained growth for the Shimadzu Group and increase corporate value in the medium and long-term, Shimadzu established a Corporate Governance Policy in 2015 that specifies concrete measures for implementing the Corporate Governance Codes in practice.

Furthermore, an Appointment and Compensation Committee was established in 2018 as an optional advisory body to the Board of Directors.

The committee increases the objectivity and transparency of director compensation and appointment processes by deliberating and issuing recommendations regarding such issues in advance of Board of Director decisions.

We have also been strengthening our corporate governance throughout the entire Shimadzu Group by making organizational and corporate culture reforms and by increasing employees' awareness and mindfulness of corporate compliance and sensitivity to risk based on a policy of "prioritizing compliance above all else."

### Corporate Governance System

Type of Organization	Company with Audit & Supervisory Board Members
Number of Directors (Outside Directors)	Eight (including two women and four independent directors)
Number of Audit & Supervisory Board Members (Outside auditors)	Four (including two independent auditors)
Chairperson (internal director)	Chairperson (internal director)
Director Appointment Term	1 year
Appointment and Compensation Committee	Six (with four outside directors) (chaired by an outside director)
Use of Corporate Officer System	Yes (appointed by Board of Directors)
Accounting Auditor	Deloitte Touche Tohmatsu LLC

## CSR

### Shimadzu Award and R&D Grants

#### Shimadzu Science Foundation

The Shimadzu Science Foundation contributes to promoting science and technology. It presents Shimadzu Awards to meritorious individuals involved in science and technology, especially basic research into metrology or related topics, and awards R&D grants to young researchers.



### Training Medical Radiographers

#### Kyoto College of Medical Science

Shimadzu founded the Shimadzu X-Ray Technology Training Center in 1927. This was Japan's first official institution for training X-ray technologists. In 2007, the center reopened as the Kyoto College of Medical Science. Since then, over 4000 people have graduated.



### Contributing to Society through Tennis

Shimadzu supports the development of the tennis community by sponsoring the Shimadzu All Japan Indoor Tennis Championships, one of the three major tennis tournaments held by the Japan Tennis Association, and by holding junior tennis classes.



### Hands-On Analysis School Promotes Interest in Science

Shimadzu established a science school to provide opportunities for elementary, middle, and high school students interested in science. Since its inception in 2007, over 8,000 participants have deepened their interest in science and technology. Classes have even been conducted at Japanese schools in six countries outside Japan, including the United States, the UK, Germany, China, Singapore, and Malaysia.

