

Societal Initiatives

The Topcon Group, as a global company, respects human rights and diversity through the development of Topconians (our human resources who share the Group's values and contribute to value creation). We will diligently work together with various stakeholders to create an affluent society.

FY2020 Highlights



Valuing People (Respect for Human Rights)

The Topcon Group has a global, diverse workforce with a wide variety of backgrounds, origins, experiences, and cultures. We respect diverse values, fundamental human rights, and individual personalities and characters in light of human dignity, and seek to maintain a workplace where every individual is respected.

We are committed to providing equal opportunity in employment and business. We will not tolerate unlawful discrimination in the workplace, and ensure that all employees, job applicants, customers, and suppliers are treated equally and respectfully, regardless of race, religion, sex, nationality, age, physical or mental disability, sexual orientation, or other attributes. Our commitment to a safe and secure work environment means that we will not tolerate workplace violence or threats. Prohibited conduct includes not only physical violence or abuse, but also abusive, intimidating, or disorderly conduct and threatening language. Moreover, we will not allow for using child labor or forced labor.

The Topcon Group considers a direct exchange of views between labor and management as critical for protecting the rights of workers. In Japan, we have both the Topcon Labor Union and the Topcon Group Labor Union Council for affiliated group manufacturers. Topcon holds regular labor management gatherings and councils, where we explain the Company's business conditions to the Topcon Labor Union, in an effort to enhance communication.

Diversity

Respecting Diversity

The Topcon Group values communication with its employees, with the aim to be a company that employees with different personalities and values can make the most of their capabilities, and thrive with creativity and an innovative spirit, regardless of nationality, race, or sex. To this end, we disseminate and implement the Topcon Global Code of Conduct, which is an action guideline for all Topcon Group employees, and ensure compliance with applicable laws and regulations.

The Topcon Group is a company with overseas sales accounting for roughly 80% of sales, and non-Japanese employees accounting for roughly 70% of the total workforce. In addition, 8 out of 25 Executive Officers are

non-Japanese. The Group possesses a global business network with bases in 31 countries and regions. Accordingly, we have hired the right people from a highly diverse pool of talent, for the right jobs from a global perspective.

Promoting the Active Participation of Women in the Workplace

To create a workplace culture that is conducive to leveraging the resources of a diverse workforce, we place great importance on creating an environment in which women are able to fully exercise their individuality and abilities, and realize their own careers.

In terms of specific measures, we aim to create a support system that enables women to build continuous, long-term careers, by providing an environment where women can play even more active roles, regardless of their line of work. In addition, we also create opportunities for female employees to work overseas. By granting opportunities to ambitious individuals regardless of sex or age, we provide a setting in which our female staff can develop a global mindset.

As of the end of fiscal 2020, the proportion of female employees in the group is 27% (24% in fiscal 2019) in total, 15% (13%) in management. In headquarters, it is 17% (17%) as a whole, 8% (5%) in managerial positions. In addition, there are 1 female Director (out of 9) and 2 female Executive Officers (out of 25).

Providing Flexible Working Arrangements

Topcon supports Work Style Reform to help employees achieve a balance between work and private life, while boosting labor productivity. We have established a variety of support programs for childbirth and childrearing, as part of these efforts.

Our Maternity Work Exemption Program allows a pregnant employee or employee who has given birth within the past year to take leave for the time necessary for medical examinations at the direction of a physician or obstetric nurse. In addition, when the spouse of a male employee gives birth, that employee may take a spousal maternity leave of three days.

Through these programs, we have developed a system that supports our employees and their families who are having children. As for childrearing, a female employee raising a baby under a year old may use the Childcare Break Program to take two 30-minute breaks every workday, in addition to the normal break time. There is also a Child Care Leave available until the end of the month in which the child

reaches the age of two. In addition, we have expanded programs that allow employees to flexibly choose their work styles, including a Short-time, Shortday Work Program. We also offer a Child Nursing Leave Program that allows an employee raising an elementary school child or younger to take five days off per year for a single child, and ten days off per year for two or more such children. These programs help working parents raise their children and arrange flexible work styles.

Human Resource Development

The Topcon Group provides employees and other personnel with fair and equitable opportunities to grow through independent learning, and strives to foster a workplace culture that is conducive to making the most of their qualities. We provide employees and other personnel with opportunities for self-improvement, to enable them to perform duties that are commensurate with their assigned areas, responsibilities, and authority, while improving their skills both in and outside of work.

The development of Topconians is Topcon Group's strategic human resource theme to realize its management vision. A Topconian possesses three qualities: 1) seeks to develop and maintain a high level of expertise, while utilizing their expertise to generate profits; 2) acts with universal values, including thinking globally and respecting cultural diversity; and 3) is a team player who makes the most of collaboration. We hold lectures and training regularly in order to further the development of such human resources.

Ensuring the safety of group employees

The Topcon Group views ensuring safety and health as essential to enabling its employees to perform at their best and avoiding workplace accidents. The Group has adopted the necessary safety measures for buildings and facilities, and established work standards that prioritize employee safety and health based on this policy. Recognizing that safety comes first, employees are required to comply with laws, regulations, and internal company rules regarding safety and health.

We have established a crisis response system for unforeseen events, to ensure the safety of employees on business trips and overseas assignments, as well as that of their families, regardless of country or region. We are

working to establish and strengthen safety measures with the primary aim of preventing incidents and accidents.

Strengthening Global Export Control System

Exports to several countries are subject to strict controls under relevant Japanese and U.S. laws. If our export control compliance were lax, this could result in situations that threaten the basis of our existence as a corporation. In the worst case, the company would be subject to penalties such as an export ban due to violations of applicable laws and regulations. For this reason, as a global company, the Topcon Group is committed to activities related to maintaining and bolstering the global system of export controls.

- 1 Conducting export control audits
- 2 Providing export control educations
- 3 Developing export control specialists
- 4 Periodically holding export control promotion meetings
- 5 Regions requiring special control

Prevention of Corruption

The Topcon Group stipulates that employees shall not give inappropriate benefits or bribes that violate laws, regulations, or sound business practices. The Group's employees recognize that bribery is prohibited not only towards public-sector officials, but also employees at private-sector companies, depending on the countries involved. We require our employees to understand and comply with the contents of relevant laws and regulations in countries and regions related to their work.

The Group defines bribery as offering something valuable to third parties such as public-sector officials, either as a way to receive inappropriate benefits in business activities, or in exchange for providing such inappropriate benefits.

Bribery is not limited to monetary payments, but can include business entertainment, gifts, donations, gratuities, or other forms of benefit, regardless of the monetary value involved. In cases where active intermediaries such as agents are working on behalf of the Topcon Group, rules have been established to prohibit employees and others from coercing agents to commit any of the aforementioned actions, and to clearly determine in advance a reasonable set of boundaries regarding the services and compensation of such intermediaries.

Societal Initiatives

Internal Reporting System

Since establishing an internal reporting system in 2006, Topcon has worked to identify risks and compliance issues (such as known or suspected conduct that violates laws, regulations, or internal rules, or that runs counter to social norms) at an early stage, and to take corrective actions against them. The system enables whistleblowers to contact the Corporate Audit Division directly, as the responsible division, apart from the normal internal routes for information in the organizational structure.

The Corporate Audit Division takes prompt and appropriate actions to discover and address the involved risks at an early stage, in response to any information that is directly reported. We are working to promote compliance management on a Group-wide basis by expanding the adoption of the system every year, including the establishment of such systems at Group companies in Japan and overseas.

Personal Information

The Topcon Group has established a basic policy for protecting personal information, and carefully handles and strives to protect personal information obtained in the course of its business activities. In this context, personal information refers to information that employees handle

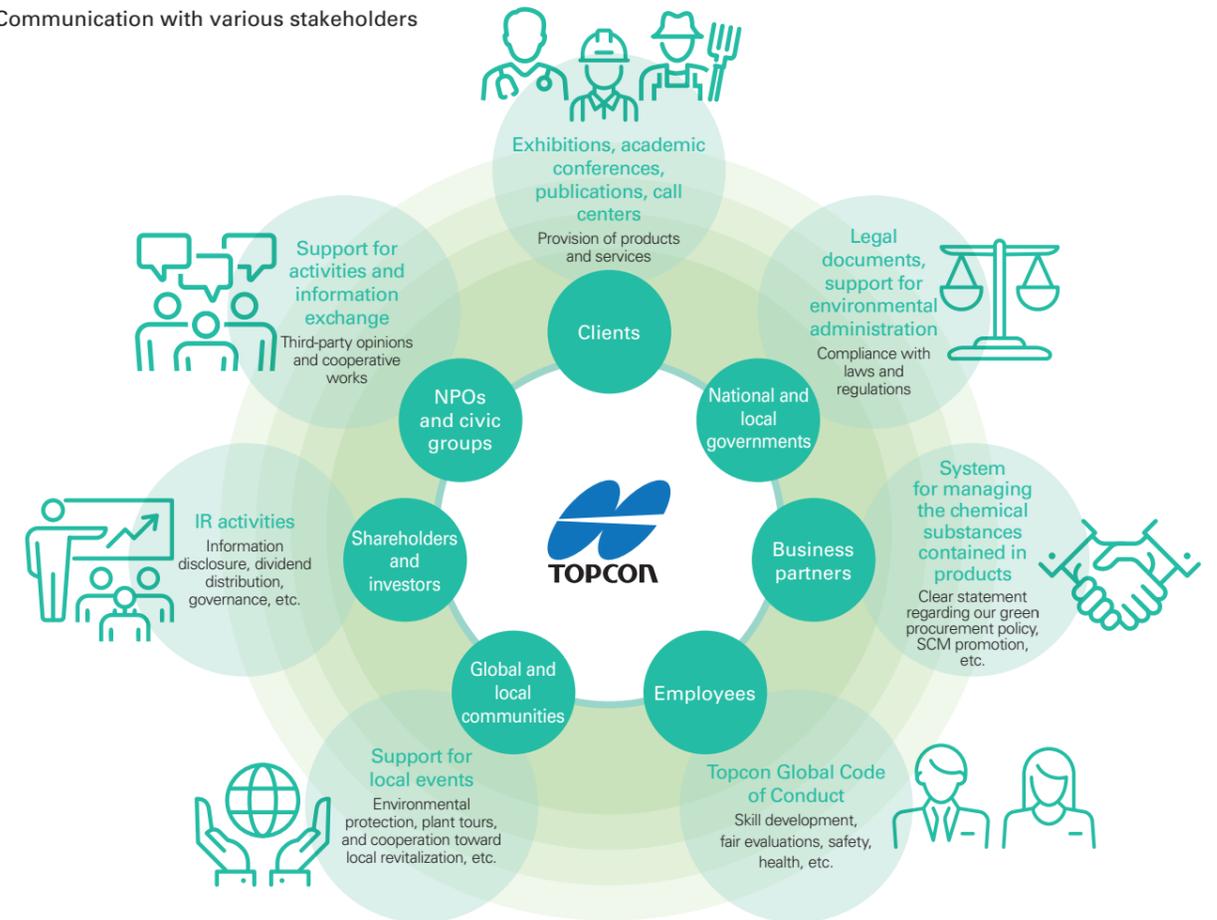
during work regarding customers, executives and staff of suppliers, job applicants, employees, or other individuals, which makes a specific individual identifiable by referring to such information. Our employees collect, manage, and use personal information properly and fairly, in compliance with all applicable laws and regulations regarding the protection of personal information, in countries and regions where the Topcon Group engages in business.

Communication with Stakeholders

The Topcon Group offers products and services that address societal issues, based on its basic policy for CSR. At the same time, the Group attaches great importance to communications with its diverse stakeholders, and endeavors to make social contributions through its business activities.

The Group conducts checks and evaluations of the performance of its ESG activities each fiscal year, and draws on the results of these evaluations to set goals for the activities for each shareholder in the following fiscal year. Our website is our primary channel for disclosing information in our communications with stakeholders. In addition, we also utilize various other means, such as IR, local events, exhibitions, academic conferences, and publications, in order to disclose information and communicate with stakeholders, in a multifaceted and multilayered manner.

Communication with various stakeholders



Report on CSR Activities

Global

Each sales company in Topcon's Eye Care Business provided breath shields (transparent plates designed to prevent droplet infection during medical examinations) free of charge to help prevent the spread of COVID-19. The breath shields were donated to users of products such as slit lamps (a type of microscope that is used for observing the cornea and fundus, sometimes known as a stethoscope for the eye), who experience difficulties in practicing social distancing during medical examinations.



The U.S.

As part of its support for dairy farmers and people struggling with food insecurity due to the COVID-19 pandemic, Topcon Positioning Systems, Inc. donated one gallon of milk for every download of its TAP FEED app to a local food bank during Dairy Month in June.



Rwanda

Topcon Positioning Systems, Inc. donated surveying equipment to be used in a bridge project being conducted in the East African country of Rwanda by Bridges to Prosperity, an American non-profit organization. The use of the latest surveying equipment enhanced work efficiency, allowing the NPO to build more bridges for isolated communities, thereby contributing to a safer and more secure society.



China

Topcon Optical (Dongguan) Technology Ltd. conducted a major renovation of its wastewater treatment facility with the aim of protecting the environment. In order to reduce discharge risk, industrial water used in production, which is said to contain many impurities, is separated from water for domestic use for recycling.



India

Mehra Eyetech Pvt. Ltd. made donations to two eye care centers in India, Shradha Eye Care Trust and Vijaya Medical & Educational Trust. The company provides continuing support for people's eye health through the donations.



Japan

During the Happy Holiday season each year, Topcon decorates its grounds with colorful lighting and opens the grounds up to local residents. In 2020, as a new initiative, the company handed out some sweets made at a facility for the disabled as gifts to visiting children.



Other support activities

- Topcon Electronics GmbH & Co. KG donated a total of EUR 11,500 to charitable causes such as child support organizations, poverty support organizations, and local communities.
- Topcon Europe Medical B.V. made a donation of EUR 1,300 to Fight for Sight, an organization that provides eye education and support for the visually impaired.
- Topcon Sokkia India Pvt. Ltd. donated a total of INR 2 million to the Prime Minister's National Relief Fund. The proceeds are used to provide support for the bereaved families of those who passed away in natural disasters and for people in poverty, helping them cover living expenses and medical expenses.