

Responsible Supply Chain

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Olympus aims to strengthen supply chain management (SCM) to ensure stable delivery of products and services for patients. In our ESG strategy announced in May 2023, we have identified supply chain risk mitigation and resilience as one of our top priority, and we strive to create and strengthen good relationships with our suppliers through fair, just, and transparent transactions.

Supply Chain Policy

We share our “Expectations of Suppliers” and “Green Procurement Standards” in writing with our suppliers in Japan, asking them to comply with laws and regulations, social norms, and environmental considerations. We conduct an annual web-based supplier survey in Japan with 30 CSR questions to raise suppliers’ awareness of issues related to the Sustainable Development Goals (SDGs).

Our Global Procurement ESG strategy consists of three materiality topics as part of the focus area of Responsible Supply Chain:

1. Improve supply chain risk mitigation and resilience by implementing a multi-tier supply chain risk monitoring solution.
2. Enhance social (human rights) commitment in SCM: This includes creating and publishing a Global Supplier Code of Conduct as well as monitoring ESG risk in our supply chain.
3. Environmental Supplier Management: We will begin creating a baseline of CO₂ emissions from our suppliers, as well as asking suppliers to set science-based targets for our Science Based Targets initiative (SBTi)*1 certification.

Supplier Survey and Improvement Activities

Once a year Olympus conducts a web-based survey of our major suppliers around the world with whom we have ongoing business in Japan. The survey covers 123 questions, of which 24 are related to sustainability management information, sustainability initiatives, and business continuity plans (BCPs). In fiscal year 2023 we added six questions relating to climate change, including actual greenhouse gas emissions. In fiscal year 2023 the survey was conducted on 667 companies*2, including overseas suppliers. Responses were received from about 86% of companies. If the survey results require additional follow-up, an on-site audit is conducted with required corrective actions to adhere to our “Expectations of Suppliers.”

Expectations of Suppliers

1. Compliance with Laws, Regulations, and Social Norms
2. Health and Safety
3. Fair and Impartial Trade
4. Ensuring Quality and Safety, Delivery, Fair Pricing, and Stable Supply
5. Environmental Considerations
6. Ensuring Information Security and the Appropriate Protection of Information
7. Promoting Social Contributions
8. Promoting CSR Activities Internally and Among Suppliers

*1 Information on Science Based Targets is available at <https://sciencebasedtargets.org>
 *2 This number is smaller than the 774 companies in fiscal year 2022 due to the removal of business partners related to the transfer of the Scientific Solutions Business

Key Evaluation Items in Supplier Survey for Initiatives with Suppliers

| Evaluation | Criteria Details |
|-------------------------|--|
| Management information | Corporate information, financial condition |
| Sustainability | Compliance with laws, regulations, and social norms Protection of human rights (child labor, forced labor, inappropriate low-wage labor) Protection of worker rights (labor standards, occupational safety and health) Protection of the environment (CO ₂ emissions, waste discharge, water usage, environment-related chemical substances) Personal and confidential information protection, intellectual property protection |
| BCP | Business continuity strategy, manufacturing site information, contact information during emergencies and disasters, confirmation of supply chain, confirmation of employee safety |
| Environment and quality | Acquisition of ISO 14001, ISO 9001, and ISO 13485 Procurement and process management (5Ms [materials, methods, measurement, machinery, manpower], change information, noncompliant treatments) |
| Delivery/Cost | Production plans, progress and distribution management, cost reduction activities |
| System | Computer security |

Human Rights Initiatives

Olympus engages in global activities in the area of human rights due diligence in compliance with the UN Guiding Principles (UNGPs) on Business and Human Rights. In fiscal year 2022, Olympus implemented a human rights impact assessment that covered the entire Olympus Group and established a system to understand the management status of human rights issues within the Olympus Group in fiscal year 2023. This system aimed to confirm the management status and efforts at each company and implement continuous improvements with regards to the 12 items including freely chosen employment that includes the elimination of forced labor, child labor, working hours, human treatment, non-discrimination and non-harassment, freedom of association, and the utilization of emerging technologies such as AI. In fiscal year 2024, Olympus plans to investigate the current state of affairs at each company in the Olympus Group according to this procedure. Furthermore, in accordance with its Human Rights Policy, in fiscal year 2023, Olympus deployed e-learning globally to introduce Olympus’ responsibility to respect human rights in its supply chain and to give an overview of the laws and systems in each country. Those who enrolled in the e-learning program learned about examples of human rights violations that could occur in the Olympus Group and at suppliers. In Japan, 8,998 employees enrolled in this e-learning program (enrollment rate: 94%). Olympus will continue to carry out regular educational activities to improve the awareness of its employees regarding human rights.

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