

Progress with Management of Sustainability (MOS) Indices

Since FY2011, the MCHC Group has been using the Management of Sustainability (MOS) Indices to quantify and visualize its contribution to sustainability for promoting and enhancing sustainability.

The MOS Indices are divided into three categories: items related to the global environment, items related to healthcare, and items related to corporate responsibility initiative. We are monitoring the progress of each index on a quantitative basis converted from original point systems.

In FY2020, our activities resulted in an annual target achievement rate of 60%, earning 181 points. We are intensifying our efforts to improve sustainability.

Outline of S Indices

We achieved the APTSIS 20 targets for the reduction of global environmental impact, particularly in atmospheric and water environments. We reached our targets through business withdrawals and site mergers that allowed us to reduce emissions that produce various environmental impacts, as well as improvements in facilities and energy conservation. The targeted contribution to the reduction of environmental impact through products and services was not achieved due to a decrease in sales and demand for products that contribute to reducing GHG emissions or solving water resource issues. We aim to achieve environmental impact neutrality by strengthening our sustainability management under KAITEKI Vision 30 and the implementation of measures under APTSIS 25.

Outline of H Indices

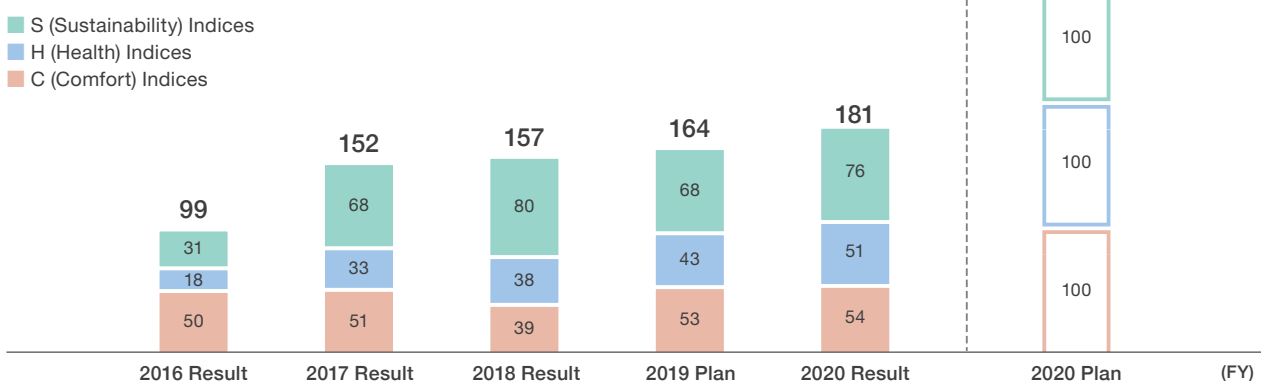
The contribution to achieving healthy and hygienic lives through products and services was not achieved due to a decrease in sales for related products. Meanwhile, a positive contribution was made to the prevention and treatment of diseases throughout APTSIS 20, as sales of related products grew steadily.

Outline of C Indices

The target for comfort value provision was not achieved as related products did not expand on the scale envisioned. For initiatives relating to stakeholder engagement, we stepped up communication with business partners, for example, through briefing sessions and the distribution of guidelines on CSR procurement, and worked to build sustainable supply chains. In terms of customer satisfaction, we did not achieve the level of performance that we had achieved in the previous medium-term management plan, despite targeting further improvement during APTSIS 20. We will further utilize the evaluation results in our business activities in a bid to make further improvements in customer satisfaction.

The number of safety-related incidents has been improving year by year, because we are implementing regular awareness campaigns and accident prevention measures that utilize the latest technologies, sharing information on accidents, and developing human resources who are responsible for safety at work sites. However, we fell significantly short of our targets on accident and disaster prevention. We will continue to implement programs to improve accident and disaster prevention and ensure a rigorous approach to safety. Having built an organization that is dynamic and collaborative and where employees are motivated to work, we have seen an improvement in the percentage of employees taking paid leave, but long working hours are on the rise. In light of the changes in work styles brought about by COVID-19, we are working to implement further operational reforms and improve work-life balance. The awareness of compliance among employees has improved through a variety of training programs.

Progress of MOS Indices



APTSIS 20 MOS Indices Performance Evaluation List

Index that need to be achieved **Achieve zero occurrences of serious accidents and compliance violations**

	MOS Indices	Assessment Criteria (Units)	FY2020 Result	FY2020 Target	Achievement rates	Point allocation		
S	Contribute to reducing environmental impact (S-1)	Reduce burden on the atmospheric environment	Per-unit impact on the environment (LIME / ¥100 million)	460	549	★★★★	10	
		Reduce burden on the water environment	Per-unit impact on the environment (LIME / ¥100 million)	4.8	6.1	★★★★	8	
		Reduce burden on the soil environment	Per-unit impact on the environment (LIME / ¥100 million)	6.2	5.1	Significantly low	10	
	Efficient use of resources and energy (S-2)	Promote activities to conserve energy	Energy-saving effects (equivalent thousands of tons of heavy oil)	91	66	★★★★	13	
		Convert to resource-saving and reusable materials	Reduction of resource volume (equivalent thousands of tons of heavy oil)	3.5	12	Significantly low	13	
			Growth rate in provision of resource recycling services (%)	225	28	★★★★		
	Contribute to the sustainability of the environment and resources through products and services (S-3)	Provide products and services that help solve food problems	Promote use of renewable energy	Volume of renewable energy generated and supplied (MW)	54.4	50.0	★★★★	13
			Provide products and services that contribute to reducing GHG emissions	Contribution to the reduction of GHG emissions (hundreds of millions of tons-CO ₂ equivalent)	0.31	1.50	Significantly low	13
			Provide products and services that help solve water resource problems	Volume of reused water supplied (hundreds of millions of tons)	9.7	17.0	★★	10
			Provide products and services that help solve food problems	Growth in sales of related products and services (%)	11.4	30.0	★	10
H	Contribute to medical treatment (H-1)	Pharmaceuticals provision	Contribution index for pharmaceuticals provision (points)	16.3	15.0	★★★★	15	
	Contribute to the prevention and early detection of diseases (H-2)	Provide vaccines	Vaccine provision index (points)	13.8	14.0	★★★	14	
	Contribute to achieving healthy and hygienic lives through products and services (H-3)	Provide products for the health field	Improve sales of applicable products (points)	2	14	Significantly low	14	
		Provide products for the sanitation field	Growth rate in sales of applicable products (%)	-10.0	60.0	Significantly low	14	
		Provide products for the medical field	Growth rate in sales of applicable products (%)	34.9	60.0	★★	14	
C	Endeavor to earn greater recognition of corporate trust from society (C-1)	Improve awareness of compliance	Compliance awareness improvement index (points)	21	21	★★★	21	
			Reduction rate of safety incidents (%)	0	60	Significantly low		
		Prevent accidents and injuries	Reduction rate of environmental incidents (%)	-60	100	Significantly low	19	
			Improvement rate of lost-time injuries frequency index (%)	7	50	Significantly low		
	Initiatives to provide products and services trusted by society	Customer satisfaction index (points)	45	47	Significantly low	17		
		Improvement rate in the number of complaints (%)	35	50	★★			
		Promote communication with business partners	Communication improvement index (points)	155	100	★★★★	7	
	Promote communication and work in concert with stakeholders (C-2)	Improve evaluation by stakeholders	External evaluation index (points)	8.6	11	★★	11	
		Build a dynamic and cooperative organization	Employee wellness index (points)	5.9	16.0	★	16	
	Contribute to achieving a more comfortable society and better lifestyle (C-3)	Provide products and services that contribute to a comfortable society and better lifestyles	Growth rate in the comfort value provision index (%)	1.0	40.0	Significantly low	9	