Sustainability

The Topcon Group strives to fulfill its social responsibilities by promoting ESG activities through its core businesses, and to enhance its medium- to long-term corporate value.

The Group endorses the principles of the United Nations Global Compact (UNGC), and continues to strive to achieve profitable growth based on its spirit. We are working to expand our businesses and solve the societal challenges within the growing market of healthcare, agriculture and infrastructure. We pride ourselves in making a significant contribution to the Sustainable Development Goals (SDGs), while resolving these societal issues.

Topcon has established a basic policy for CSR that underpins all of its CSR-related activities. It also sets annual action plans based on this policy. In addition to providing products that help to address societal issues, we attach considerable importance to promoting communication with stakeholders and contributing to society through our business activities. We are also committed to global environmental solutions, CSR activities that contribute to society, optimal corporate governance structures, and compliance with all legal and regulatory requirements.

Establishment of Sustainability Committee

In July 2022, we established the Sustainability Committee, chaired by the President & CEO. Its goal is to achieve a sustainable society by "contributing to enrich human life by solving the societal challenges within healthcare, agriculture and infrastructure," as stated in the TOPCON WAY.

The committee is an advisory body to the Board of Directors. Under the direction of the Board of Directors and in cooperation with the TOPCON CSR Committee, it deliberates on sustainability and ESG (environmental, societal, and governance) initiatives and reports and makes recommendations to the Board of Directors.

Basic Policy for CSR

- sense of values and standards suitable for global enterprise.
- Human Rights, Labor Standards, Environment and/or Anti-Corruption as declared in the Global Compact.
- 3 Topcon will make a social contribution voluntarily and actively through developments, production, sales and services of useful products
- 4 Topcon will promote an environmental management through the creation of environmentally-conscious business process and through providing with environmentally-conscious products and services.
- 5 Topcon will strive to establish CSR activities in every officer and employee's daily work and to infiltrate and establish them within global Topcon Group companies.
- [5] Topcon will acquire understanding and confidence of all the stakeholders of Topcon Group companies by providing with information actively.

UNGC and SDGs

While sales outside of Japan account for nearly 80% of the Topcon Group's sales, the group, as a global company, is actively involved in international frameworks, such as the United Nations Global Compact (UNGC) and the Sustainable Development Goals (SDGs).

0 Since joining the UNGC in October 2007, the Topcon Group has incorporated the 10 principles^{*1} proposed by the UNGC into its core policies and systems, including both the TOPCON WAY and its basic policy for CSR. The Group conducts various activities which embody and put in practice the spirit of the UNGC, with the aim of raising awareness.

Furthermore, the Group is committed to taking actions with respect to the SDGs adopted at the UN Summit in 2015. Companies are encouraged to participate in the SDGs to work toward the 17 goals^{*2} that are applied to all countries, including developed countries, which include reducing poverty and inequality, ensuring sustainable consumption and production, and combating climate change. Topcon is working to address priority issues, with this international backdrop in mind.

Given the many overlaps that exist between the SDGs and our social contributions, particularly in our core businesses of "healthcare", "agriculture", and "infrastructure", we strive to adapt to the SDGs by resolving the respective issues through our core businesses

*1 https://www.unglobalcompact.org/what-is-gc/mission/principles *2 https://www.mofa.go.jp/policy/oda/sdgs/index.html

1 Topcon will locate CSR activities in the center of business and work on it intentionally in order to build, share and implement the

2 Topcon will, to the extent of our influence, support and implement the rules and regulations that are globally approved regarding

EGOAL S





Environmental Initiatives

The Topcon Group believes that its core businesses, which is based on our Corporate Identity of "contribute to enrich human life by solving the societal challenges within healthcare, agriculture and infrastructure," can also contribute to the global environment. Although Topcon is not a manufacturer of construction or farming machinery, we provide IT solutions that realize improved efficiency and productivity in construction process and farm operations.

Our IT agriculture solutions contribute not only to stable production, but also to protection of the global environment by saving fuel, water, fertilizer, and pesticides through the efficient operation of farming machinery.

Topcon Group Environmental Vision 2030

As a corporate group that provides products to global markets, the Topcon Group aims to further enhance its corporate value by solving the societal challenges within healthcare, agriculture and infrastructure to enrich human life, and at the same time, tackling the two goals of reducing environmental impact through products and responding to climate change as below.

1 Reducing Environmental Impact through Products

2 Responding to Climate Change

We promote energy and resource conservation by further reducing the environmental impact of our products. We also work with our customers to offer products, technologies and services that contribute to the prevention of global warming, the effective use of resources, and the conservation of biodiversity. Furthermore, in our manufacturing-oriented environment, we endeavor to recycle and effectively use waste products generated from our business activities, including procurement, development, manufacturing, sales and services.

The Topcon Group regards response to climate change as the most important environmental protection task, and is striving to increase the use of renewable energy power. We seek to reduce greenhouse gas emissions from our business activities in Japan by 40% by the end of fiscal 2030 compared to the fiscal 2013 level. In accordance with this policy, we strive to reduce

greenhouse gas emissions and increase the use of renewable energy power at overseas sites.

Environmental Policy for Topcon and its domestic affiliated companies

We uphold the TOPCON WAY, which embodies our Corporate Identity of "contribute to enrich human life by solving the societal challenges within healthcare, agriculture and infrastructure." We strive to reduce the environmental footprint of our business activities based on the Topcon Global Code of Conduct. Furthermore, we contribute to reductions in the environmental footprint through our products and services, with the aim of realizing a sustainable society.

- 1. We promote the continued improvement of our environmental management system, in order to enhance the environmental performance of our business activities. To this end, we consider our environmental efforts as one of our important management tasks, and set environmental goals and targets involving all employees, including the top management.
- 2. We comply with applicable laws and regulations, acts, guidelines, agreements, and other accepted requirements, and apply strict management and control.
- 3. We strive to reduce our environmental footprint, conserve biodiversity, and prevent environmental pollution. We have set the following goals to reduce environmental risks. (1) We will offer environmentally friendly products and
- services, with our product lifecycle in consideration.
- (2) We will increase the level of control of chemical substances and the chemical substances contained in our products.

Environmental Management System:

ISO14001-related Initiatives

The Topcon Group has acquired ISO14001 certification, which is an international standard for environmental management systems, particularly among manufacturing related companies. The Group passed the transition audit for to ISO14001:2015 in August 2018, and maintains its certification.

- (3) We will focus on reducing waste emissions, and strive to enhance the value of waste as a recyclable resource.
- (4) We will promote efforts to mitigate global warming, and strive to reduce greenhouse gas emissions.
- 4. We strive to keep our premises and neighborhood clean and beautiful, and actively participate in local community activities. in order to exist in harmony with the local community.
- 5. We raise the awareness of our employees through the enhancement of environmental education and PR activities, and improve environmental conservation activities, with the participation of all employees
- 6. We provide systematic and active guidance and support to subsidiaries and affiliates, in order to raise the awareness of the Topcon Group as a whole.

Names of the organizations with the integrated certification

1 TOPCON CORPORATION 2 TOPCON TECHNOHOUSE CORPORATION 3 TOPCON POSITIONING ASIA CO., LTD. 4 TOPCON SOKKIA POSITIONING JAPAN CO., LTD. 5 TOPCON MEDICAL JAPAN CO., LTD. 6 TOPCON ESSILOR JAPAN, CO., LTD. 7 TOPCON G.S. CORPORATION 8 TOPCON YAMAGATA CO., LTD. (Head Quarter and factory) 9 TOPCON YAMAGATA CO., LTD. (West factory) 10 TOPCON YAMAGATA CO., LTD. (Shirakawa factory) 11 TOPCON OPTONEXUS CO., LTD.

Topcon's Environmental Footprint Report (FY2021)

1 Mitigating Global Warming (CO₂ Emissions Reduction)

Considering global warming as a top environmental priority, we sought to reduce our emissions to 4,710.0 t-CO₂, which is equivalent to a 25% reduction in emissions below the benchmark (three-year average for FY2005 to FY2007) stipulated by an ordinance of the Tokyo Metropolitan Government. In FY2021, we reduced our emissions by 63.4%, to 2,300.7 t-CO2. We are also working to reduce our CO2 emissions at over- seas business bases, in accordance with this approach.

2 Effective Use of Resources (Total Emissions Reduction)

We strive to reduce our total emissions based on a zero-emission initiative, in order to make effective use of the Earth's limited resources. In FY2021, we achieved the target with the total emissions of 198.1 tons, which is less than the target of 230.0 tons.

3 Management of Chemical Substances (VOC Reduction)

We are working to reduce volatile organic compounds (VOC) as part of the management of chemical substances. In FY2021, whereas our total emissions target was 2,805 kg, which represents an 85% reduction below our FY2000 level, we were able to reduce VOC usage to 1,967 kg (89.5% reduction).

In addition, we also switched from solvent paint to water paint to effectively reduce VOCs. The wear durability of conventional waterbased paints tends to be lower than those of solvent paints. However, the developed water-based paints have wear durability equal to or better than those of solvent paints and are compatible with both environmental conservation and product durability.

		FY2018	FY2019	FY2020	FY2021
CO ₂ emissions	(t-CO ₂)	3,502.5	3,332.0	3,243.8	2,300.7
Total emissions	(tons)	197.2	230.3	242.7	198.1
VOC emissions	(kg)	2,865	2,525	1,556	1,967

4 Water Drainage

Topcon Group uses a large amount of water in the lens manufacturing process, one of our core technologies, and the metal processing process. Since water generated in each manufacturing process contains organic and inorganic substances, we strictly control and properly treat wastewater to keep it below the standard values for hazardous substances specified in the Water Pollution Control Law before discharging it to not adversely affect the ecosystem and people's lives. We will continue to monitor water risks at each of our business sites and strive to ensure the appropriate use of water resources by promoting water conservation and reducing water consumption.

Water discharge data (Headquarter and domestic group companies)

		FY2018	FY2019	FY2020	FY2021
Head quarter	Sewage system	25,917	23,261	23,521	18,867
	Surface water	0	0	0	0
Topcon Yamagata	Sewage system	5,677	5,441	3,604	4,452
	Surface water	73	109	261	0
Topcon Optonexus	Sewage system	2,611	2,892	7,740	20,341
	Surface water	41,228	33,303	33,140	0
Total	Sewage system	34,205	31,594	34,865	43,660
	Surface water	41,301	33,412	33,401	0
Grand Total		75,506	65,006	68,266	43,660

5 Water Risk

We investigated water risk for all manufacturing sites (Total 13) of Topcon Group using Aqueduct*. One site operates in an area with high risk (Aqueduct Overall Water Risk: High). However, we do not use any water in the manufacturing process at the site. There is no site in an extremely high-risk area (Agueduct Overall Water Risk: Extremely High) *Aqueduct: An online tool developed by WRI (World Resources Institute) to evaluate water risk

6 Legal compliance and reports on complaints in FY2021

In 2021, there were no violations of environment-related laws and no customer complaints, and no incidents.

Unit : Cubic Meter

Environmental Initiatives

Green Procurement Activities

As part of the environmental protection activity process, recognizing our responsibility to maintain the health of the global environment as an irreplaceable asset for future generations, we at Topcon Corporation are engaging in environmental activities in close cooperation with our suppliers.

As one of our efforts, we are promoting the supply of products and services with 1 minimal environmental impacts. For this purpose, the concept of green procurement is essential.

We aim at procuring the parts, materials, units, products, secondary materials, etc. (hereinafter delivered items) with low environmental loads by promoting the business activities, being aware of the environmental loads and risks.

Green Procurement Guidelines

https://global.topcon.com/about/procurement/green-03/

Examples of the contribution through our business Topics

Topcon's automation technologies for construction and farming machinery themselves contribute to reduce environmental impact



Contribution to Greenhouse Gas Monitoring

Ibuki 2 was launched on October 29, 2018 as a successor to GOSAT Ibuki, the world's first dedicated greenhouse gas observation satellite.

Aiming to contribute to the targets agreed upon in the 2015 Paris Agreement (Temperature rises below 2°C, virtually zero emissions of greenhouse gases), Ibuki 2 will use 2 types of sensors, a greenhouse gas sensor type 2 and a cloud/aerosol sensor type 2, to observe the concentrations of greenhouse gases and PM 2.5 on the earth

Our company supplies the optical units mounted on the Cloud and Aerosol Sensor Type 2, and contributes to observations of clouds and aerosols to correct observed data of greenhouse gas concentrations, and estimates of PM 2.5 concentration and black carbon content. Ibuki 2 is expected to contribute to international efforts to reduce greenhouse gas emissions because it can accurately measure greenhouse gas emissions in each country.

* The name "Ibuki" was chosen from the public offering and it means a "breath". The name well represents the activity of Ibuki as it observes the absorption and emission of CO2, which is a breath of the earth.





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.

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 2021, the proportion of female employees in the group is 27% (27% in fiscal 2020) in total, 15% (15%) in management. In headquarters, it is 18% (17%) as a whole, 8% (8%) in managerial positions. In addition, there are 2 female Directors (out of 10) 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 pregnant employees or employees who have given birth within the past year to take leave to allow the time necessary for medical examinations as directed by an obstetric nurse. In addition, we have established a system to support childbirth, including a spouse maternity leave system that allows the employees to take three days off when their spouses give birth. After the birth of a child, we offer a Child Care Leave that can be taken until the end of the first April after the child reaches the age of 2, in accordance with the time when the child enters nursery school. In addition, we have expanded programs that allow employees to flexibly choose their work style, including Short-time, Short-day, Teleworking, and Flextime Work Programs. We also offer a Child Nursing Leave Program that allows employees raising an elementary school child or younger to take five days off per year for a single child and 10 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.

Specifically, we provide personnel training in accordance with the organization's growth strategy, including positionspecific training to develop the abilities required at each level from new employees to executives, training for selected employees to acquire the knowledge and skills necessary for future management positions, compliance training, improvement and transmission of technology and skills, and self-development.

In addition, as initiatives to support employees' selfsupporting career building, we have a mentor system and a career training program that allows employees to reflect on their careers at a certain age. The mentor system is operated with the objectives of relieving young employees' anxiety about work and career development, fostering a sense of security by having someone they can feel free to talk to at any time, and providing support in resolving specific concerns, as well as creating dialogue that leads to an image of their future careers. Moreover, career training provides opportunities to promote self-understanding of career strengths cultivated over the years and to think comprehensively, including financial planning, toward the fulfillment of life careers, with an eye toward the 100-year age of life.

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.

Quality Policy

We will continuously improve the quality of Topcon's products and services from the customer's perspective and build relationships of trust with our customers.

Sign of Trust: ISO9001 Certified

Topcon has obtained "ISO9001: 2005" an international standard for quality management system, for its business field (Surveying instruments and optical unit products for overseas markets) from SGS United Kingdom Ltd., (SGS Japan Inc. in Japan).

This certificate is proof that Topcon's quality assurance system is globally approved.

Through the certification and maintenance of "ISO9001", Topcon Group aims for "customer first" "quality first" in all its tasks from development and production to sales and after services, always thriving for improvement.

Never satisfied with the status guo, we intend to continue to work on offering even more reliable products and services, and meet our commitments as a global company. Sign of Trust: ISO13485 Certified

Topcon has obtained "ISO13485: 2016", an international regulatory requirement for medical devices, for the scope of qualification (design, development, production and distribution of ophthalmic medical devices) from TÜV SÜD (Germany).

This certificate is proof that Topcon's quality assurance system for is medical devices is globally approved.

Through the certification and maintenance of "ISO13485", Topcon Group will do its utmost to improve quality in all stages from development and design, production, sales to services, providing highly reliable products in order to advance our customers' businesses.

Never satisfied with the status quo, we intend to continue to work on offering even more reliable products and services, and meet our commitments as a global company.

Quality Assurance

https://global.topcon.com/about/guality/

Basic Procurement Policy of Topcon

Equal and fair procurement activities

We engage in transparent, equal, and fair procurement activities in new transactions with all clients.

We make decisions on the selection of clients based on comprehensive and objective evaluations and procedures covering aspects such as certainty in quality, price, deadline, stability in technical standards and administration, and a environmental consideration.

Coexistence and co-prosperity

We constantly maintain and encourage trust-based relationships and aim to achieve coexistence and coprosperity with our clients through business transactions. Rules on the compliance with laws

We engage in business transactions while complying with laws, social norms, and healthy commercial practices.

Management and protection of information

We never disclose confidential information of our procurement activities with clients to the outside of our company.

CSR Procurement

Topcon establish "Business Partners' Code of Conduct" (https://global.topcon.com/about/governance/ code/business/) with the aim of better society and the global environment and realize sustainable development of the company together with our suppliers. We ask all of our suppliers to implement this guideline.

Green procurement

We procure items from partners that are implementing conservation activities. We also purchase/use products, parts, materials, and raw materials which produce low environmental load in their lifecycles.

Basic Procurement Policy

https://global.topcon.com/about/procurement/

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.

Report on CSR Activities

Preventing Aboriginal blindness

The rate of blindness among Australia's Aboriginal people is about three times that of non-indigenous people. Of these cases, it is said that 90% could have been prevented. Our Australian Group company is contributing to the early detection and treatment of ocular diseases by providing NGOs with 3D Optical Coherence Tomography (3D OCT), which takes cross-sectional images of the retina.

production Topcon's Auto Steering System and laser-type growth sensor visualized

growth conditions at a farm in Ireland. As a result, the amount of water and fertilizer could be adjusted, resulting in improved production per unit area. This provides high-quality potatoes that meet consumer expectations and promotes sustainable agriculture.





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.

Ctokoholdovo	Maria of commun
Communication with	various stakeholders

Stakeholders	Ways of communication
Clients	Exhibitions, academic conferences, publications, call centers Provision of products and services
National and local governments	Legal documents, support for environmental administration Compliance with laws and regulations
Business partners	System for managing the chemical substances contained in products Clear statement regarding our green procurement policy, SCM promotion, etc.
Employees	Topcon Global Code of Conduct Skill development, fair evaluations, safety, health, etc.
Global and local communities	Support for local events Environmental protection, plant tours, and cooperation toward local revitalization, etc.
Shareholders and investors	IR activities Information disclosure, dividend distribution, governance, etc.
NPOs and civic groups	Support for activities and information exchange Third-party opinions and cooperative works

Visualization of growth conditions to increase potato



Donated surveying instruments to a social action program to eliminate poverty by building bridges

Approximately one billion people around the world lack safe access to vital resources such as healthcare, education, and employment because of a lack of bridges.

Our Group company in the U.S. endorsed Bridges to Prosperity, which was established in 2001 with the philosophy of connecting communities through bridges and eliminating poverty caused by isolation. The company has donated surveying instruments necessary for bridge construction.

