

## Carbon Neutral Society and Circular Economy

Olympus Group is acutely aware of today's issues of environmental pollution, climate change, resource depletion, and ecosystem destruction, treating these as serious social problems. In this connection, we made the determination in May of 2021 that doing our part to achieve a carbon neutral society and the circular economy would be a primary focus of our ESG initiatives.

In addition, in an ambitious goal of achieving the carbon neutral society, we have also established the following goals. The SBTi certified that these goals are consistent with the 1.5°C target level specified in the Paris Agreement (☆: Goals certified by SBTi).

Category	Goal
GHG emissions throughout the entire supply chain (Scope 1, 2, 3 <sup>*1</sup> )	Achieve net zero <sup>*2</sup> carbon emissions by FY2040, with FY2020 as the base year <sup>☆</sup>
GHG emissions at own facilities (Scope 1, 2 <sup>*1, 4</sup> )	Achieve carbon neutrality <sup>*3</sup> by FY2031, with FY2020 as the base year (Reduce GHG emissions by 70% <sup>☆</sup> with FY2020 as the base year. Offset remaining GHG emissions with carbon credits)
Renewable energy	Make the shift to 100% renewable energy sources for electricity <sup>*4</sup> used by Olympus Group facilities through FY2031
Supplier engagement	Set goals for reduction of GHG, based in scientific evidence, by 80% of Olympus Group's suppliers by FY2028 <sup>☆</sup> (Scope: emissions for purchased goods and services (Category 1), capital goods (Category 2), and upstream transportation and distribution (Category 4) within Scope 3)

In order to achieve these goals, Olympus Group continuously improves manufacturing processes, saves energy by more efficient operating of facilities, and shifts to renewable energy sources.

Furthermore, with a view to reducing environmental impact across the supply chain, Olympus Group continuously implements measures to develop environmentally conscious products and improve logistics efficiency. To this end, the Group sets voluntary greenhouse gas emission reduction targets in cooperation with suppliers, and supports activities aimed at decarbonization in an effort to achieve sustainable business.

<sup>\*1</sup> Scope 1: Direct greenhouse gas emissions by combustion of fuels in our sites. Scope 2: Indirect greenhouse gas emissions from our sites use of electricity, heat or steam supplied by other companies. Scope 3: Other, indirect emissions of greenhouse gas emissions (excluding Scope 1 and 2).  
<sup>\*2</sup> Net zero means reducing greenhouse gas emissions (Scope 1, 2, and 3) as much as possible (at least 90%) in line with the latest climate science (1.5°C scenario) and using credits derived from carbon sequestration and removal (such as afforestation and CO<sub>2</sub> capture and storage) for an amount equivalent to the residual greenhouse gas emissions (less than 10%) to achieve a balance.  
<sup>\*3</sup> Carbon neutrality refers to reducing greenhouse gas emissions from site operations (Scope 1 and 2) and offsetting an amount equivalent to the remaining greenhouse gas emissions using carbon credits, thereby achieving zero emissions overall.  
<sup>\*4</sup> Excluding rental properties, such as sales sites

## Major Environmental Activity Results in FY2025

### Initiatives Concerning Climate Change

[Initiatives for Climate Change](#)

Main Indexes and FY2025 Results				
Indexes	FY2025		FY2026	FY2031
	Targets	Results	Targets	Targets
<b>1</b> Greenhouse gas emissions (Scope 1, 2)	-60% (Compared to FY2020)	-62% <sup>*5</sup> (Compared to FY2020)	-65% (Compared to FY2020)	Achieve carbon neutrality
<b>2</b> Renewable energy rate	85%	89%	90%	100%
<b>3</b> Percentage of suppliers that have set science-based GHG reduction targets (based on CO <sub>2</sub> emissions)	—	Approx. 30%	—	Approx. 80% (FY2028 target)

<sup>\*5</sup> Comes to -70% (compared to FY2020) when emissions reduced through offsetting using carbon offset gas are included.

### FY2025 Implementation Items

- Completed the introduction of carbon offset gas at Aizu Olympus and Olympus Medical Systems (Hinode Plant) as well as at Olympus UK & Ireland and Algram Group Ltd. in Europe (which contributed to approx. 6,400t in CO<sub>2</sub> reductions through switching to carbon offset gas).
- Shifted the power used at the Westborough site of Olympus Surgical Technologies America (Gyrus ACMI, Inc.), the Center Valley and Breinigsville sites of Olympus Corporation of the Americas, and Olympus Vietnam Co., Ltd. to power derived from 100% renewable energy.
- Held briefings and streamed video aimed at grasping greenhouse gases and reducing greenhouse gas emissions for 188 suppliers. Additionally, for our 35 main suppliers in Japan, we held individual briefings where we fielded their questions and gave them practical advice in accordance with the situation at each corporation.

## Product Stewardship

[Product Stewardship](#)

Main Indexes	FY2025 Results and Implementation Items
Promote initiatives for environmentally conscious design to improve resource recycling in product and packaging lifecycles	<ul style="list-style-type: none"> <li>Established new product and packaging design rules globally</li> <li>Adopted eco-designs for packaging materials and implemented measures to digitize instruction manuals</li> <li>Implemented and disclosed lifecycle assessments for major products</li> </ul>

## Management Systems

[Management System](#)

Main Indexes	FY2025 Results and Implementation Items
Improve effectiveness and efficiency of the Environmental Management System	<ul style="list-style-type: none"> <li>Maintained ISO 14001 certification for global major manufacturing sites (Europe, Americas, Australia)</li> <li>Maintained ISO 14001 multi-site certification of 6 subsidiaries in Japan and 3 subsidiaries in Asia</li> <li>Improved frameworks through daily inspections and internal audits at each site globally</li> </ul>
Continue to improve the process to comply with environmental laws and regulations	<ul style="list-style-type: none"> <li>Conducted environmental risk inspections and made improvements through patrols and internal audits at each site globally</li> <li>Conducted specialized training on pollution prevention, waste management, and chemical management at manufacturing sites around the world</li> <li>Inspected and improved systems and operations for complying with chemical substance regulations at all sites in Japan</li> </ul>

## Information Disclosure Based on TCFD

[Information Disclosure Based on TCFD](#)

Olympus Group recognizes that climate change is a serious issue that threatens 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 TCFD in May 2021. According to the TCFD's recommendations, Olympus Group will disclose its climate-related financial information in a timely manner.

### Governance

Sustainability activities of Olympus Group are overseen by the ESG Committee, which deliberates on and makes decisions regarding important measures. The ESG Officer has ownership of the committee, the membership of which is comprised of the heads of each business unit and function. Details of decisions of the ESG Committee are reported to the Group Executive Committee and the Board of Directors, both of which provide advice and guidance to the ESG Committee to ensure the effectiveness of the process. The ESG Committee implements sustainability strategies, discusses important measures related to materiality. Furthermore, we have established thematic working groups under the ESG Committee, such as those on the environment and human rights, to study and share information on measures that need to be taken across functions. Responses to climate change for the entire Olympus Group are overseen by the Chief Human Resources Officer (CHRO), who has authority over environment, health, and safety (EHS) functions, under the CEO, who has final jurisdiction over matters related to environmental activities.

### Strategy

Olympus Group identifies risks and opportunities related to climate change by using scenario analysis. The influence of climate change on our business activities is analyzed based on the 1.5-degree scenario: RCP 1.9 (NZE) (keeping the increase in the global average temperature to below 1.5°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). Please refer to the website "Information Disclosure Based on TCFD" [for the list of risks and opportunities based on scenario analysis.](#)

### Risk Management

[Business Risks](#)

Olympus Group has established enterprise risk management methods and approaches to support the achievement of its business objectives, such as its corporate philosophy and company strategy. Based on these methods, we collate risks with the potential to impact Olympus Group's business within the framework of management of all risks and opportunities that affect our business and then identify and evaluate those risks with a high impact on business operations.

These risks include regulations relating to the environment including climate change, technology and other transition risks, and physical risks resulting from natural disasters.

### Indexes and Targets

Olympus Group set a target of achieving net zero greenhouse gas emissions (Scope 1, 2, and 3) throughout the entire supply chain by fiscal year 2040 and in October 2023 received certification from the Science Based Targets initiative (SBTi) that our net zero target and short-term targets are consistent with the 1.5°C target.

### Roadmap for Achieving Net Zero Emissions

Milestone	FY2020 (baseline year) until FY2026		
	FY2024: Obtain SBT certification	Until FY2031: Scope 1, 2 carbon neutrality	Until FY2040: Scope 1, 2, & 3 net zero
Main KPI	Scope 1, 2	<ul style="list-style-type: none"> <li>Reduce GHG emissions by 65% (FY2026)</li> <li>Reduce GHG emissions by 70% compared to the baseline year by FY2031<sup>☆</sup></li> <li>Introduce 100% renewable energy at our operation sites by FY2031</li> </ul>	GHG emissions throughout the supply chain (Scope 1, 2, 3): achieve net zero <sup>☆</sup>
	Scope 3	<ul style="list-style-type: none"> <li>Set GHG reduction targets that satisfy the SBT criteria for 80% of our supply chains by FY2028<sup>☆</sup> (Scope: emissions for purchased goods and services, capital goods, and upstream transportation and distribution)</li> </ul>	
Main measure	Scope 1, 2	<ul style="list-style-type: none"> <li>Improve manufacturing and transportation processes to raise energy efficiency and continue daily energy conservation measures</li> <li>Switch from LPG and LNG fuel to lower-carbon energy sources and switch company-owned cars to electric vehicles</li> <li>Expand introduction of renewable energy</li> </ul>	<ul style="list-style-type: none"> <li>Continue renewable energy and energy conservation measures</li> <li>Introduce new technology and new energy</li> </ul>
	Scope 3	Set GHG reduction targets for suppliers, request that they take action, and perform regular monitoring of and provide support their efforts	
	Scope 1, 2, & 3	Procure carbon credits	

☆: Goals certified by SBTi

[Environment](#)