

# Compliance

## Basic Stance & Policy

### Olympus Group Corporate Conduct Charter

The Olympus Group adopted the Olympus Group Corporate Conduct Charter and Code of Ethics in September 2004 as the basis of all Group employee actions. As the Olympus Group Corporate Conduct Charter and Code of Ethics are a comprehensive declaration of Olympus' stance on CSR, we formulate various CSR-related policies based on these codes.

In response to a series of problems concerning false statements for the purpose of deferring record of losses in the Annual Securities Reports uncovered in 2011, we revised the Olympus Group Corporate Conduct Charter and Code of Ethics in June 2012 to promote thorough compliance by reflecting discussions among workplace leaders as well as the opinions of and overseas Group employees. These revisions reflect our basic philosophy on social responsibility required by ISO 26000, UN Global Compact, OECD Guidelines for Multinational Enterprises 2011, and other international guidelines. We modified the Olympus Corporate Philosophy in May 2018, and the Corporate Conduct Charter has been revised accordingly.

We work to raise awareness of the Olympus Group Corporate Conduct Charter and Code of Ethics through various employee-oriented materials, training for new hires, during promotions, and at all levels, and e-learning programs.

### ◎ Olympus Group Corporate Conduct Charter

All our activities are based on our corporate philosophy of "Making people's lives healthier, safer and more fulfilling." Following this philosophy, at the Olympus Group, we are committed to conducting our affairs with a strong sense of ethics, and accordingly, will strictly comply with all relevant laws and regulations. All members of the management team and all employees of the Olympus Group hereby pledge to act in accordance with the Corporate Conduct Charter in their global corporate activities.

#### 1. Adherence to High Ethical Standards

We will prioritize the spirit of compliance under any circumstances and will never tolerate any action that violates laws and regulations, social norms or internal rules. We will create an environment within the organization where no concern pertaining to compliance will be ignored.

Moreover, we will implement training and provide guidance to all parties concerned.

We will consistently oppose any antisocial force or organization posing a threat to the order and safety of civil society and completely dissociate ourselves from any relation with them.

#### 2. Respect for Human Rights

In all corporate activities, the Olympus Group will respect all internationally recognized human rights and will prohibit forced labor, child labor or discrimination based on race, beliefs, gender, age, social position, family lineage, nationality, ethnicity, religion or disability.

#### 3. Delivering Innovative Value

Olympus strives to play an integral role in helping people around the world lead healthier and more fulfilling lives. To enhance people's lives, the Olympus Group will continue to offer innovative value. To that aim, we constantly seek to provide safe, high quality products and services that engender loyalty and affection for our brand and that are meaningful to society, while taking sufficiently stringent measures to protect customers' information.

#### 4. Working Environments with Vitality

The Olympus Group will provide a safe and healthy working environment where individuality and diversity are respected and personal development is fostered. This environment will allow employees to strive for the highest level of skill and knowledge, and enable the innovative creation of value sought by society. We will aim to create working environments with a high level of transparency in management, to share information without seeking to hide or obfuscate unfavorable truths, and an atmosphere in which free and vigorous discussion is encouraged.

#### 5. Harmony with the Environment

Respecting the importance of people's safety and health and the essential role of nature in supporting their lives, the Olympus Group will contribute to a healthy environment and pursue sustainable development of society through business activities and technological developments that are in harmony with nature.

#### 6. Contribution to Society

The Olympus Group is always mindful of the impact our decisions have on stakeholders and society, and we will actively seek out the voices of stakeholders, including customers, business partners, shareholders, employees and communities, and sincerely respond to their questions, concerns and needs. The Olympus Group regards itself as a citizen in each of the communities where employees live and work, and we recognize the importance of supporting community organizations, programs and activities. Additionally, we will always respect the culture and practices of the countries and regions where the Group engages in business.

Revised on April 27, 2018

Olympus Group Corporate Conduct Charter  
<https://www.olympus-global.com/csr/effort/charter.html>

Olympus Group Code of Ethics  
<https://www.olympus-global.com/csr/effort/principle.html>

## Promotion System

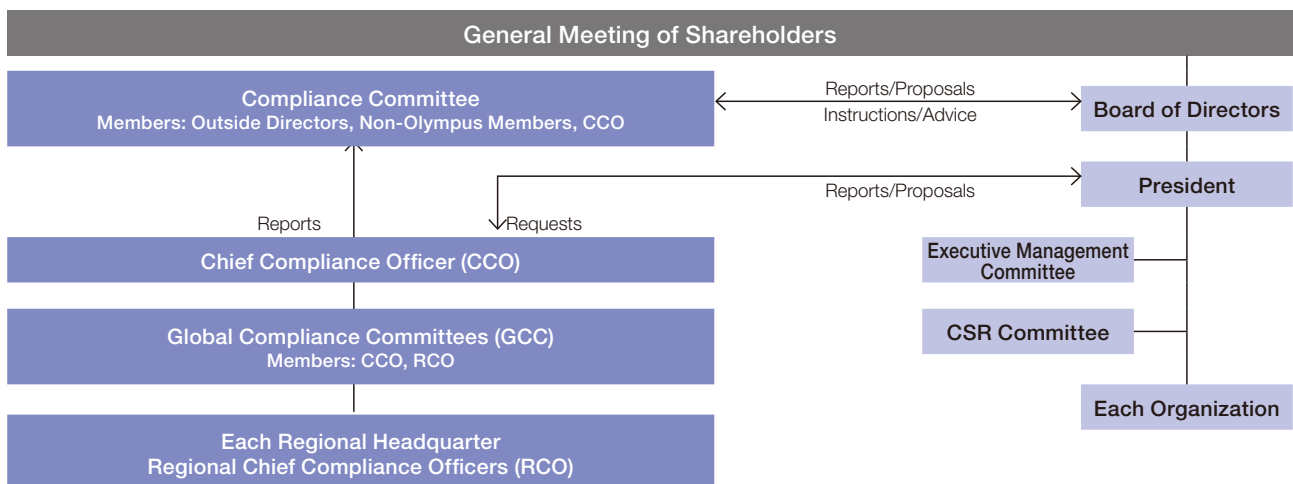
### Compliance Promotion System

In order to clarify who is responsible for compliance-related issues, the Olympus Group has appointed a Chief Compliance Officer (CCO) as a global compliance supervisor. (A deputy CCO was also appointed in fiscal 2018)

Moreover, we have also established a Compliance Committee, which is composed of outside directors, the CCO, and an external member (external lawyer in fiscal 2018), which serves as an advisory body to the Board of Directors. The chair is elected by mutual vote from outside directors. Meeting on a quarterly basis in principle, Compliance Committee members oversee and improve compliance systems, report compliance-related matters to the Board of Directors, and upgrade related systems to prevent compliance infractions.

We have also established the Global Compliance Committee (GCC), which is composed of the CCO and Regional Chief Compliance Officers (RCOs), in order to implement compliance-related policies and measures globally, understand regional situations and challenges, and carry out necessary corrective measures. The GCC has meetings on a quarterly basis in principle. Policies and measures directed and confirmed by the GCC are applied to each region by RCOs. In addition, compliance circumstances and issues throughout the Olympus Group identified by the GCC and RCOs are reported by the CCO on a regular basis to the Compliance Committee and are discussed at Board of Directors' meetings as needed.

### Compliance Promotion Structure



## Systems and Mechanisms

### Compliance Hotline Systems

In an effort to maintain compliance, the Olympus Group has established compliance hotline systems for each regional headquarter in accordance with the laws of individual countries. For its compliance hotline system in Japan, Olympus has established the Compliance Helpline based on the Whistleblower Protection Act and operates two contact points, an internal one as well as an external one managed by an independent attorney. In addition to using the Compliance Helpline anonymously, whistleblowers are protected by our in-house rules that contain explicit provisions on the assurance of anonymity when reporting cases and a prohibition on unfair treatment. Moreover, regarding the external contact point, the attorney providing the service will not, without the approval of the whistleblower, reveal any information that could be used to identify the individual to staff within the company of the internal contact point, thereby providing greater assurance of anonymity. In keeping with the laws on subcontractors and on the prevention of unfair competition, this system receives reports not only from executives and employees, but also from suppliers that have direct business relationships with domestic Olympus Group companies.

Regional headquarters have established internal/external contact points (hotline) in Europe and the Americas as well as external reporting lines in Asia/Oceania. Internal contact points in the United States are overseen by employees who are certified lawyers.

In fiscal 2018, the Group introduced the Global Hotline internal reporting system to receive reports in multiple languages from around the world on a 24/7 basis. The system has been put into operation in regional headquarters that have completed the required preparations.

### Facilitating an Atmosphere That Encourages the Use of Compliance Helpline

In Japan, we maintain an atmosphere that encourages employees to use the Compliance Helpline by enhancing internal reporting systems through appropriate revisions of various operating regulations, while raising awareness of this system through e-learning programs, compliance handbooks, and intranet bulletin boards.

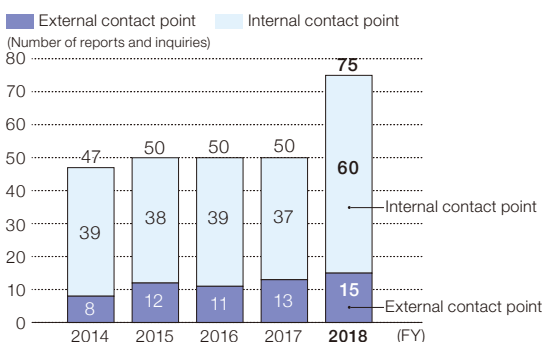
Overseas, RCOs are striving to promote the use of internal reporting system through both enhancing and notifying it.

### Training of Internal Reporting System Supervisors

With the aim of enhancing the internal reporting system and increasing its trustworthiness, we conduct systematic training of internal reporting system supervisors in Japan. Beyond supervisors providing guidance to their replacements, we are working to systematically and continuously improve supervisor responsiveness by requiring them to obtain a management ethics certification authorized by the Association of Certified Business Ethics Experts Japan and receive training conducted by an external specialist agency.

Furthermore, the number of cases of harassment (power harassment, sexual harassment, etc.) is higher than in any other category, and accounts for a third of all the reports received in Japan, regardless of the fiscal year.

### Number of Compliance Hotline Reports and Inquiries in Japan



## Compliance-related Monitoring of Domestic Affiliated Companies

The status of compliance with important laws and regulations in domestic affiliates of the Olympus Group in Japan\* is being monitored on a quarterly basis. The findings are published by the Compliance Promotion Committee and shared together with responses from the principal business divisions responsible for monitoring important laws and regulations, to contribute to reinforcing compliance at affiliates in Japan.

\* The following 15 companies: Olympus Medical Systems, Olympus Medical Science Sales, Nagano Olympus, Aizu Olympus, Aomori Olympus, Shirakawa Olympus, TmediX, Olympus Digital System Design, Olympus Terumo Biomaterials, Olympus Memory Works, Olympus Logitex, AVS, Olympus Systems, OLYMPUS RMS, and Olympus-Supportmate.

## Compliance Education

In order to raise compliance awareness and promote an understanding of important laws and internal rules, as well as to ensure consistent compliance with them, the Olympus Group is enhancing its compliance education. In Japan, the Compliance Promotion Department conducts education programs for various individuals using optimal tools. In addition, departments responsible for ensuring compliance to important laws conduct education programs by selecting course participants and training methods in accordance with the characteristics of applicable laws. Overseas, we undertake compliance education in a systematic manner at each regional headquarters according to the education curriculum used in Japan.

### ◎ Major Results in Compliance Education (Olympus Group in Japan)

Category	Target	Method	Description	Results
General	Executive officers	Group training	Outside instructors conduct lectures on management compliance.	Frequency of program: 1 Number of participants: 23
	All employees	E-learning and group training	Education on compliance helpline	Frequency of program: 1 Number of participants: 13,618
	All domestic employees		Distribute Compliance Handbooks containing explanations of the management philosophy and corporate code of ethics as well as a Q&A summary (The Compliance Handbook has been revised with an updated Olympus Group Corporate Philosophy.)	Frequency of program: As needed Target: New employees, midcareer employees, etc.
Education in Important Laws and Regulations	All employees	E-learning and group training	Education on compliance helpline Provide more comprehensive education programs to departments and supervisors that are deeply involved with key laws and regulations related to management	Frequency of program: 1 Number of participants: 12,456 (employees in medical care-related business)
Rank-Specific Education	People at specific ranks	Group training	Educational programs required for management and executive personnel, employees who have been promoted, and new employees	Frequency of program: As needed in accordance with the plan
Messages from Senior Management	All employees	Intranet	Messages distributed from the President, executives, and the CCO CCO messages are sent out during, Compliance Month (October).	Message from the CCO Frequency of program: 1 (October)
Management Dialog Opportunities	Managers and employees	Town meetings	At town meetings, Group company top management explains the importance of compliance. Town meetings held on an ongoing basis (include affiliates and local corporations)	Small town meeting by the RCO Frequency of program: 1 Number of participants: 71 (10 divisions)

## ◎ Strengthening Compliance with Key Laws and Regulations

Jurisdiction	Name of Law/Regulation, etc.
Laws, regulations and guidelines in Japan	Laws and regulations relating to anti-bribery such as Unfair Competition Prevention Act, etc. National Public Service Ethics Act/rules of ethics Agreements relating to fair competition Transparency guidelines for the medical device industry in relation to medical institutions, etc. (formulated by the Japan Federation of Medical Devices Associations) Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (Antimonopoly Act) Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors (Subcontract Act) Laws and regulations relating to labor such as Labor Standards Act/Industrial Safety and Health Act, etc. Laws and regulations relating to insider trading Personal information protection laws/My Number ID Act Laws and guidelines relating to measures against antisocial forces
Laws, regulations and guidelines in other countries	Foreign Corrupt Practices Act (FCPA, United States) U.K. Bribery Act 2010 (United Kingdom) Anti-Kickback Statute (United States) OECD agreements concerning the prevention of the bribery of foreign public officials in international commercial transactions United Nations agreements concerning the prevention of corruption Other laws and regulations relating to the prevention of unfair competition Physician Payment Sunshine Provision (United States) Laws and regulations relating to anti-monopoly Laws and regulations relating to measures against antisocial forces

### Small Town Meeting Led by the RCO

In response to the message from the CCO released during October, which is the Compliance Month, we held small town meetings by regional compliance officers (RCO) in Japan in order to “raise awareness that compliance is part of daily business activities.”

Based on the results of action conducted for the first time last year, 10 divisions in the Olympus Group in Japan were selected for 71 employees, regardless of job rank, to express freely their doubts and dissatisfaction felt in day-to-day business performance through lively exchanges of views and question-and-answer sessions with the RCO.

The findings from the meeting were shared with the Compliance Promotion Committee. At the same time, all questions were brought back to the compliance division, and they could reply to their answers to the concerned divisions.