

OLYMPUS



Human Rights Strategy of Olympus Surgical Technologies Europe (OSTE) |
Olympus Winter & Ibe GmbH (OWI)

- Policy Statement on the Supply Chain Due Diligence Act -

01st July 2024

Foreword

For over 60 years, we have been committed to progress and innovation to improve the lives of millions of people worldwide. However, our success is not only based on our innovative strength and technology, but also on the respect and esteem we have for every single person who is affected by our entrepreneurial activities.

We are proud to be a company that respects and preserves the human rights of its employees, suppliers, their families and all affected third parties. For us, it is of the utmost importance that we not only meet legal requirements, but also fulfill our task as a responsible, sustainable and fair company.

Our global corporate culture is based on the principles („Core Values“) Patient Focus, Integrity, Innovation, Impact and Empathy. This is reflected in our daily work and our efforts to continuously improve working conditions and quality of life for everyone involved. We are aware of our global responsibility and are tirelessly committed to promoting and ensuring ethical conduct in all areas of our business.

Olympus always strives to live up to the highest standards of respect for human rights to help people all over the world fulfill their desires, satisfy their curiosity, achieve their goals, and actively shape their lives.

We call this philosophy: True to Life

We understand the comprehensive risk analysis provided for by the Supply Chain Due Diligence Act („LkSG“) as the basis for continuous improvements in compliance with our human rights and environmental due diligence obligations.

This Policy Statement applies to Olympus Winter & Ibe GmbH (OWI), a company of the European development and manufacturing center Olympus Surgical Technologies Europe (OSTE) together with affiliated companies within the meaning of § 2 para. 6, sentence 3 LkSG, over which the OWI exercises decisive influence (OSTE Group or OSTE).

¹The term „employees“ also includes all managers and members of the management board.



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1 Risk management as a basic prerequisite for planned action²

Our risk management is a central pillar of our actions, as it enables the early identification and continuous monitoring of potential threats to human rights and environmental standards, and thus offers the opportunity to implement preventive and reactive measures that ensure the sustainability and social responsibility of the OSTE Group.

1.1 Accountability and Governance



The management of OWI bears overall responsibility for the implementation of risk management in accordance with the LkSG in the relevant subgroup. At OWI, there are defined processes within the framework of a risk management system so that the due diligence obligations in the operational processes of the responsible business units are taken into account by the acting persons in a binding manner.

As proposed in § 4 para. 3, sentence 1 LkSG, OWI has appointed a Human Rights Officer to monitor risk management as well as a number of impartial persons who are obliged to maintain confidentiality with the receipt of complaints pursuant to § 8 LkSG (hereinafter: Complaints Officer). The Human Rights Officer reports directly to the management. The management reviews the work of the Human Rights Officer at least once a year or on an ad hoc basis, as circumstance demands.

The implementation of risk analysis, reporting and documentation, as well as the implementation of prevention and risk mitigation measures is handled across departments, with the department closest to the subject usually being in charge. For example, the risks of the direct suppliers are determined and analyzed by the procurement department. In the case of issues relating to occupational health and safety, for example, EHS (Environmental, Health & Safety) would be in charge. As an independent body, the Human Rights Officer is not responsible for operational implementation, but in the first year of the report he will provide enhanced support, as the specialist departments will require both theoretical training and practical technical support, at least initially.

From the reporting calendar year 2024, employees from the departments and sub-functions GRC (Governance, Risk & Compliance), CSR (Corporate Social Responsibility), Legal, Corporate Communications, Procurement, EHS, as well as the Human Rights Officer and the Complaints Officer will meet regularly to exchange information within the OSTE Group on the fulfilment of due diligence obligations and to discuss current developments of interest to various stakeholders.

All processes used to implement due diligence obligations must be appropriate and effective. In order to check and ensure this, an internal reporting system has been agreed upon, which serves as the basis for continuous analysis and the further development of the processes implemented. At least once a year, all relevant processes are evaluated, the results are communicated to the management and necessary changes are implemented.

²Requirement: § 6 para. 2 LkSG; the description of the procedure is provided in accordance with § 4 para.1 LkSG.

³Note: Some of the departments and subfunctions listed are located outside the organizational structure of the OWI or OSTE Group, as they represent centralized functions within the Olympus Group. Nevertheless, all of the above-mentioned departments and subfunctions will support the implementation of the LkSG at the OSTE Group in their respective areas to the best of their ability.

1.2 The implementation of risk analysis as a central component of risk management



The OSTE Group examines both its own business area and its direct suppliers to identify possible risks related to human rights violations and environmental obligations under the LkSG.

This risk analysis, which will take place for the first time in 2024, is based on index-specific risk factors, specific questionnaires, the assessment of our procurement and GRC departments and the respective managing directors of the subsidiaries.

The results of the risk analysis can influence decisions about future cooperation with suppliers. Risk analysis is a continuous process that is carried out and updated annually. If necessary, for example due to changed economic or political conditions or where relevant indications arise, additional analyses are carried out.

The risk analysis focuses on compliance with human rights and environmental standards both in our own area of business and those of our direct suppliers. The procurement department is responsible for conducting risk analysis pertaining to our direct suppliers, while the GRC department carries out the risk analysis of our own areas of business.

The findings of both risk analyses are communicated to the management and the Human Rights Officer and form the basis for the implementation of preventive measures and the continuous review and further development of the risk management system. Which preventive measures are to be taken and in what chronological order any number of identified risks must be addressed is decided by the Complaints Officer and the specialist department(s) consulted together with the management, if necessary with the help of predetermined factors based on the requirements of § 3 para. 2 LkSG.

1.3 Addressing human rights and environmental expectations

The Olympus Global Code of Conduct, first adopted in 2020, also sets out the ethical principles of the OSTE Group's business. Guidelines and procedures underpin the Code of Conduct and provide the ethical and legal framework for employees and management at all European locations. A central concern of the Code of Conduct is human rights and fair working conditions. In addition, expectations are formulated for all employees with regard to environmental protection, social responsibility, respectful behavior and a safe workplace. We expect our business partners to share our values. In order to provide business partners with guidance on the fundamental values, principles and standards of conduct that we expect from them, we base our contractual relationships on our global standards entitled „Olympus Global Third Party Code“. We also expect our suppliers to act in accordance with the 10 principles of the UN Global Compact. We expect the same high level of integrity from our business partners that we expect from our employees.

Olympus is committed to implementing human rights standards worldwide, with a particular focus on human rights awareness training. All employees are required to comply with the regulations in the Code of Conduct and the local guidelines based on it. Compliance with human and environmental standards is an integral part of the Code of Conduct and is dealt with accordingly in the mandatory training courses. These trainings help ensure that the company's human rights strategy is anchored throughout the organization. In addition, Olympus offers all employees worldwide an e-learning course on human rights, which is proactively communicated on the intranet. Since January 2024, the training courses for new OWI employees have also addressed the topic of human rights in the corporate context and complaint options.

In addition, OWI is certified according to the globally accepted and applied standard for environmental management systems ISO 14001 and the OSTE Group is fully integrated into Olympus' occupational health and safety organization, which means that we adhere to strict environmental and occupational health and safety standards in our own business area and beyond. Our procurement practices also help to reduce environmental risks, for example, because we only purchase and process goods that do not contain persistent organic pollutants (POPs) where possible. Departments involved in risk analysis will receive specific training from 2024 onwards to ensure that potential risks related to human rights can be identified and managed.

Our direct suppliers are required to regularly recognize our standards and will be supported by us to manage such risks from 2024 onwards in the event of identified human rights and environmental risks. All quality-relevant direct suppliers are also subjected to a strict approval process and are furthermore checked for their financial stability. This not only ensures a high-quality supplier pool, but also reduces the risk of human rights and environmental risks.



In addition, risk-based audits will be possible both in our own business area and at direct suppliers from 2024 onwards to validate lessons learned. In the event of relevant information or findings about suppliers, individually tailored measures are implemented, which can range from close continuous review to contractual assurances, training and finally the termination of business relationships. Through these comprehensive measures, we are actively committed to the promotion and protection of human rights.

The extent to which these measures are effective in the company's own areas of business as well as in the case of direct suppliers is assessed annually on the basis of the interplay of (in the following order)

- the results and findings from the risk analysis and the follow-up of information,
- the annual report of the Human Rights Officer,
- as well as any audits

checks.

1.4 Dealing with remedial measures

If, despite the prevention measures initiated, a threat to human rights or environmental aspects covered by the LkSG exists or is to be feared, remedial mechanisms are in place aimed at eliminating dangers as quickly as possible.

These are primarily contractual measures, discussion and training offers or information up to the immediate termination of the respective contractual relationship. Whether and which measures are taken is decided by the procurement department, the management and the Complaints Officer in close cooperation with the Human Rights Officer.

1.5 The Complaints Procedure

An appropriate and effective Complaints Procedure is an important part of our due diligence processes to effectively prevent and remedy potential adverse human rights and environmental impacts in our own business and supply chain.

We have therefore implemented an appropriate and effective Complaints Procedure through which not only employees but also other potentially affected groups of people can submit information and complaints at any time regarding potential human rights and environmental risks or violations. The Complaints Procedure, which is publicly available on the [OWI website](#), describe in detail the course of the reporting process and provide further information on the confidential handling of the information and complaints received.

1.6 Documentation and reporting



The fulfilment of our human rights and environmental due diligence obligations will be continuously documented electronically from 1 January 2024. The documentation created within a calendar year is archived for seven years at the end of the respective calendar year in accordance with legal requirements.

Reporting is carried out internally, vis-à-vis the public and the Federal Office of Economics and Export Control (“BAFA”) in accordance with legal requirements. Documentation obligations („What?“), archiving period („How long?“) and reporting obligations („To whom and how?“) form the content of an internally binding guideline.

2 The results of the risk analysis in FY24⁴

2.1 Identified risk areas

For the OSTE Group, we carry out comprehensive risk analyses, both in our own business area and at our direct suppliers, in order to identify, assess and prevent potential and actual adverse impacts on human rights and certain environmental aspects. Our suppliers are subjected to a multi-stage analysis based on factors such as purchasing volume, frequency, country of origin and industry.

Suppliers with increased risk are subjected to a thorough audit that focuses on particularly sensitive areas, in particular protection of employees, child labor, forced labor, discrimination, environmental pollution and improper use of hazardous substances, and analyses them according to an assessment of the probability of occurrence, severity, reversibility, the group of people affected and our contribution to causation.

2.2 The results of the risk analysis in detail



As part of our first risk analysis for the short financial year 2024 (1.1.-31.3.2024), we identified a risk within the meaning of § 2 para. 2 LkSG posed by one of our direct suppliers.

The risk analysis did reveal a single potential priority risk at one of our direct suppliers, which is located in the USA. This developing risk concerned in particular the area of occupational safety and could also have had an impact on environmental aspects, in particular with regard to air quality.

As it turned out, the exact facts of the case are still the subject of official investigations. As an initial measure, we asked the supplier for clarification and a statement. The supplier has quickly and, from our point of view, comprehensively explained the facts. Some of the media accusations were refuted by the statement or even proved to be unsubstantiated. In addition, questions of causality remain open.

Nevertheless, we have come to the conclusion that, it is appropriate to assume a risk within the meaning of § 2 para. 2 no. 5 and no. 9 LkSG due to the potentially serious consequences of this matter. In addition, we reacted with close database-supported monitoring of the supplier in order to be informed promptly about facts that are incorporated into our ongoing assessment of this matter. Findings emerge we will consider additional suitable preventive measures and implement them if necessary.

In the company's own business area, no specific risks were identified in the risk analysis carried out. This indicates that our internal processes and standards are effective in relation to human rights and environmental concerns. We expressly strive for the continuous review and improvement of our human rights and environmental due diligence processes. The effective implementation of the principles, expectations and processes set out in this declaration is therefore regularly reviewed and adjusted by the responsible employees as required.

⁴A fiscal year (FY) covers the period from 1 April to 31 March of the following year. The 2024 financial year (FY24) ended on 31 March 2024.

In our opinion, the results of our risk analysis in our own business area as well as at our direct suppliers are sufficiently reflected in our previous Code of Conduct and our Third Party Code, so that no adjustments were necessary. In addition, we have begun to communicate the Policy Statement by means of a corresponding reference in our purchasing terms and conditions. This Policy Statement is publicly available on the OWI website. The Policy Statement will also be referred to in an article on the [company's intranet](#) after publication.

Hamburg, 01st July 2024

The Board of Management