

Sustainability

Olympus' Materiality

As a leading global business, Olympus is committed to nurturing world-class corporate responsibility. We are proud to have provided significant value to society for more than 100 years, making people's lives healthier, safer and more fulfilling around the world through our innovative range of products and services. In particular, we have delivered benefits to the global healthcare community with solutions that have improved clinical outcomes for patients, boosted the quality of life and patient experience, and created economic value throughout the medical and scientific communities. By taking a proactive approach to Environmental, Social, and Governance (ESG) perspective, we believe we can play an essential role in helping to create a sustainable society. In doing so, we will also improve our economic value and fuel sustainable growth.



Tetsuo Kobayashi
Corporate Officer,
Chief Strategy Officer,
ESG Head

ESG Engagement

We extracted six important ESG areas and defined five materiality items. These five materiality items reflect our corporate strategy, benchmarks by stakeholders and an external ESG evaluation organization's opinions, and have been established by the Group Executive Committee and the Board of Directors. The five materiality items show that we contribute to solving social issues through our business, and are in a mutually complementary and solid relationship. We consider ESG to be a crucial component as we grow to become a globally leading medtech company and contribute to the creation of a sustainable society. The distinct materiality items can vary depending on social and business changes and we continue to revise them as required.

Six Important ESG Areas

- | | |
|----------------------------|----------------|
| 1. Corporate governance | 4. Environment |
| 2. Economic sustainability | 5. People |
| 3. Product sustainability | 6. Society |

Our Materiality

- Healthcare access and outcomes
- Compliance, product quality and safety
- Responsible supply chain
- Diversity and inclusion
- Carbon neutral society and circular economy

ESG Promotion Structure

To reinforce the implementation of the ESG measures, in April 2021, we designated an ESG Head to be responsible for our ESG initiatives and established the KPIs to be specified in our medium- to long-term business plan. The ESG Head comprehensively manages ESG initiatives while monitoring the implementation progress of ESG measures. The ESG Head also reports the status of that progress to the Group Executive

Committee and the Board of Directors for deliberation.

From fiscal year 2021, 10% of the executive officers' performance share unit (PSU), a part of our long-term incentive compensation, was linked to the results of an evaluation by an external ESG evaluation organization. In fiscal year 2022, the percentage is being increased from 10% to 20% to reinforce the commitment of management.

Procedure to Establish ESG Enhancement Measures



Materiality 01

Healthcare Access and Outcomes

We strive to provide medical information and educational opportunities for early detection and treatment of diseases to people globally. Under the leadership of the Chief Medical Officer, who is a seasoned clinician, we are making efforts such as ensuring the safety of medical devices by utilizing the high-quality clinical and scientific knowledge of the Medical Business.

Healthcare Access

We are actively providing hands-on training opportunities for physicians, surgeons, and other healthcare professionals in both urban and rural areas. We also support disease awareness through social campaigns, including cancer awareness initiatives, broadly to the many local societies across the world. Our support is made possible by our strong connections with medical societies and healthcare professional groups in local communities, and through our ongoing and wide range of educational grants.

Improving Outcomes for Patients

In recent years, the concept of "value-based healthcare" has become widespread, particularly in the U.S. Focusing on patient outcomes and realizing value-based healthcare provides significant benefits to patients, medical institutions, countries, and society. It is also believed optimal resource allocation will help reduce increasing medical costs. Olympus contributes to improving patient outcomes by providing objective evidence on the safety and efficacy of our products as well as by identifying unmet needs and developing products that meet those needs.

Progress in Fiscal Year 2021

- Launched a comprehensive global educational platform for healthcare professionals, the "Olympus Continuum," to offer digital self-guided pre-learning and direct in-person training, and post-learning collaboration
- Held cancer awareness initiatives around the world
- Olympus was selected*1 by Japan's Ministry of Health, Labour and Welfare (MHLW) to implement the Japan-Russia Medical Cooperation Promotion Project*2 in the field of endoscopy for fiscal year 2021. Under the project, Olympus will promulgate gastrointestinal endoscopic/laparoscopic techniques in support of a five-year oncology plan launched by the Russian government in 2019

*1 Selection was made in June 2020

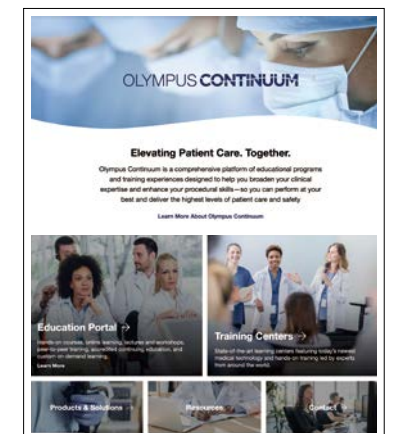
*2 Preventive program centered around cancers in the Russian government's national "Healthcare project" that aims to reform its healthcare system. The program, which is promoted by the directors from the N. N. Blokhin Cancer Research Center and the P. Hertsen Moscow Oncology Research Institute branch of the Russian National Medical Research Radiological Centre (NMRR), targets an early cancer detection rate of 63% or greater, a 5-year survival rate of 60% or greater, and a mortality rate of 17.3% or less. Colorectal cancer is currently the second most prevalent type of cancer in Russia.

COLUMN

Olympus launched comprehensive global educational platform for healthcare professionals: "Olympus Continuum"

Olympus launched a new comprehensive educational platform designed to provide healthcare professionals (HCPs) all over the world with learning opportunities and training to put their skills into practice and keep them performing at their best. The "Olympus Continuum"* platform maximizes digital self-guided pre-learning, direct in-person training, and post-learning collaboration to support healthcare professionals across every stage of their careers and to improve patient outcomes.

*www.olympuscontinuum.com



Olympus Continuum website homepage

Materiality
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Compliance, Product Quality and Safety

We are committed to a robust corporate compliance program, and we are focused on maintaining rigorous levels of product safety and quality across the entire value chain. To support this, we employ a set of rigid internal rules to ensure we are compliant with regulators in each of the jurisdictions in which we operate.

Compliance

The Olympus Group strives to foster an environment of integrity and compliance within the organization. The new Olympus Global Code of Conduct was adopted in September 2019, and sets forth the expectations of the Company. It is available on the Olympus website in 18 languages. Olympus has appointed a Global Chief Compliance Officer (CCO), who leads the global compliance function to collaborate across the Company to continuously assess whether business activities are consistent with applicable legal requirements and Company policies and procedures. Our CCO reports regularly to the Chief Executive Officer and the Audit Committee and more frequently as needed. We have also established a Global Compliance Leadership Team (GCLT), which is composed of the CCO, Regional Compliance Officers (RCOs), and Global Operations and Planning leaders, to implement compliance-related policies and measures globally, understand regional situations and challenges, and carry out necessary corrective measures. The GCLT meets on a quarterly basis and more frequently as needed. Policies and measures directed and confirmed by the GCLT are applied to each region by RCOs. In addition, compliance circumstances and issues throughout the Olympus Group identified by the GCLT and RCOs are reported by the CCO on a regular basis to the Audit Committee and are discussed at Board of Directors' meetings as needed.

regulatory functions, to clarify companywide issues. In addition, we conduct group internal quality audits aimed at monitoring the status of each quality management system from an objective perspective to get hold of the status of each organization to promote improvement.

Progress in Fiscal Year 2021	
<ul style="list-style-type: none"> No violations that caused penalties or other punitive measures concerning key laws/regulations and other socially important legislation Received 250 reports, whether through the Integrity Line or other means. (42.8% of closed reports were substantiated following review) Strengthened personnel and reviewed global processes to enhance QARA functions. "QARA Transformation" was added to the strategic priorities of <i>Transform Olympus</i> Conducted regular training for employees 	
E-learning and group training of compliance helpline	<ul style="list-style-type: none"> Frequency of program: 1 Number of participants: 13,493
E-learning and group training of important laws and regulations	<ul style="list-style-type: none"> Frequency of program: 1 Number of participants: 12,383 (employees in medical care-related businesses)

Commitment to Product Quality and Safety

The Olympus Group has established the Olympus Group Quality Policy based on its corporate philosophy. We continue to implement measures to instill quality policy standards in our daily operations for all members to foster a mindset that emphasizes safety and quality. The Olympus Group, with its Chief Quality Officer (CQO) and QARA members of each region, review and improve their worldwide work processes. As a result, the Olympus Group business divisions and subsidiaries have actively been obtaining and maintaining ISO 9001 or ISO 13485 certifications, the international quality control standards. Based on the global management rules revised in fiscal year 2021, QARA members regularly report to executive officers and CQO who are top of quality and

Details Compliance: <https://www.olympus-global.com/csr/governance/compliance/>
Product Responsibility: <https://www.olympus-global.com/csr/social/product-responsibility/>

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Responsible Supply Chain

By ensuring responsible and robust supply chain management (SCM), we foster sustainable value creation across the entire organization. Our systems and standards address environmental and social problems, including human rights, throughout our supply chain.

Procurement

The Olympus Group aims to strengthen supply chain management (SCM) within the context of business continuity and sustainable value creation. In June 2021, we replaced our procurement policy with a supply chain policy in line with our ESG initiatives to contribute to sound and fair transactions and the sustainable development of society. In addition, we formulated the Olympus Group Green Procurement Standards, which set out our basic environmentally conscious approach to procurement. Since then, the Olympus Group has disclosed its basic stance on supply chain both internally and externally through its website and training sessions, while strengthening compliance with laws, regulations, and social norms. We have also established the "Request to Suppliers" as a concrete guideline for complying with laws, regulations, and social norms, including respect for human rights and the elimination of antisocial forces, prohibiting corruption and bribes, promoting fair and lawful transactions, and taking the environment into consideration. When selecting new suppliers, we review their current response to compliance with social norms and environmental issues as one of our screening criteria. Based on these principles for procurement activities, the Olympus Group strives to create and strengthen good relationships with its suppliers through fair, just, and transparent transactions.

Human Rights

Olympus supports the United Nations Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the UN Guiding Principles on Business and Human Rights, and the 10 Principles of the United Nations Global Compact. To put international initiatives into practice in our business activities, we have also clearly spelled out the respect for human rights in the Olympus Global Code of Conduct. In addition, we have formulated the Olympus Group Human Rights Policy that stated implementation of human rights due diligence based on the UN Guiding Principles. We strive to respect human rights in the management of our businesses. We also urge our customers and third parties which are promoting business activities with Olympus to comply with protecting human rights.

Details Procurement: <https://www.olympus-global.com/csr/social/procurement/>
Human Rights: <https://www.olympus-global.com/csr/social/human-rights/>

Supplier Survey and Improvement Activities

Once a year, Olympus conducts a web-based survey of its major suppliers around the world with whom we have ongoing business in Japan. The survey covers 121 questions, of which 24 are related to CSR, related to management information, CSR initiatives, and business continuity plans (BCPs). If the survey results show that a supplier does not satisfactorily comply with legal and social norms as well as environmental protection and needs to improve, an on-site audit is conducted, and they must implement corrective actions in order to meet the points listed in our Request to Suppliers. At the same time, wherever possible, we recommend self-improvement actions to prevent the risk of incidents. We conduct studies for risk assessment in collaboration with concerned divisions within the Group.

Key Evaluation Items in Supplier Survey for Initiatives with Suppliers

Management information	<ul style="list-style-type: none"> Corporate information, financial condition
CSR	<ul style="list-style-type: none"> Compliance with laws, regulations, and social norms Protection of human rights Protection of worker rights Protection of the environment Personal and confidential information protection, intellectual property protection
BCP	<ul style="list-style-type: none"> Business continuity strategy, manufacturing site information, contact information during emergencies and disasters, confirmation of supply chain, confirmation of employee safety
Environment and quality	<ul style="list-style-type: none"> Acquisition of ISO 14001, ISO 9001, and ISO 13485 Procurement and process management
Delivery/Cost	<ul style="list-style-type: none"> Production plans, progress and distribution management, cost reduction activities
System	<ul style="list-style-type: none"> Computer security

Progress in Fiscal Year 2021
<ul style="list-style-type: none"> Conducted a web-based survey of major suppliers around the world. (Responses were received from about 87% of 826 companies) Became a member of Business for Social Responsibility (BSR), a global organization offering support to businesses in the field of human rights and sustainability, and we are reinforcing our global activities in the area of human rights due diligence in compliance with the principles set out by the United Nations

Materiality
04

Diversity and Inclusion

We believe that by promoting diversity and inclusion across the organization, we are creating a more engaging, competitive, and innovative business. In doing so, we provide meaningful employment for a diverse workforce—irrespective of sex, disability, nationality, or race—enabling us to thrive professionally and grow sustainably.

Realization of the Globally Integrated HR Management

The Olympus Group has established the globally integrated HR management that enables optimal talent allocation at the global level. We have established a new human resource management system that fosters employee motivation to grow, and are promoting a corporate culture that allows our employees to develop their skills and capabilities as much as possible. In Japan, we have changed the personnel evaluation system for managers into a performance-based compensation system. The compensation is decided according to the size and results of the work, and individuals are promoted regardless of factors such as age or nationality. In April 2020, we globalized an objective management system and evaluation standards for senior management worldwide, so that responsibilities are more clearly defined. Senior management has set strategic goals and has been working to transform the organization with common global KPIs. As of July 2021, approximately 37% of global senior management are non-Japanese, and we are also promoting diversity in management.

Promoting the Advancement of Women

In the Olympus Group, there is approximately 11% of females in managerial positions, and we employ many women in our workforce. At Olympus, as of the end of April 2021, 75 women were in managerial positions and the female candidates for managerial positions increased to 252. As well as establishing these welfare systems that support career progression irrespective of different major life events, we are also actively promoting the usage of such systems by publishing and

Initiatives to Promote the Advancement of Women

- Work-Life Integration (WLI) training for managers
- Training of managerial candidates to encourage the appointment of female managers
- Mentoring system for female workers
- Post-childcare training for early return to work
- Online networking opportunities for employees on childcare leave to communicate with one another

distributing the leaflet concerning balancing work and child/elderly caring. We also hold related workshops in each department. We support the career development of women by taking the approach through which we offer opportunities to plan goals and work tasks in advance of assumed future life events.

Aiming for a Diverse Workforce

Olympus proactively works to employ people with disabilities (physical, mental, and intellectual), and after recruitment, they work in a wide range of fields, including general administration and engineering fields that include manufacturing technology and IT development. We also conducted a range of activities to promote understanding and support for sexual minorities. Such activities include establishing a dedicated consultation office, providing seminars to promote awareness, hosting an LGBT Week (an awareness-raising campaign through e-learning and videos), and establishing a voluntary group called "LGBT ALLY."

Progress in Fiscal Year 2021

- Introduced special paid leave system for fertility treatments as well as cancer and intractable disease care
- Reduced core working hours and expanded eligibility for telecommuting to all full-time employees (promoting a hybrid work scheme that combined working in the office and working at home)
- Deployed Microsoft 365 as a communication tool and realized a smooth transition to teleworking even as the spread of COVID-19 began
- Opened childcare center at Hachioji office
- Started system for employees to acquire family care leave in hourly units
- Received the Bronze rating under the PRIDE Index 2020, a Japanese index to evaluate a corporation's performance in LGBTQ inclusion
- Held an internal event on International Women's Day in March 2021. (Included an online town hall meeting presented by the CAO and the HR Head as well as lectures by external experts and role models from within our Company)

Details : Employment: <https://www.olympus-global.com/csr/social/employment/>
 Diversity and Equal Opportunity: <https://www.olympus-global.com/csr/social/diversity/>
 Diversity and Inclusion in the Americas: <https://www.olympus-global.com/csr/social/americas/>
 General Employer Action Plan based on the Act on Promotion of Women's Participation and Advancement in the Workplace: <https://www.olympus-global.com/csr/social/woman.html>
 General Employer Action Plan based on the Act on Advancement of Measures to Support Raising Next-Generation Children: <https://www.olympus-global.com/csr/social/actionplan.html>
 Promoting Work-Life Integration: <https://www.olympus-global.com/csr/effort/support.html>

Materiality
05

Carbon Neutral Society and Circular Economy

Olympus set a target of achieving carbon neutrality by 2030 with zero CO₂ emissions from its entire business operation. To achieve this target, we continue to improve production efficiency and implement further energy-saving measures, as well as gradually replacing the energy used in all of our business sites* with renewable energy sources by 2030.

* Excluding rental properties, such as sales sites.

Response to Climate Change

We announced our endorsement of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in May 2021. Based on those recommendations of TCFD, we will promote information disclosure on "Governance," "Strategy," "Risk management," and "Metrics & targets."



Governance	The Olympus Group endeavors to reduce the environmental impact from the entire value chain, including product development, procurement, manufacture, logistics, sales, and repair. The CEO and CAO are the executive officers responsible for environmental initiatives, including Olympus' response to climate change. Underneath them, the Human Resources Head, who manages human resource development and general affairs, has control over matters related to the environment, health, and safety (EHS), and oversees the environmental activities for the entire Group. The EHS functional division creates an environmental action plan, including the reduction target of CO ₂ emissions, as well as monitoring the progress of action plan implementation across the entire Group. In response to the progress report, the CEO and CAO give instructions for any improvement required. The Board of Directors continues to monitor the status of the implemented climate change measures while receiving the related reports at least once a year. Also, to reinforce the commitment of management to ESG and climate change initiatives, 20% of the executive officers' performance share unit (PSU), a part of our long-term incentive compensation, is linked to the results of an evaluation by an external ESG evaluation organization.
Strategy	The Olympus Group identifies risks and opportunities related to climate change for the short, medium, and long term by using scenario analysis. The influence of climate change on our business activities is analyzed based on the 2-degree scenario (holding the increase in the global average temperature to below 2°C above pre-industrial levels) and the 4-degree scenario (where the increase is assumed to be up to 4°C above pre-industrial levels), both of which were presented by the International Energy Agency (IEA). We identified that the major risks within the short term (one to five years) would be the suspension of factory operations or breakdown of the supply chain due to natural disasters; and the risks within the medium to long term (10 to 20 years) would be an increase in business costs due to the introduction of carbon taxes and further tightening of regulations for CO ₂ emissions.
Risk management	The Olympus Group identifies, assesses, and manages climate change and other environmental risks within the group-wide risk management system that covers all the risks that could affect our business.
Metrics and targets	The Olympus Group set two targets in 2021. One is net zero CO ₂ emissions from its business activities by 2030, and the other is switching electricity procurement for all its business activities to renewable energy sources also by 2030. We continue our production efficiency improvements, energy-saving activities, and introduction of renewable energy in business sites across the world. We also pursue the development of environmentally conscious products, green procurement, and improvement of logistical efficiency in order to reduce CO ₂ emissions across the life cycles of our products.

Targets and Results

	Result	Targets	
	FY2021	FY2022	FY2030
CO₂ emissions	Reduce by 25.4% compared to FY2018	Reduce by 21% compared to FY2018	Net zero
Renewable energy rate	12.7%	Improve compared to FY2021	100%

Details : Environment: <https://www.olympus-global.com/csr/environment/>