

Third-Party Opinion



Hiroshi Ishida

Executive Director, Caux Round Table-Japan

Hiroshi Ishida was born in Tokyo in 1966. After graduating with a degree in economics from Seijo University, he worked for the Industrial Bank of Japan in market dealing, planning and other areas. He has been active in the Caux Round Table-Japan since October 2000 and became the organization's Executive Director in 2006. Mr. Ishida is also an associate professor at Kwansai Gakuin University and a part-time lecturer at Aoyama Gakuin University.

Caux Round Table-Japan

The Caux Round Table (CRT) was founded in 1986 as a network of business people, principally in Japan, North America and Europe. Since its establishment, it has been a forum for continuing debate about the social responsibilities of companies. The Caux Round Table Principles for Business, which were published in 1994, are believed to be the first example of business principles formulated collaboratively by business people in Japan, North America and Europe. They have influenced other CSR policies, including the Keidanren Charter of Corporate Behavior.

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In my view, one of the causes of the present economic crisis was corporate management based on a dedication to short-term profit of such extremity that companies lost sight of their own visions of the future. For this reason, I see the following three elements as absolutely essential to corporate management today.

- An unwavering corporate doctrine based on the role of each company as a member of society;
- Activities targeted toward sustainable growth backed by management doctrine; and
- A flexible decision-making environment that allows a company to adapt to the wishes of society.

I based my independent opinion about the "Olympus Corporate Social Responsibility Report Digest" on these three elements.

I will begin with those aspects of the Olympus Group's overall CSR activities that I regard as praiseworthy. The Olympus Group has a basic doctrine known as "Social IN." This is the basis for its management philosophy and Corporate Conduct Charter, both of which focus on the company's relationship with society. Olympus also supports the United Nations Global Compact and has cooperated in efforts to realize the United Nations Millennium Development Goals through regional support activities in Africa. These activities can be seen as a reflection of the Olympus Group's approach to the fulfillment of the various social responsibilities that are imposed on business corporations today.

Olympus has also launched initiatives based on a skillful matching of its own areas of activity with the needs of society. In the field of medicine, for example, it has established its own "BRAVE CIRCLE" campaign to eradicate colorectal cancer and is now implementing that initiative with the support of other companies and organizations. I hope that it will continue to develop wide-ranging initiatives, including some in other fields.

One of the demands that society places on business corporations today is transparency. In the future I hope that Olympus will actively disclose "negative" information and share it with society.

I would like to take this opportunity to offer some advice about the activities of the Olympus Group in general.

One approach that Olympus Group should consider is the development of a clear road map (policies, initiatives, priorities) defining its social responsibilities as a member of society. Today companies need to take their CSR activities beyond simple lists of actions, and to focus instead on the qualitative improvement of their CSR activities into initiatives that express their individual corporate characteristics. The three elements that I listed above are essential in this context.

When I read this report again, I found that the corporate philosophy and Corporate Conduct Charter were clearly presented. In the CSR concept diagram on Page 4, activities reflecting the fundamental duties of business corporations, such as compliance and business ethics, were clearly distinguished from activities that are approached on a more voluntary basis through business activities. [The "BRAVE CIRCLE" campaign to eradicate colorectal cancer is an excellent example of such activities.] However, it is difficult to find any analysis of the relationship between these activities and the corporate philosophy in this report. This means that while individual initiatives may earn social recognition, there is a risk that the public will not be aware of which particular company is implementing those activities, and that the face behind the initiatives will remain invisible.

To avoid this situation, each individual activity should be clearly linked to the corporate philosophy. The Olympus Group needs to provide society with a clear understanding of its aims in taking on these responsibilities.

The expectations and wishes of society toward business corporations will expand dramatically as the world moves toward globalization, and as more and more companies expand the scale of their operations and evolve into multinationals. Olympus needs to consider how these expectations relate to its own philosophy and business activities, and to take the necessary actions effectively. Corporate initiatives linking multiple divisions will be infinitely more effective in this context than actions by individual workplace organizations.

I hope that Olympus will maintain a clearly defined philosophy, and that it will adopt a stance that allows it to respond to the needs of society through actions backed by that philosophy, and a decision-making environment in which such a stance is possible.

Responding to the Independent Opinion

Our priority is to develop our corporate culture by consolidating our management philosophy

Olympus first announced its “Social IN” management philosophy in 1994. This philosophy, which calls for “fusion” between the company and society, defines our role as a member of society. For more than a decade since that time, Olympus has strengthened and expanded its business structure through various strategies, including dynamic investment in related areas of business, and the acquisition of businesses.

Today the Olympus Group employs over 30,000 people. However, if we are asked if all employees have assimilated the corporate philosophy that is the banner for the Olympus organization, or if all of our activities are linked to that philosophy, we would unfortunately have to respond that we have not yet made sufficient progress in these areas. Nor can we say that all of our activities are based on clearly defined business strategies. In this sense, I believe that our most important priority is to develop a corporate culture by consolidating our corporate philosophy as the foundation for all of our activities. There are also issues affecting the organizational structure needed as a framework for the development of our activities. Those issues are a lack of clarity concerning the role of the parent company within the group, and the weakness of cooperation based on cross-organizational functions.

Growth for Our Employees and Sustainable Development for the Company

The realization of our management philosophy must be the fundamental goal of all of our corporate activities. This is because the realization of our management philosophy means the fulfillment of our corporate social responsibilities (CSR). The spirit of our management philosophy is that the maximization of corporate value is seen as a means of helping all people to enjoy happier and healthier lives. Our philosophy calls for the development of trust and the creation of win-win relationships with all stakeholders. As a global enterprise, we face many social challenges, including the global economic recession triggered by the financial crisis, a global

pandemic of a new strain of influenza, and problems in developing countries, especially in Africa. Olympus must make contribution to society through business the basic goal of its business operations. To achieve this, we must resolutely implement activities based firmly on our corporate philosophy. In these challenging times, it is especially important to ensure that every individual employee shares our corporate philosophy as a guide and foundation for their activities, and that we develop our business in a direction that brings growth for all employees and sustainable development for the company.

Business-Based Social Contribution Activities

I will refer briefly to our efforts in the current year (fiscal 2009). We regard the consolidation of our management philosophy and its assimilation by every employee as our most important priority. We will use every opportunity and every media, including messages from the President, to instill our philosophy among all employees, including the management team. The aim of these activities is awareness reform. To ensure that our employees can enjoy continuing growth, we will work to expand opportunities for women to succeed and contribute by developing workplace environments in which the ability to work is not limited by life events, such as marriage, childbirth and childcare. We will also strive to expand employment opportunities for people with disabilities. From a global perspective, we will support the United Nations Development Programme (UNDP) and contribute to the realization of the Millennium Development Goals by staging competitions for photographs taken in Africa. Olympus will continue to maintain a dynamic program of social contribution activities.

Hisashi Mori

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