



NIDEK CO., LTD.

# ESG REPORT 2020



THE ART OF EYE CARE

## Editorial Policy

NIDEK continues to conduct our “Eye & Health Care” business globally while always being true to our core values and we observe the letter and spirit of all laws and regulations in Japan and abroad, and act with a strong sense of ethics and fairness to contribute to the development of a sustainable world society.

This report aims to inform those interested of our environmental and social activities of fiscal year 2019.

## Profile

### Basic Information

- Covered Organization NIDEK COMPANY LIMITED
  - Headquarter (Hiroishi Plant)
  - Hamacho Plant
  - Tsurugahama Plant
  - Higashihama Plant
  - Osawa Plant
- Covered Period Apr. 1, 2019 - Mar. 31, 2020
- Publication Date Jul. 7, 2020 (Japanese version)
- Published by Public Relations Section, Planning Department

Note: The colors used in this report refer to the Model Color Palette for Color Universal Design. (URL <http://www.cudo.jp/colorset>)

For more information about our social responsibility activities, please see our website.



[Web](https://www.nidek-intl.com/csr/)  
<https://www.nidek-intl.com/csr/>

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URL: <https://www.nidek-intl.com>



# About NIDEK CO., LTD.

## ■ Corporate Profile (As of March 31, 2020)

Company name	NIDEK CO., LTD.
Head Office	34-14 Maehama, Hiroishi-cho, Gamagori, Aichi 443-0038, JAPAN TEL: 81-533-67-6611
President and CEO	Motoki Ozawa
Establishment	July 7, 1971 (Initiated: August 8, 1971)
Capital	461.89 million JPY
Employees	1,628 (Male: 1,269 / Female: 359) Note: Company officers and advisors are excluded.
Offices	<p><b>[Plants]</b> Hiroishi, Hamacho, Tsurugahama, Higashihama, Osawa</p> <p><b>[Branch Offices]</b> Sapporo, Sendai, Saitama, Tokyo, Chiba, Yokohama, Gamagori, Kanazawa, Kyoto, Osaka, Takamatsu, Hiroshima, Fukuoka</p> <p><b>[Overseas Subsidiaries]</b> NIDEK INC. [United States], NIDEK S.A. [France], NIDEK TECHNOLOGIES S.R.L. [Italy], NIDEK DO BRASIL [Brazil], NIDEK (SHANGHAI) CO., LTD. [China], NIDEK SINGAPORE PTE. LTD. [Singapore], NIDEK KOREA CO., LTD. [South Korea], NIDEK MEDICAL INSTRUMENTS (CHANGSHU) CO., LTD. [China]</p> <p><b>[Overseas Representative Offices]</b> Beijing, Dubai</p>

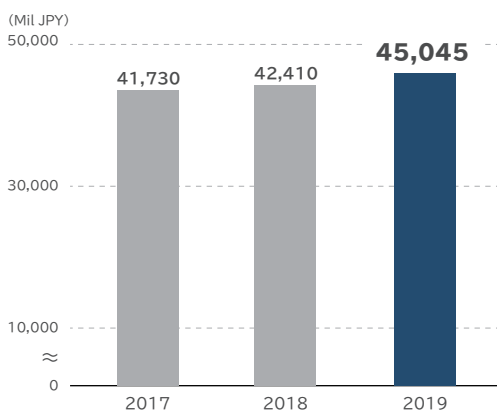


## ■ Business

Business Fields	Major Contents
Ophthalmology & Optometry	The structure of the eye is complex and delicate. It is therefore essential to have precise and detailed examination data and accurate surgical equipment. Based on our long history of R&D, we have created a variety of products utilizing our advanced technology.
Lens Edging	High quality lenses and frames are not enough to make a comfortable pair of glasses — accurate and reliable lens processing technologies are necessary to deliver a perfect fit of lenses and frames. We remain committed to developing innovative lens edgers in order to promote comfortable vision life all over the world.
Coating	Our thin film coating technology enhances the performance of day-to-day advancements in electric displays and optical components. Combination of nano-level thin films allows transmission and reflection of specific light wavelengths according to customers' various needs.

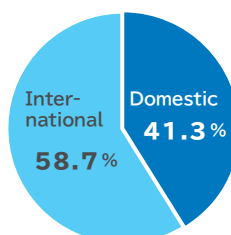
## ■ Data

### ○ Revenue

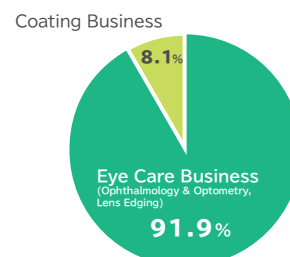


### ○ Sales Ratio of Fiscal Year 2019

Overseas Sales Ratio



Composition of Revenue



# Message from the President and CEO

NIDEK CO., LTD.

President and CEO

## Motoki Ozawa



### To Continue Being a Company Providing Joy and Emotion

I would like to offer my heartfelt sympathy to the people affected by the challenges of the novel coronavirus and would also like to express my deepest appreciation to all the health care professionals and others who are putting in the effort to prevent the spread of this infection.

The growth rate of the world economy of 2019 has slowed down to 3 % due to the uncertain situation of trade and international cooperation such as the US-China trade war and Brexit. In addition, the economic situation of China, Europe and the United States changed completely by the spread of novel coronavirus since January 2020. Japan's economy which was recovering moderately, as well has been severely affected.

We were able to release four new products in the eye care (ophthalmology and optometry / lens edging) business field in fiscal year 2019. Also in China, NIDEK MEDICAL INSTRUMENTS (CHANGSHU) CO., LTD., which we established in Changshu City, Jiangsu Province for our products' dissemination in China, has earned a manufacturing and sales license for auto lensmeters and begun production. We will continue our effort to contribute to progress in the field of eye and health care for the world.

The new personnel system we made in 2018 has

started its operation from April 2019 with the aim to make NIDEK a "great place to work" where all our people can work with pleasure.

### Our Goal

The situation surrounding our business is extremely challenging due to changes in the economy, structural change of markets and such. However, even in such a changing business environment, we are striving to show flexible competency so that we can respond to issues through our operations according to circumstances, and to achieve a sustainable society and company.

Japan is now becoming a super-aging society. Therefore the value of contributing to "bringing invisible to visible" and "living a healthy and vibrant life regardless of aging society" has risen. To contribute to our patients' QOL (Quality of Life), we will give first priority to promoting further innovation and providing solutions that meet our responsibilities as a manufacturer of medical instruments.

Motoki Ozawa  
President and CEO

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# CSR Initiatives

## ■ NIDEK Corporate Conduct Charter

We continue to conduct our “Eye & Health Care” business globally while always being true to our core values and we observe the letter and spirit of all laws and regulations in Japan and abroad, and act with a strong sense of ethics and fairness to contribute to the development of a sustainable world society.

### 1. Respect for Human Rights

We respect the human rights of all people. We do not give discriminatory treatment, undermine human dignity, or allow child labor or forced labor.

### 2. Promoting Transparent Corporate Activities

We promote highly transparent corporate activities by communicating with various stakeholders and disclosing corporate information as appropriate.

### 3. Ensuring Safety and Quality of Products and Service

We make an effort to create new opportunity for healthy and comfortable life of people, provide safe and high quality products and services, and try to obtain satisfaction and loyalty from our customers.

### 4. Proactive Environmental Responsibility

We recognize the importance of global and regional environment preservation and continue to improve activities to contribute to formation of a recycling society.

### 5. In Harmony with Society

We strive to promote social responsibility programs actively as good corporate citizens and be harmonized with the local community. In addition, we respect international cultures and customs and hopefully contribute to development of the region.

### 6. Creating a Wholesome and Comfortable Working Environment

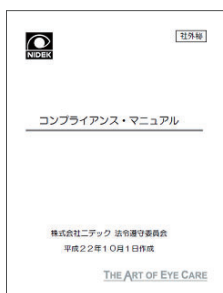
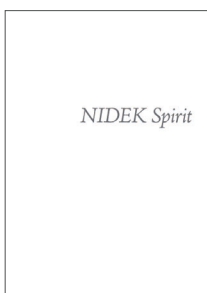
We secure the safety and health of our employees in their workplace and establish an ideal working environment in order to bring about economic, mental and temporal comfort and affluence to our employees.

### 7. Banning any Relations with Anti-Social Forces

We do not have any relationship with anti-social forces, and resolutely deal with unreasonable demands by working with specialized external agencies.

Our top management recognizes the realization of the spirit of our corporate charter is their responsibility. Management will offer a good example and raise awareness of our Charter to our employees. If incidents contrary to the principles of this charter occur, top management themselves must take the lead in solving problems, and take action to investigate the cause and prevent recurrence.

This corporate conduct charter is the foundation of our company's CSR activities. It is described in various tools including compliance manuals, corporate philosophy booklets and websites so that employees can refer to it at any time.



(Left): Booklet “NIDEK Spirit”. Summarizes NIDEK’s company philosophy.  
 (Middle): NIDEK’s compliance manual  
 (Right): NIDEK’s conduct policy. Posted in all workplace.

## ■ NIDEK's CSR Committee

We established the CSR committee to build good relationships with all stakeholders through CSR activities which coincides with our business in order to continue being a reliable and sustainable company.

### Roles of the CSR Committee

1. Make and plan CSR policies and activities.
2. Monitor and supervise the executing situation of CSR activities.
3. Manage internal and external disclosures of CSR-related information, and conduct public hearing activities.
4. Provide education and disseminate CSR.
5. Resolve CSR-issues, conduct necessary investigations or request relevant departments for investigations
6. Instruct to take corrective action in CSR activities and to report the results.
7. Coordinate the efforts and outcomes of committees and departments related to CSR.

## ■ Stakeholder Engagement

We have various stakeholders involved through our business. Our business actions reflect thoughts and requests heard through communication with stakeholders.

Stakeholder List	Responsibilities	Ways of Communication
Customers	<ul style="list-style-type: none"> <li>● Providing safe and high quality products</li> <li>● Promoting environmentally friendly design</li> <li>● Responding to inquiries</li> <li>● Offering suitable products and services</li> <li>● Providing appropriate support to customers</li> </ul>	<ul style="list-style-type: none"> <li>● Business activities</li> <li>● Cooperative researches</li> <li>● Support center</li> <li>● Contact form in NIDEK's website</li> <li>● Showrooms and exhibitions</li> </ul>
Business Associates	<ul style="list-style-type: none"> <li>● Enforce fair and square business trades</li> </ul>	<ul style="list-style-type: none"> <li>● Briefing sessions</li> <li>● Technology displays</li> <li>● Negotiating regularly</li> <li>● Information desks of each supply and sales department</li> </ul>
Employees	<ul style="list-style-type: none"> <li>● Development and utilization of human resources</li> <li>● Respect diversified human resources and working styles</li> <li>● Considering industrial safety and health</li> <li>● Respecting human rights</li> </ul>	<ul style="list-style-type: none"> <li>● Human resource development programs</li> <li>● Help desks</li> <li>● Company newsletters</li> <li>● Safety Management Committee</li> <li>● Company Benefits Committee</li> <li>● Conversations and Meetings</li> </ul>
Communities	<ul style="list-style-type: none"> <li>● Community contribution</li> <li>● Accident and disaster prevention in workplaces</li> </ul>	<ul style="list-style-type: none"> <li>● Volunteer activities</li> <li>● Taking part in community events</li> <li>● Plant tours</li> <li>● Visiting lectures</li> <li>● Emergency drills</li> </ul>
Government	<ul style="list-style-type: none"> <li>● Legal compliance</li> <li>● Labor management</li> <li>● Responding to legal reforms</li> </ul>	<ul style="list-style-type: none"> <li>● Trainings divided by stratum</li> <li>● Trainings divided by positions</li> </ul>

## Special Feature

# Promoting Health and Productivity Management

At NIDEK, we have always known that safety and health of all of our employees and their family is the base of our business management and a social responsibility. We strive to ensure a safe and secured workplace.



## Maintaining and Improving Physical and Mental Health

### ■ Stress Check Program

As the Japanese government mandated the Stress Check Program, we annually offer this program to our employees. We promote self-care by notifying the result and in addition, we have provide an opportunity for sessions when we are requested.

Program Examination Rate (%)			
	2017	2018	2019
Examination Rate	84.0	83.8	87.5

### ■ Mental Health Helpline

We think it is important to make an environment that employees can work with peace of mind. To support employees' mental health, we have an external consultation service since 2016 for our employees and their families.

## Maintaining and Improving Physical Health

### ■ Occupational Health Assembly

As a part of the National Occupational Health Week activity, we have an occupational health meeting. In 2019, we had a lecture about extending our healthy life span by the public health nurse from the health center of Gamagori City in order to provide an opportunity to think about our health.



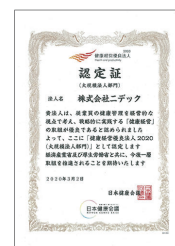
### ■ Health Challenging Activity

In order to provide an opportunity to improve employees' health (maintaining health and preventing modern diseases) and lifestyle, we offer the Health Challenging Activity period for three months, from the beginning of September to the end of November. Employees and their family can participate in this activity. We have them set a goal such as stop smoking, losing weight or doing fitness training to have a better lifestyle and self-declare whether they achieved their goal or not. In 2019, we had 306 participants and 255 achieved their goal.

## Third-party Evaluation of Health and Productivity Management

### ■ "Aichiken Kenko Keiei Suishin Kigyou" and "2020 Certified Health and Productivity Management Organization"

In November 2019, we registered as "Aichiken Kenko Keiei Suishin Kigyou" and certified as "2020 Certified Health and Productivity Management Organization (large enterprise category)" in March 2020. We will continue to actively work on "work style reform" and "health and productivity management" to improve our employees' health in order to contribute to improving productivity through revitalization of the organization.



# Governance

## ガバナンス

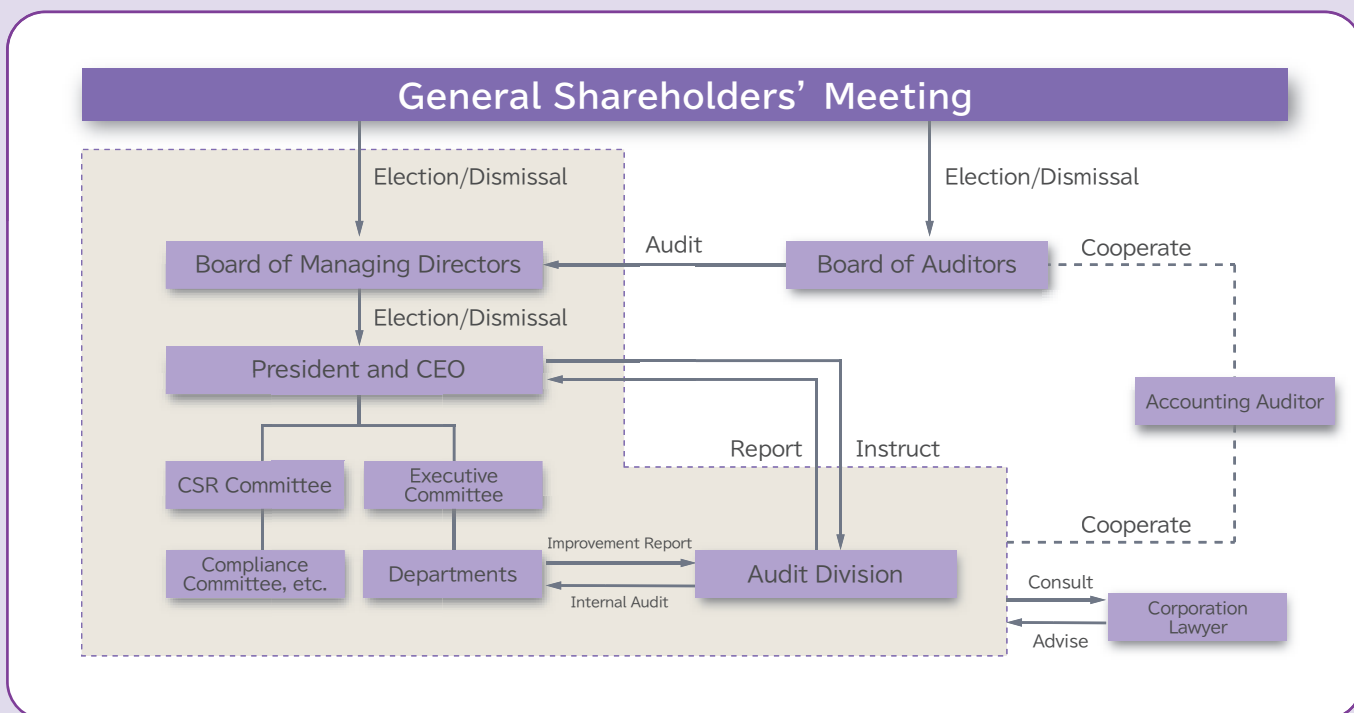


### Compliance Policy

Nidek considers that acting in accordance with common rules and norms of society is essential for continuing business and it is an important task for us to take the initiative. We do not just observe laws in letter as well as spirit, but also fulfill our ethical and social responsibilities which are required by rules and social norms.

We urge all of our employees to comply with "NIDEK Corporate Conduct Charter" not to break the trust of any stakeholder including our customers.

### Corporate Governance System





## Compliance System

We have established the Compliance Committee to understand the compliance condition, to prevent violations of laws and regulations, and to prepare appropriate measures against the violation of laws and regulations.

### Roles of the Compliance Committee

1. Establishing, maintaining and managing the internal compliance system
2. Formulating and reviewing the compliance manual
3. Providing education and enlightenment on compliance
4. Monitoring implementation status of compliance activities
5. Investigating and addressing problems regarding compliance
6. Being in charge of a compliance consultation desk

## Efforts for Compliance

### Conduct Policy of our Employees

In order to raise the awareness of compliance among our employees, we have created a poster of "NIDEK Conduct Policy" and posted it in each workplace.

In this poster, the NIDEK Corporate Conduct Charter, the compliance test (checklist), information about the whistle-blowing desk and such are described.

### Global Compliance

In 2019, in addition to the existing compliance manual, we have created a global compliance manual (simplified version). We are working on publicizing compliance to local employees by holding information sessions to the managers of our subsidiaries.

### Compliance Education

We focus on compliance education for our employees and provide regular training programs by job class and job category according to the annual agenda established at the beginning of the fiscal year.

We set the common theme in each year and provide an opportunity to discuss in each work-

place in order to improve the awareness and call out attention toward compliance.

### ● Educations and Trainings in 2019

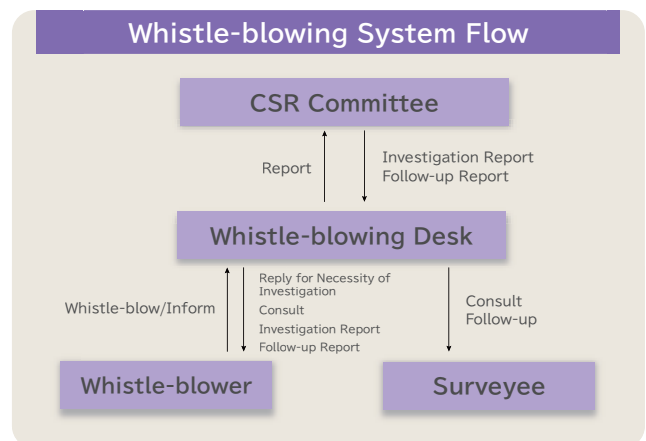
Managers	<ul style="list-style-type: none"> <li>• Compliance Training</li> <li>• Labor Management Education</li> </ul>
Employees of Sales Departments	<ul style="list-style-type: none"> <li>• Compliance Training (Domestic/International) for sales persons</li> </ul>
Employees of Development Departments	<ul style="list-style-type: none"> <li>• Research Ethics Education</li> </ul>
Newly Entered Employees	<ul style="list-style-type: none"> <li>• Compliance Training</li> </ul>
All Employees	<ul style="list-style-type: none"> <li>• Information Security Training</li> </ul>

## Whistle-blowing System

### Whistle-blowing System

We have a "Whistle-blowing desk" outside the company and promoting it to our employees. Employees can consult or report the organizational or personal violation of laws to this desk. This system is aimed at early detection and correction of fraudulent acts and the enhancement of compliance.

Additionally, in order to prevent unfair disadvantages of the employee who reported or consulted, we have established a company regulation.



### Global System for Whistle-blowing

In response to the recent globalization, we have started establishing a system and mechanism for whistle-blowing at overseas subsidiaries since 2019. In China, to operate the whistle-blowing system from 2020, we have established a point of contact for whistleblowing that an external lawyer receives reports and expanded the whole whistle-blowing system.

# Social

## 社会



## Safety Management Policy

NIDEK considers that securing health and safety of all employees is a foundation of company management and a social responsibility. We have made efforts to ensure a safe and healthy workplace by following the guideline of NIDEK's corporate conduct charter.

### Safety Management Policy

1. NIDEK will comply with all laws, internal regulations and standards related to safety management activities.
2. All employees including management will make efforts to appropriately conduct an occupational health and safety management system according to their responsibilities and actions.
3. We will inform the importance of safety management activities to all employees and raise awareness through necessary training and educations.
4. We will conduct safety management activities with the cooperation of all employees, and endeavor to ensure the safety and health of all employees and their families.
  - (1) Health and Safety  
We will endeavor to create a comfortable workspace by properly managing risk assessment, risk prediction, near miss reporting and chemical substances control.
  - (2) Health  
We will endeavor to maintain the health of all employees by promoting mental and physical health activities.
  - (3) Traffic Safety  
We will work on decreasing traffic accidents by enhancing road safety and promoting road safety measures.
  - (4) Disaster Prevention  
We will secure employee safety including visitors by promoting proactive measures against possible disaster risk.

## Safety Management Activities

We have constructed a safety management system based on the Occupational Safety and Health Management System. Four special committees (Safety and Sanitation / Health / Traffic Safety / Disaster Damage Prevention) are to ensure employees' safety and health.

## Safety & Disaster Damage Prevention

### Industrial Accident Prevention Programs

For the purpose of eliminating industrial accidents and enhancing safety consciousness, we conduct risk prediction educations and risk assessment to new, mid-career and transferred employees.



At our safety meeting held in July 2019, we played a video created in-house about industrial accidents.

### Emergency Drills

An emergency drill for employees is held every year in October or November.



With the cooperation of the Gamagori City Fire Department, we had a fire drill using a water cannon.

## Basic Life-Saving Course

Every July, we conduct a basic life-saving course for the rescue team of our disaster prevention brigade in cooperation with the Gamagori City Fire Department.



Basic Life-Saving Course

## Traffic Accident Prevention

We conduct road safety training for people who newly became outside duty workers.

## Perfect Driver 100-Day Campaign

Twelve teams participated in the perfect driver 100-day campaign sponsored by Gamagori City's Safety Driving Management Council. Nine teams achieved no-accidents and no-violations.



Awards ceremony held at Gamagori Police Station in February

## Perfect Driving Promotion

Since fiscal year 2019, we have promoted each department's running days of perfect driving to raise each employee's consciousness to road safety.

## Business Continuity Planning

We have a business continuity plan in preparation for large-scale disasters and such. In 2019, we had a lecturer from a company along Mikawa Bay and learned advanced practical examples to apply them for activities hereafter.

Additionally, we have started to expand this plan into the whole NIDEK group.

Note: Business Continuity Plan outlines procedures of daily activities and emergency actions to enable prompt recovery/continuity of its business activities in the face of accidents/disasters. Such emergencies include natural disasters, fires, novel influenza and terrorism.

## Health Activities

### 2020 Certified Health and Productivity Management Organization (Large Enterprise Category)

In March 2020, we were selected as "2020 Certified Health and Productivity Management Organization (Large Enterprise Category)" by the Ministry of Economy, Trade and Industry.



### Aichiken Kenkou Keiei Suishin Kigyou

In November 2019, we were registered as an organization which promotes maintaining and improvement of employees' health.



## Medical Checkup

We provide annual medical checkup for employees and in addition, special medical checkup for employees who handle hazardous substances. We also support employees who need secondary checkup.

To employees who became 35 years old, and employees who are 40 years old and over, we provide lifestyle disease checkup. To employees who need improvement in their lifestyle, we give specific health guidance.

## Expanding Healthy Lifespan

In fiscal year 2019, as an activity of National Industrial Health Week in October, we had a lecture, "Health Management from the Result of Medical Checkups" by the health center of Gamagori City.

## Mental Health Care Promotion

Again in 2019, we conducted the annual Stress Check Program for the entire staff. We also have a consultation counter for employees and their families since 2016 to support employees from the viewpoint of mental aspect.

## Health Promoting Activities

In order to promote health with enjoyment, we conduct events such as the Health Challenging which goal is to improve our lifestyle, and Wintertime Exercise to promote health care.



As part of the Wintertime Exercise, we held a table tennis tournament in Hiroishi Plant.

## Personnel System

We have renewed our personnel system in April 2019 in order to respond to requests from our employees about human resource development and performance rating.

### Concept of the New Personnel System

- Simple** Easy to understand
- Communicative** Value communication
- Challenging** Create a challenging environment

## Training and Education Systems

### New Employees Education

The first two months from joining the company is training period for new employees. We have three programs, group training, training camp and on-the-job training. Autonomy and creation as a theme, we deepen the understanding of our company, deepen bonds between newly hired employees and teach the basics as working people and NIDEK employees.



Group work presentation, which is one of the group training programs.

## Language Training

There are many situations when we need language skills in our work. We strengthen our employees' foreign linguistic ability by providing trainings such as TOEIC IP tests and English conversation trainings.

## Education System in NIDEK

We reconsider our training program every year in order to make the system more effective.

### Major trainings held in 2019

Program	Summary
Next Generation Leaders Program	Training for next generation leader candidates who were selected as target applicants
Business Skills Training	Training for mid-level employees
E-learning: Accounting Course	Training for management-level employees

## Respecting Diversity

### Working Hours Management

Long working hours may affect not only one's health but also their private life. In order to have everyone live a healthy and fulfilling life, we work on providing a good working environment by having no-overtime days and such.

### Monthly Average of Non-scheduled Working Hours per Employee

	(Hours)				
	2015	2016	2017	2018	2019
Non-Scheduled Working Hours	18.05	17.79	18.88	16.00	19.33

### Paid Leave

Ten days of paid leaves are granted in the first year. Thereafter, two days are added each year until up to twenty days. Conserved holidays can be carried over to the next year and up to forty days are granted for one year.

### Average of Days Received for Paid Leave

	(Days)				
	2015	2016	2017	2018	2019
Paid leave	10.5	11.7	11.9	12.5	13.7

## Systems Balancing Childcare, Family Care and Treatment

### ● List of Systems

System	Summary
Systems Related to Child Care (Before Birth)	<ul style="list-style-type: none"> <li>● <b>Commuting Relaxation During Pregnancy</b> Employees who are pregnant can choose either staggering working hours or working fewer hours.</li> <li>● <b>Doctor's Appointment Leave</b> Used when doctor's appointment such as medical checkup is needed.</li> <li>● <b>Childbirth Leave</b> Up to six weeks (14 weeks in the case of multiple birth) are given to mothers.</li> </ul>
Systems Related to Child Care (After Birth)	<ul style="list-style-type: none"> <li>● <b>Child Care Leave</b> Child care leave can be taken until the day before the child's first birthday (up to child's second birthday for special reasons).</li> <li>● <b>Working Time Options</b> Short-time working system for child care can be used until the child reaches fourth grade. Up to two hours of shortage per day can be requested.  If there are special reasons, working hours can be shortened to four and a half hours at the shortest.</li> <li>● <b>Sick/Injured Child Care Leave</b> Up to five days (ten days if there are more than two children who are under fourth grade) can be taken.</li> </ul>
Systems Related to Child Care (Others)	<ul style="list-style-type: none"> <li>● <b>Childbirth Attendance</b> One day as a special paid leave</li> <li>● <b>Restrictions on Overtime and Night Labor</b></li> </ul>
Systems Related to Family Care	<ul style="list-style-type: none"> <li>● <b>Family Care Leave (Long term)</b> Up to 93 days can be taken.</li> <li>● <b>Family Care Leave (Short term)</b> Up to five days (ten days if there are more than two people who needs family care) can be taken.</li> <li>● <b>Working Time Options</b> Up to two hours of shortage per day can be requested for three years.  If there are special reasons, working hours can be shortened to four and a half hours at the shortest.</li> <li>● <b>Restrictions on Overtime and Night Labor</b></li> </ul>
Health and Employment Supporting System	In order to support balancing continuous injuries or illness treatment and employment, we provide adjustment of work days, working time options, commuting relaxation and such.

### ● Parental Leave Utilization Rate

	2015	2016	2017	2018	2019
Mothers	100	100	100	100	100
Fathers	2	6	10	25	43

## Day-care Center

We provide a day-care center in Gamagori City for employees to return to work without anxiety.



Inside the day-care center

## Next Generation Certification Mark

In August 2012, we have achieved Kurumin Mark as a company supporting work and family-life balance, certified from the general of Aichi Labour Bureau.



## Aichi Josei Kagayaki Company

We are certificated by Aichi Prefecture as an “Aichi Josei Kagayaki Company (Aichi's Company with Active Participation of Women)”, a company whose top management promotes active participation of women by expanding employment, expanding work areas, training, appointing managers, promoting work-life balance and creating an environment where childcare and nursing can be done while working. We aim to enlarge women's “stability” and “success” in the workplaces.



## Fair Business Practices

### Elimination of Anti-Social Forces

We have no relationship with any anti-social forces and will take a resolute attitude and cooperate with outside specialized agencies against unreasonable demands.

### Prevention of Corruption and Bribery

We determine in our compliance manual that we must not allow any illegal money transfer and unappropriated receptions and gifts, and strengthen anti-corruption through our whole business activities.

#### Prohibition of Bribery, Inappropriate Gifts or Such and Conflict of Interest Transactions

- **Prohibition of Bribery**
  - We must not offer benefits such as money to take unfair advantages.
  - We must not receive money in return for unfair advantages of customers and clients.
  - We must not make demands for unfair advantages by using an advantageous position.
  - We must not compel the distributors or people concerned, or to be involved in illegal transaction to take unfair advantages.
- **Prohibition of Inappropriate Gifts or Such**
  - We must not provide or receive excessive gifts or such in terms of conventional wisdom and common sense.
- **Prohibition of Conflict of Interest Transactions**
  - We must not engage in competition that leads to a company's disadvantage such as establishing the additional posts of executive officers or employees of other companies or doing a profit-oriented business.
  - We must not conduct business with a company or for oneself or for a third party, such as selling products.
  - Actions that might be contrary to the interest of the company must be openly revealed.
  - We must not pocket company's fund or personal use of information obtained in work.

#### 5. Monitoring

To execute public research funds properly, we will check the state of implementation of ordering / acceptance / payment and fiscal statements, and conduct inspection of materials.

#### 6. Establishment of Help Desks and Contact Offices

We will establish help desks and contact offices for accusation of unauthorized use of public research funds and wrongdoings in research activities.

### Treatment of Public Research Funds

Based on guidelines such as Guidelines for Managing and Auditing Public Research Funds at Research Institutions, we have established a basic policy for proper operation and management to prevent unauthorized use of public research funds.

#### Basic Policy of Unauthorized Use of Public Research Funds Prevention

##### 1. Observe Guidelines, Rules and Guiding Principles

will observe laws relating to prevention of unauthorized use of public research expenses and such guiding principles and guidelines by countries and funding agencies.

##### 2. Clarification of Allocation of Responsibilities

The allocation of responsibilities are as below.

Person in Charge	Job Title
Chief Administrator	President and CEO
General Manager	General Manager of Administration Division
Compliance Controller	Person in charge of public research funds in each division / department

##### 3. Establishment of Regulations and Operation Rules

We will establish codes of conduct, regulation of managing public research funds and prevention of unauthorized use as well as any other operation rules and procedures related to them, and inform them to all of our employees (researchers, office workers, person in charge) who are concerned with public research funds.

##### 4. Formulation and Implementation of Plan to Prevent Unauthorized Use

A plan to prevent unauthorized use of public research funds will be formulated and implemented.

### Transparency with Medical Institutions

We disclose funds paid to medical institutions and Information Security other organizations based on the "Transparency Guidelines for the Medical Device Industry and its Relationships with Medical Institutions and Other Organization" by the Japan Federation of Medical Devices Associations (JFMDA) to improve the transparency and credibility of the relationship with medical institutions and other organizations and to contribute to the development of Eye & Health Care.

### Management Policy of Information Security

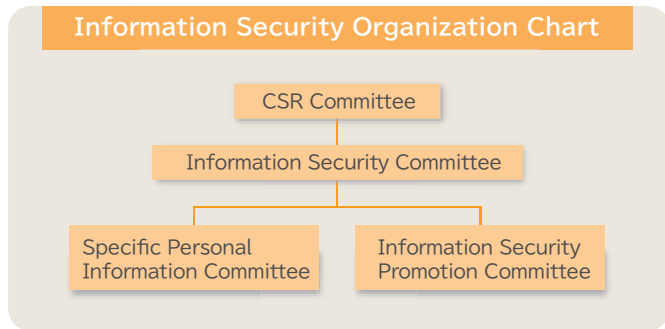
We believe that it is essential to achieve and maintain a high level of information security to protect our customers' and business partners' information. As a comprehensive measure of information security, we have established the Information Security Management System (ISMS) and have made efforts to protect our information assets from any threats.

### Information Security System

We have the Information Security Committee to maintain and strengthen information security. The committee decides company-wide information security policies such as data breach crisis management. The committee consists of two subcommittees; the Specific Personal Information Committee and the Information Security Promotion Committee.

The Specific Personal Information Committee creates internal rules for proper handling of Social Security and Tax Numbers, develops and repairs systems that support them, considers

management measures for specific personal information and conducts in-house trainings and educations. The Information Security Promotion Committee perform substantive maintenance and management of information security such as preparing, revising and deliberation of discarding documents.



## Efforts for Information Security

### Education

We have been training our employees to improve consciousness to information security on a regular basis.

In 2019, we had an e-learning education for newly-hired employees in July, and for the whole employee (including officers and employees who are transferred overseas) in October. In addition, we had a patrol of confidential categories visualization based on the inventory of information assets in January 2020.

### ISMS Certification of Registration

We have received the external surveillance audit for the ISMS of the department's handling information assets.

Our ISMS was evaluated in January 2019 to satisfy and maintained the requirements of ISO/IEC 27001: 2013 and JIS Q 27001: 2014



#### ISO/IEC 27001:2013 / JIS Q 27001:2014

Registration Institution (2019)  
British Standards Institution  
Registration Number (2019)  
IS 580917

Note: This Registration operates system at the Information System Department and the NAVIS Support Center

## Quality Policy

NIDEK's business is to realize "Invisible to Visible" and "Lively and Healthy Society." For people's healthy and comfortable life, we will create new opportunities and provide safe and high quality products and services.

Based on our quality policy, we are working on maintaining and improving quality on a company-wide basis. We have regular internal audits and in addition, we work on "quality education" for our employees.

### Quality Policy

- 1. Contribution to the improvement of QOV**

NIDEK will provide high-quality products and services which meet the requirements to contribute to the improvement of patient's QOV (Quality of Vision).
- 2. Quality Assurance from the Customer's Perspective**

We will assure quality from customer's perspective in all stages of product design, production, and service.
- 3. Continual Improvement of the Quality Management System**

We will establish a quality management system and make continual improvements to maintain its effectiveness.
- 4. Setting Quality Targets**

We will set quality targets for each fiscal year and strive to achieve these targets in order to implement our quality policy.
- 5. Publication and Review of the Quality Policy**

We will present the quality policy in order that it is clearly understood by all employees. In addition, we will reconsider the policy as necessary to maintain its suitability.

## Quality Assurance System

Based on the international standard ISO 13485, we have product development, production and sales activities under our quality management system. Each process has strict quality reviews to work continuously on improvements. Customers' voice and market information collected will be used to make better products. Additionally, we review the effectiveness of our quality management system. In regular meetings of our quality assurance committee.

## Efforts for Quality Improvement

### Quality Management System (QMS)

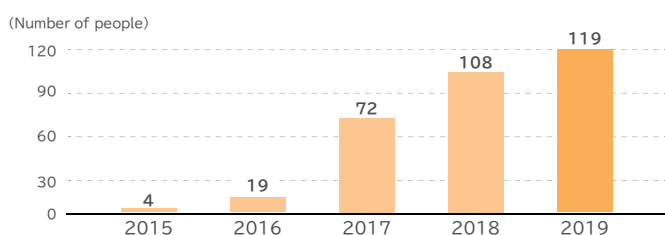
Our business is to develop, manufacture, sale and have customer service of medical devices based on our business domain “Eye & Health Care.” Medical devices could be sold only when they pass the laws of each country, related to QMS and are permitted to sell only products manufactured according to the law.

In recent years, QMS review tends to be stricter due to the growing needs for quality and safety for medical devices. For this reason, we established a project team to restructure QMS in 2015. The aim of the team is to enhance compliance and improve product quality. In 2018, we had training with the people concerned before QMS surveillance and made QMS become established.

### Quality Management Education

We are working on raising awareness to quality in order to gain knowledge that is useful in our operation such as quality management’s way of thinking, methodology and problem-solving process. In the relevant departments, employees take the QC KENTEI (Quality Management and Quality Control Examination). A total number of 119 people passed grade 1 to 3 (March 2020).

#### ● Successful Examinees of QC KENTEI Grade 1 to 3



Note: QC KENTEI which is held under the Japanese Standards Association and the Union of Japanese Scientists and Engineers, can objectively evaluate the knowledge about quality control.

### Periodic Internal Audit

We conduct internal audits regularly to confirm that our quality management system complies with the laws and regulations of medical devices in each country. We operate our business based

on our manuals and that our quality management system is effective.

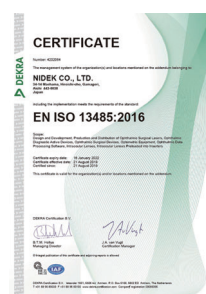
### Certification of International Standards

We are certified ISO 9001 and ISO 13485 Medical devices.



#### ISO 9001

Registration Institution (2020)  
TÜV Rheinland Cert GmbH  
Registration Number (2020)  
01 100 107201



#### ISO 13485

Registration Institution (2020)  
DEKRA Certification B.V.  
Registration Number (2020)  
4202064

### Customer Support

We have a system for customer support by the product and the areas of customers’ in order to respond to customers inside and outside the country.

## Social Contribution Activities

We are engaged in various social contribution activities including environmental preservation such as local clean-up and environmental preservation.

Following are some of our activities of social contribution in 2019.

### Donation to the Japan Braille Library

Donation to the Japan Braille Library is becoming periodically. We used corporate matching gifts and the donation was used to make a book for people with visual disability and as operating funds for the library.



## Collecting Eco-Caps

Since 2009, we have been rolling out the "Eco Cap Movement" to exchange collected plastic bottle caps for vaccines. In 2019, 195,693 caps (about 245 vaccines) were collected throughout the company.

## Collecting and Donating Used Stamps

We have collected 1.34 kg of old stamps in 2019, and donated them to the General Support Center for the Visually Handicapped.

## Participating in the Local Clean-Up Campaign

We have continuously participated in the local clean-up campaign held twice a year by Gamagori City. We cleaned up the surroundings of each plant.



Clean-up of surroundings of each plant in Gamagori area is held twice a year.

## Sponsorship to the Para-sports Sailing Association of Japan (PSAJ)

We have been supporting PSAJ since November 2016. We will support the association continuously.



## Lectures for Local Elementary and Middle Schools

We have continued lectures for students in elementary and middle schools since 2009 to have them more interested in eyes. In 2019, 4,886 students in 22 schools listened to our lecture.



## Donation of Intraocular lenses (IOL) to Nonprofit Organizations

We donated 200 IOLs (artificial lens generally used in cataract surgeries) to Asia Prevention of Blindness Association, and 50 IOLs to POSA (Project Operation Sight for All).

Asia Prevention of Blindness Association:

An organization that dispatches technical staffs such as doctors, supports establishment and operation of ophthalmic hospitals, support improvement of ophthalmic technology and conduct treatment support services for those who cannot receive treatment due to poverty in order to contribute to development of ophthalmology.

POSA:

An organization that aims to save those in Bangladesh and India, who cannot have cataract surgeries for financial reasons by volunteering ophthalmologists.

## Donation of Medical Products to Japan Tanzania Eye Medical Support Team

We donated cataract surgery products to a nonprofit organization, Japan Tanzania Eye Medical Support Team. These products will be used in cataract surgeries and technical instructions.

## Sponsorship to Light Up in Green

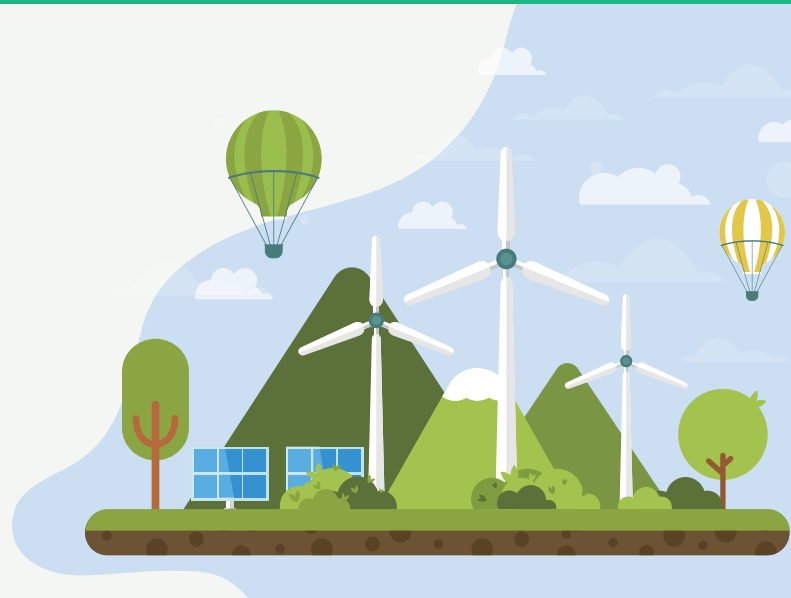
We lighted up a wall of our plant in green on March 9, 2020 during the World Glaucoma Week to participate in the Light Up in Green campaign held by Japan Glaucoma Society. Light Up in Green is an event to raise awareness of Glaucoma by lighting up famous landmarks in green.

Note: World Glaucoma Week is an event by World Glaucoma Association. It is held all over the world since 2008.



# Environment

## 環境



## Environmental Policy

NIDEK has recognized the importance of corporate social responsibility and global environment conservation. For this reason, we perform the improvement activities continuously which contribute to the establishment of a recycling-based society.

### Environmental Policy

1. NIDEK will identify the environmental effects resulting from our business activities. We will promote pollution prevention, usage of sustainable resources, addressing climate change and biodiversity along with ecosystem protection with all workers by having environmental targets. The environmental targets will be updated as necessary to improve environmental protection. We will also comply with environmental rules such as laws, ordinances, regulations and self-limitations, and respect stakeholders' opinions.
2. We will considerate the impact our business activities, product manufacturing and services have on the environment. We will particularly promote the environment conservation activities described below.
  - 1) Environmentally Friendly Design  
We will eliminate hazardous substances from our major products and promote green procurement. We will provide eco-friendly products which consider the effects on the environment from material procurement to product disposal.
  - 2) Energy Saving  
We will promote energy efficiency by introducing low-energy consumption processes in designing and manufacturing products.
  - 3) Waste Reduction and Resource Conservation  
We will reduce waste generation by promoting the "3R-rule (reduce, reuse, and recycle)" along with devising sustainable use of resources. We will also promote Zero Emission.
  - 4) Contribution to the Environment and Society  
We will contribute to environment conservation by providing environmental information and communicating with the community from the point of view of CSR.
  - 5) Proper Control of Chemical Use  
We will take an effort to prevent pollution to air, water, and soil. We will promote appropriate management of chemicals in order to protect biodiversity.
  - 6) Emission Control of Fluorocarbons  
We will protect the ozone layer and mitigate climate change due to global warming by appropriate management (prevention of fluorocarbons leakage and promotion of non-fluorocarbon substitutes) of refrigerators, freezers, and air conditioners for institutional use.
  - 7) Business Continuity Planning (BCP)  
When emergencies such as disasters that are assumed to be caused by climate change occur, we will minimize damage by the BCP and take actions to continue and restore business.
3. We will improve all employee awareness and understanding of environmental policy and sustainable global environment conservation by promoting environmental education and in-house publicity activities. We will also expect understanding and cooperation from affiliated companies with the environmental policy.

## Environmental Management

We have the Central Committee of Environmental Management and four special committees under the Chief Administrative Officer of Environmental Management. Each plant has the Committee of Environmental Management to make efforts toward further environmental improvement. Reports from each plant are shared for continuous improvement of the whole company.



## Green Supply Chains

Under our Environmental Policy, we promote environment-centric procurement by requesting suppliers to agree to organizing an environmental management system based on ISO 14001 certification.

## Eco-Friendly Products

We have reduced harmful substances from products as well as striven for the minimum environmental load in developing and manufacturing products. We released three eco-friendly products in 2019. All accomplished lightweight, energy-saving and high degradability and material recyclability among with improving their performance and function.

## Scanning Laser Ophthalmoscope Mirante

Mirante is a high resolution and high definition fundus imaging platform with a weak laser irradiation SLO and SLD light source using OCT. With the high definition and brightly colored SLO, it enables new radiogram interpretation with further detailed features and color tone changes. In addition, a wide range and high definition OCT image can be observed to identify any anomalous spots.



In addition to complying with the Toxic Substances Control Act, a power saving design has been adopted for environmental considerations, and the weight of the imaging part of the device is only 23 kg even though this product has two functions.

## Intelligent Blocker ICE-1

ICE-1 is a manual lens blocker which has an image scanning function to scan the shape of lenses or templates and edit the lens shape on the display screen. In order to finish off lens processing beautifully, both optic center and frame center processing is possible.



The weight of the product is 7.5 kg, and the maximum power consumption is an energy-saving 60 VA.

When we create eco-friendly products, we consider environmental influences from material procurement to disposal of waste. We place high importance on eco-friendly from the product planning and designing stage.

Based on our Product Environmental Assessment Provision, we cooperate with our developing departments, manufacturing departments, and supply chains in using reusable materials, simplifying product structures for easy disassembling, reducing numbers of parts and screws used, saving package waste and providing disposal procedures as well as weight reducing and electric power saving. We will continue promotion of developing and producing eco-friendly product so that we can reduce environmental loads.

Environmentally Friendly Design Committee

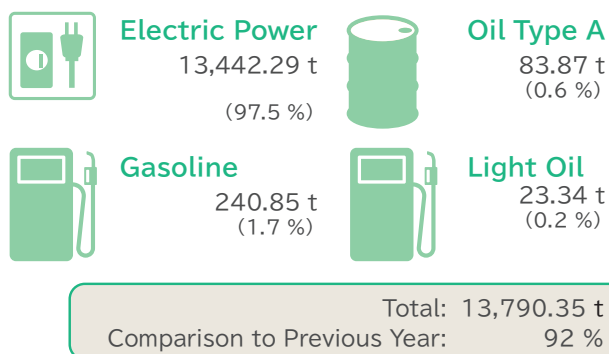
# Overview of Environmental Impact



## Actions on Climate Change

We work on performing business activities which concerns the protection of the environment and protecting ecosystems by reducing CO<sub>2</sub> emissions. Comparing the each resource's usage by converting them into CO<sub>2</sub> emissions, electric power emitted the most. Therefore, we conduct a company-wide basis power saving activity on daily basis.

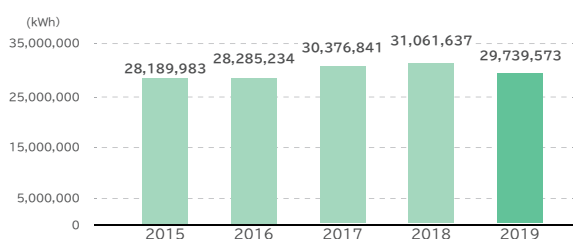
### ● CO<sub>2</sub> Emission



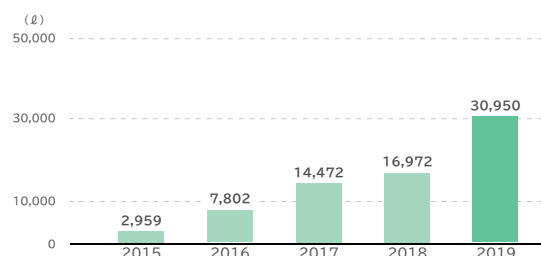
Note: Includes gasoline and light oil used in company cars of five plants and Gamagori branch.

### ● Electric Power Consumption

In 2019, despite the increase in production of IOL, we were able to reduce power consumption by energy-saving activities and replacement of equipment with energy-saving products.

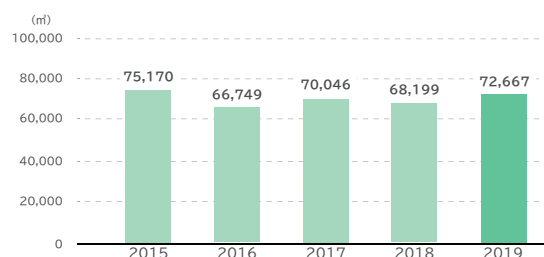


### ● Fuel Oil Consumption



### ● Water Consumption

As the production volume increased in our IOL producing plant, the water consumption increased. However, we are working to save water by improving the efficiency of the cleaning process.



## Reducing Waste Volumes

To achieve zero waste emission, we have been auditing our final disposals and improving the recycling rate. In 2019, we were able to recycle more than 99 % of our waste.

	FY 2019
Valuables / Recyclables	551,861.4
Final Disposal	280.4
<b>Total</b>	<b>552,141.8</b>
Recycling Rate	99.9%