

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 FY2019, our activities resulted in an annual target achievement rate of 86%, earning 164 points. We are intensifying our efforts to improve sustainability.

Outline of S Indices

The contribution to the reduction of environmental impact through products and services was not achieved due to a decrease in sales and demand for related products. Despite an increase in the environmental burden caused by the acquisition of a major business, we have made steady progress in reducing the environmental impact of production through energy-saving and production efficiency improvements. We will achieve environmental impact neutrality through the five measures of sustainability management under the KAITEKI Vision 30 (KV30).

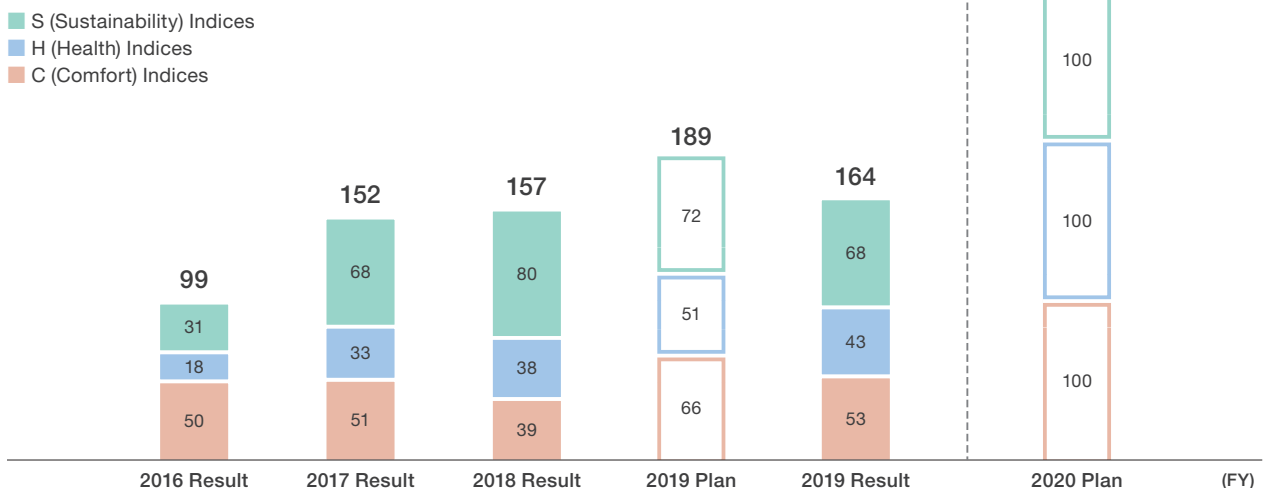
Outline of H Indices

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 of diseases, 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. The awareness of compliance among employees has improved over the years through a variety of training programs. Although the number of safety-related incidents has improved compared to the previous year (down 3), accidents continue to occur. We are working to strengthen our management base by implementing accident prevention measures that utilize the latest technologies, sharing information on accidents, and developing human resources who are responsible for safety at work sites. Regarding employee wellness, long working hours are on the rise. We are working to improve work-life balance through work style reforms and raising awareness of how to achieve results in a limited amount of time.

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)	FY2019 Plan	FY2019 Result	FY2020 Target	Annual Self-Assessment	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)	573	554	549	★★	10
		Reduce burden on the water environment	Per-unit impact on the environment (LIME / ¥100 million)	6.5	6.0	6.1	★★	8
		Reduce burden on the soil environment	Per-unit impact on the environment (LIME / ¥100 million)	5.7	6.7	5.1	★	10
	Efficient use of resources and energy (S-2)	Promote activities to conserve energy	Energy-saving effects (equivalent thousands of tons of heavy oil)	67	109	66	★★★★	13
		Convert to resource-saving and reusable materials	Reduction of resource volume (equivalent thousands of tons of heavy oil)	4.7	4.7	12	★★★★	13
			Growth rate in provision of resource recycling services (%)	183	147	28	★★★★	
	Contribute to the sustainability of the environment and resources through products and services (S-3)	Promote use of renewable energy	Volume of renewable energy generated and supplied (MW)	57.6	48.9	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)	0.82	0.62	1.50	★★	13
		Provide products and services that help solve water resource problems	Volume of reused water supplied (hundreds of millions of tons)	8.4	7.8	17.0	★★	10
		Provide products and services that help solve food problems	Growth in sales of related products and services (%)	10.2	7.7	30.0	★	10
H	Contribute to medical treatment (H-1)	Pharmaceuticals provision	Contribution index for pharmaceuticals provision (points)	13.0	12.7	15.0	★★	15
	Contribute to the prevention and early detection of diseases (H-2)	Provide vaccines	Vaccine provision index (points)	11.4	15.0	14.0	★★★★	14
		Provide products for the health field	Improve sales of applicable products (points)	6	1	14	Not met	14
	Contribute to achieving healthy and hygienic lives through products and services (H-3)	Provide products for the sanitation field	Growth rate in sales of applicable products (%)	5.6	-3.9	60.0	Not met	14
		Provide products for the medical field	Growth rate in sales of applicable products (%)	40.1	35.3	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	★★★★	21
		Prevent accidents and injuries	Reduction rate of safety incidents (%)	42	-47	60	Not met	
			Reduction rate of environmental incidents (%)	100	0	100	Not met	19
			Improvement rate of lost-time injuries frequency index (%)	6	-24	50	Not met	
		Initiatives to provide products and services trusted by society	Customer satisfaction index (points)	47	44	47	★★	17
	Improvement rate in the number of complaints (%)		56	27	50	★		
	Promote communication and work in concert with stakeholders (C-2)	Promote communication with business partners	Communication improvement index (points)	151	127	100	★★★★	7
		Improve evaluation by stakeholders	External evaluation index (points)	11	10	11	★★	11
		Build a dynamic and cooperative organization	Employee wellness index (points)	17.4	8.8	16	★	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 (%)	19.0	6.5	40.0	Not met	9