

Sustainability

Olympus' Materiality

By taking a proactive approach to ESG and actively strengthening our efforts via various initiatives, we believe Olympus can further contribute to building a more sustainable society. In order to accelerate concrete and transparent ESG initiatives, we elevated the ESG team to report directly to the ESG Officer from fiscal year 2023, to empower the team to monitor and promote companywide initiatives. Also, we are currently working on identifying specific social issues to be solved over the medium to long term and the relevant KPI to measure and disclose the progress. We also recognize the importance of building a sustainable governance structure to properly monitor and analyze the progress of KPIs. Through the establishment of this structure, we will work closely with each business and functional unit that has a corporate culture where all employees are committed to delivering Our Purpose and fulfilling our social responsibility.



Stefan Kaufmann
Director, Executive Officer, Chief Administrative Officer (CAO), Chief Strategy Officer (CSO) and ESG Officer

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

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|----------------------------|----------------|
| 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 Officer to be responsible for our ESG initiatives and established the KPIs to be specified in our medium- to long-term business plan. The ESG Officer comprehensively manages ESG initiatives while monitoring the implementation progress of ESG measures. The ESG Officer 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 1

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.

Elevating the Standard of Care

The Olympus Group aims to improve patient outcomes by elevating the standard of care in targeted diseases. We have a global organization of Medical and Scientific Affairs (MSA) that serves our patients, healthcare professionals, and communities by bringing medical, scientific, and professional capabilities to help ensure we deliver clinically relevant, economically valuable, and safe products and solutions around the globe.

This organization is committed to improving the standard of medical care through the following three important roles:

1. Strengthen the Olympus Group's functional capabilities to support the development of safer, more effective, and innovative patient-centered medical devices.
2. Develop and implement educational programs and training for healthcare professionals to rapidly gain technical expertise and achieve excellent clinical results while ensuring the patient's safety.
3. Leverage real-world evidence to improve clinical outcomes for patients that, in turn, produce economic value for payers, healthcare systems, and society.

Focus on Global Training for Healthcare Professionals

Olympus has invited experts to provide training for healthcare professionals to promote the safe and proper use of our medical products. In 2021, we launched the training platform "Olympus Continuum" as an educational platform offering a comprehensive program of medical products and procedures. "Olympus Continuum" is designed to provide training tailored to the skills of healthcare professionals, taking advantage of the online nature of the program, in addition to traditional group on-site training, from pre-training to post-training follow-up. We have opened a portal site in five languages and are expanding our web-based training tools, including a learning management system (LMS)^{*1} and an on-demand library^{*2}.

In fiscal year 2022, we provided a total of 1,285 training sessions (+34% year on year) globally in each business area despite the COVID-19 pandemic.

^{*1} System for realizing a series of online processes from registration to attendance of hands-on training and lectures (implementation status varies by region).
^{*2} System for posting a wide variety of learning content, mainly videos and procedure booklets for healthcare professionals.

Progress in Fiscal Year 2022

- Enhanced content for "Olympus Continuum," a comprehensive global educational platform for healthcare professionals
- Held cancer awareness initiatives around the world
- Through our Grants Program, the Olympus Group supports independent third-party activities that relate to diseases, conditions, or treatments for which Olympus products are used. Over 335 unique organizations received Olympus Grants in fiscal year 2022 to conduct programming in more than 50 countries. In addition to in-kind awards, financial grants made by the Olympus Group in fiscal year 2022 totaled approximately US\$6.4 million



Number of "Olympus Continuum" trainings held



Number of organizations that received Olympus Grants

COLUMN

The Project for Early-stage Diagnosis and Treatment of Cancer in Chinese Rural Areas (Since 2005)

In China, a large-scale national project led by the National Health Commission is underway to train and improve the skills of doctors in rural areas, where medical resources and training opportunities are relatively insufficient compared to other areas, as well as raise awareness among medical institutions, doctors, and patients regarding early diagnosis and early treatment. Olympus has been supporting this project for many years through technology dissemination activities by academic exchange and support activities such as when Chinese doctors acquire skills in clinical settings in Japan or when experienced Japanese doctors visit China to give lectures or demonstrations.

In 2021, despite the pandemic, 13 project activities (training activities) were conducted during the year, with a total of approximately 44,000 rural doctors participating on-site and online. In addition, the use of the "Early Diagnosis and Treatment App" for smartphones, which provides a variety of online training opportunities, was also promoted, bringing the total number of registered participants to approximately 18,000 as of the end of March 2022.

A Doctor's Perspective on the Project for Early-stage Diagnosis and Treatment of Cancer in Rural Areas (Integrated Report 2021): https://www.olympus-global.com/ir/data/integratedreport/pdf/integrated_report_2021e_A3.pdf#page=22

Details : [Olympus Continuum: https://continuum.olympusprofed.com/](https://continuum.olympusprofed.com/)

Sustainability

Materiality 2

Compliance, Product Quality and Safety

We are committed to a robust corporate compliance program, and 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 the laws and regulations in each of the regions in which we operate.

Compliance

The Olympus Group strives to foster an environment of integrity and compliance within the organization. The Olympus Global Code of Conduct, adopted in 2019, builds on our tradition of over 100 years of innovation, positive contributions to society, and unwavering commitment to integrity. It explains the standards of conduct expected of our management and employees, and guides them as they conduct business with integrity. Our global compliance function works to raise awareness of this Olympus Global Code of Conduct and related compliance policies and report concerns when they arise. Olympus has appointed a Global Chief Compliance Officer (CCO), who leads global collaboration 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.

Compliance Management System (As of April 2022)



Commitment to Product Quality and Safety

The Olympus Group has strengthened its quality assurance and regulatory affairs (QARA) organization under the leadership of the Chief Quality Officer (CQO) to assure product quality, with patient safety as its top priority. To ensure compliance and patient safety, the QA function introduced new Field Corrective Action (FCA) and Corrective

and Preventive Action (CAPA) processes that are consistent across all global regions, as well as digital solutions that were deployed globally.

The RA function focuses on supporting efficient and effective product launches and maintaining regulatory compliance. We are streamlining the QARA functions in each region as well as the lines of reporting at our factories, and reforming our organization so that other functions, such as development, can collaborate more efficiently with QARA functions. To foster a mindset that emphasizes safety and quality for all Olympus Group employees, we continue to implement initiatives to instill quality policy standards in our daily operations.

Progress in Fiscal Year 2022	
<ul style="list-style-type: none"> No violations of key laws/regulations and other socially important legislation Received 347 reports, whether through the Integrity Line or other means (55.8% of closed reports were substantiated following review.) Newly implemented FCA and CAPA processes have reduced documents required in previous processes by approximately 87% across the Company. 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: 13,527 (attendance: approx. 92%)
E-learning and group training of important laws and regulations	<ul style="list-style-type: none"> Frequency of program: 7 Total number of participants: 81,204



Attendance rate of Olympus Group employees in Japan receiving education on compliance helpline



Companywide document reduction rate due to process efficiency

Materiality 3

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 SCM within the context of business continuity and sustainable value creation. Olympus publishes "Global Standards: What Olympus Expects of Third Parties" to show its basic requirements to all third parties that support its business activities. Olympus has also adopted the "Request to Suppliers," a document defining its expectations toward suppliers in such areas as respect for human rights, compliance with laws, regulations and social norms, including laws concerning the exclusion of antisocial elements, the prohibition of corruption, bribery and similar behavior, the promotion of fair and equitable trading, and consideration for the environment. Once each year, we use a web-based system to conduct a corporate survey for suppliers engaged in business at Olympus offices in Japan, and the survey results are utilized for work procedure improvement to avoid problematic incidents. There have been zero incidents so far. In cases where we find problems related not only to compliance with local regulations and social norms, but also respect for human rights in our on-site audits and if the supplier does not comply with Olympus' request to make improvements, we may terminate business with them. 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 our supply chain both internally and externally through its website and training sessions, while strengthening compliance with laws, regulations, and social norms.

Response to Conflict Minerals

The Olympus Group upholds international efforts to resolve the problem of conflict minerals. On behalf of the Olympus Group, Olympus participates in a committee established by the Responsible Minerals Trade Working Group of the Japan Electronics and Information Technology Industries Association (JEITA). Working together with suppliers, such as by discussing the conflict minerals at the Supply Chain Policy Meeting, we ensure transparency in our supply chains and

continue parts and materials procurement that does not cause human rights violations.

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 Ten Principles of the United Nations Global Compact. Along with encouraging our customers and third parties promoting business activities with Olympus to respect human rights, we aim to promote understanding of human rights by all of our employees. In fiscal year 2022, we implemented online training on basic information regarding human rights and the UN Guiding Principles for Olympus Group employees in Japan. In fiscal year 2023, we carried out similar training with content for each region in the Olympus Group overseas.

Progress in Fiscal Year 2022
<ul style="list-style-type: none"> Administer web-based corporate survey to suppliers engaged in business at Olympus offices in Japan (86% response rate from 774 companies*1) Conducted a human rights impact assessment for the entire Olympus Group with support from Business for Social Responsibility (BSR), a global organization offering support to businesses in the field of human rights and sustainability Implemented online training on basic information regarding human rights and the UN Guiding Principles for Olympus Group employees in Japan (attendance: approx. 97%)
<small>*1 This number is smaller than the 826 companies in fiscal year 2021 due to the removal of business partners related to the transfer of the Imaging Business</small>



Conducted a web-based corporate survey*2



Given copies of "Request to Suppliers"*3



Attendance ratio for online training regarding human rights for Olympus Group employees in Japan

*2 Administered to suppliers engaged in business at Olympus offices in Japan

*3 Covering the major direct materials suppliers engaged in business at Olympus offices in Japan

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

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

Sustainability

Materiality 4

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.

Expanding Globally Integrated HR Management

The Olympus Group has established the globally integrated HR management that enables optimal talent allocation at the global level. The newly established HR management system compensates employees according to their performance and is based on groupwide standards. We are working to foster a corporate culture that allows diverse employees to reach their potential, irrespective of nationality, age, or sex. For all employees in Japan from April 2023, we are planning to expand the job-based HR system in which employees are compensated based on the size and results of their work, regardless of factors like years of service or age. We aim to provide fair and appropriate opportunities for employment, capacity building, and promotion to ensure every employee can maximize their potential. As of July 2022, approximately 51% of global senior management are non-Japanese. We achieved this by proactively promoting global talent according to capabilities and aptitudes. This represents significant progress in diversity within our organization since the launch of our corporate transformation plan, *Transform Olympus*, when as of March 1, 2019, approximately 11% of global senior managers were non-Japanese.

Promoting the Advancement of Women

In the Olympus Group, there is approximately 14% of females in managerial positions, and we employ many women. In Japan, as of the end of April 2022, there were 85 women in managerial positions and 241 female candidates for managerial positions. In fiscal year 2022, we conducted a combined training and mentoring program for female managerial candidates. To encourage appointing female managers, this program aimed to enhance participants' skills and capacities, and to nurture managerial mindsets. Also, we are establishing and expanding systems that support flexible work styles and balance both work and childcare/nursing care (including a work-at-home system, reentry system, and an hour-based annual leave system employees can take for nursing and care). We are actively promoting use of such systems.

Aiming for a Diverse Workforce

Olympus actively works to employ people with disabilities (physical, mental, and intellectual), and to provide ongoing work-related support and training. At a special-purpose subsidiary, we have achieved a working environment and conditions suited to the characteristics and work styles of individuals with disabilities. In addition to enhancing conditions for long-term employment and systems suited to the needs of those with disabilities, we are implementing training to further improve our recruitment and employment support. We also conducted a range of activities to promote understanding and support for sexual minorities, including a dedicated consultation office, awareness seminars, LGBTQ Week (awareness-raising through e-learning and events), and an employee social network group for sharing information.

Progress in Fiscal Year 2022

- Changed operations of organization for advancement of diversity from regional to global (from April 2022)
- Conducted training and mentoring for managerial candidates to encourage the appointment of female managers
- Conducted post-childcare training to support an early return to work
- Provided networking opportunities online for employees to communicate with one another on childcare leave
- Provided a website with information for employees on leave
- Held seminars to promote awareness of LGBTQ
- Held a live chat event during LGBTQ Week
- Received the Silver rating under the PRIDE Index 2021, a Japanese index to evaluate a corporation's performance in LGBTQ inclusion



Global percentage of non-Japanese in managerial positions in Olympus Group*

*The percentage within global senior management as of July 1, 2022



Global percentage of females in managerial positions in Olympus Group*



Increase in number of "females in managers" of the Olympus Group in Japan: between March 2016 and April 2022

Details: Employment: <https://www.olympus-global.com/csr/social/employment/>
 Diversity and Equal Opportunity: <https://www.olympus-global.com/csr/social/diversity/>
 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/diversity/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/diversity/actionplan.html>

Materiality 5

Carbon Neutral Society and Circular Economy

Olympus set a target of achieving carbon neutrality by 2030 with zero CO₂ emissions from its site operations. To achieve this target, we will continue to improve production efficiency and implement further energy-saving measures, as well as gradually replace the energy used in our site operations*¹ with renewable energy sources by 2030. ¹ Excluding rental properties, such as sales sites.

Response to Climate Change

The Olympus Group recognizes that climate change is a material issue threatening the global environment, as well as having grave implications for the Group's business activities. Based on this awareness, we announced our endorsement of the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in May 2021. According to the TCFD's recommendations, the Olympus Group will promote information disclosure on "Governance," "Strategy," "Risk management," and "Metrics and targets."

Progress in Fiscal Year 2022

- Began to exclusively source 100% of the electricity used at 10 major R&D and manufacturing sites in Japan from renewable energy sources (April 2022)
- Created new Eco-Products (one new, bringing total to 665)
- Held environmental e-learning program and environmental activities for Group employees as part of Olympus Environment Day initiatives

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 (LTI) 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: RCP2.6, IEA B2DS (holding the increase in the global average temperature to below 2°C above pre-industrial levels) and the 4-degree scenario: RCP8.5 (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 groupwide 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 carbon neutrality by 2030 for its site operations (Scope 1 and Scope 2*), and the other is switching electricity procurement for its site operations 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.

*2 Scope 1: Direct greenhouse gas emissions by combustion of fuels in its sites. Scope 2: Indirect emissions from its sites use of electricity, heat or steam supplied by other companies.

Targets and Results

	Results			Targets
	FY2020	FY2021	FY2022	FY2031
CO₂ emissions	Reduced by 9.9% compared to FY2018	Reduced by 23.3% compared to FY2018	Reduced by 25.9% compared to FY2018	Carbon neutrality for Olympus' site operation
Renewable energy rate	11.4%	12.2%	18.9%	100%

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