

## Results of the biodiversity and water risk assessment

Based on our belief that biodiversity is essential for the global environment and the richness of our lives, the Olympus Group has taken action to conserve biodiversity through the management of water use and wastewater at each of its business sites and maintenance and management of green spaces as well as clean-up activities in the vicinity of business sites, forest conservation measures, and tree-planting. In recent years, it has been pointed out that the degradation of natural capital, including the land, oceans, freshwater, and air that contain biodiversity, could have major impact on the environment, society, and economic activities. Consequently, it is becoming increasingly important to identify risks and opportunities regarding which business activities depend on or have an impact on natural capital and to manage the key risks and opportunities in accordance with international initiatives such as the TNFD\*1 and SBTs for Nature\*2. Based on these developments, the Olympus Group began investigating using the LEAP approach, which comprises four steps: Locate, Evaluate, Assess, and Prepare. The LEAP approach is recommended by the TNFD as a means of appropriately evaluating and disclosing risks and opportunities relating to natural capital (land, oceans, freshwater, and air) in order to achieve a high degree of compatibility between conservation of natural capital and business activities. Below are the results of an early-stage investigation of the relationship between business activities and natural capital using the World Wildlife Fund (WWF) Biodiversity Risk Filter\*3 and the results of an evaluation conducted using the World Resources Institute (WRI) Aqueduct Water Risk Atlas,\*4 a water risk evaluation method that we've been using for some time.

\*1 Task Force on Nature-related Financial Disclosures. An international organization that develops frameworks for appropriately assessing and disclosing risks and opportunities relating to natural capital and biodiversity in corporate activities. (Source: Ministry of the Environment)

\*2 Science Based Targets for Nature. Measurable, actionable, and time-bound objectives relating to the interconnected systems of water, biodiversity, land, and oceans in value chains based on the best available science that allow actors to align with Earth's limits and societal sustainability goals. (Source: Ministry of the Environment)

\*3 Biodiversity Risk Filter. A regional biodiversity assessment tool based on information concerning biodiversity loss, including deforestation, pollution, and changes in land use for agriculture, created by the WWF.

\*4 Aqueduct Water Risk Atlas. A water risk assessment tool created by the WRI.

## Biodiversity Evaluation Using the Biodiversity Risk Filter

We conducted a biodiversity screening evaluation for our main development and production sites using the Biodiversity Risk Filter. The evaluation confirms that no sites fall under the Very High level in terms of physical risk or reputation risk. The main sites that fall under the High level are multiple manufacturing sites in Japan and China.

### Result as Defined by the Biodiversity Risk Filter and Number of Major Sites

|               |    | Reputation risk |   |   |   |    |
|---------------|----|-----------------|---|---|---|----|
|               |    | VL              | L | M | H | VH |
| Physical risk | VL | 0               | 0 | 0 | 0 | 0  |
|               | L  | 0               | 0 | 1 | 0 | 0  |
|               | M  | 0               | 7 | 8 | 1 | 0  |
|               | H  | 0               | 0 | 8 | 1 | 0  |
|               | VH | 0               | 0 | 0 | 0 | 0  |

VL: Very Low, L: Low, M: Middle, H: High, VH: Very High

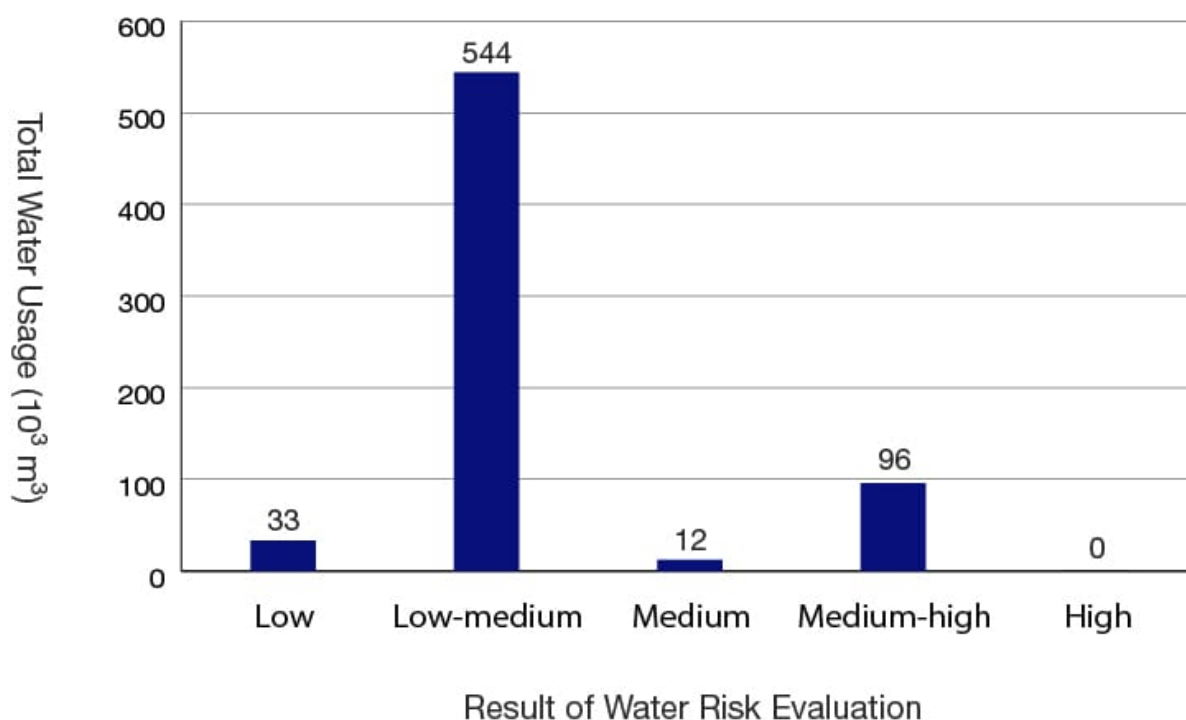
### Result of Water Risk Evaluation as Defined by Aqueduct Water Risk Atlas

We conduct water risk evaluations for our main development and production sites using the Aqueduct Water Risk Atlas and have confirmed that no Group business sites have a substantially high water risk. Also, although the impact on our business activities is minor, we are taking measures such as locating business sites in areas with abundant water, reducing water usage in business activities, assigning managers to wastewater facilities, and regularly measuring wastewater.

### Result of Water Risk Evaluation as Defined by the Aqueduct and Number of Major Sites

| General risk    | Low | Low-medium | Medium | Medium-high | High |
|-----------------|-----|------------|--------|-------------|------|
| Number of sites | 5   | 17         | 2      | 2           | 0    |

### Total Water Usage by the Result of Water Risk Evaluation as Defined by the Aqueduct



Based on the initial evaluations that we conducted at this time, we will conduct detailed surveys and evaluations based on them and implement measures to address risks and opportunities relating to natural capital.