

Sustainability Promotion System

System

In order to effectively implement the Sustainability Policy, the Nikon Group has established the Sustainability Committee, chaired by the Representative Director and President, and with the officer in charge of the Corporate Sustainability Department as the vice chair. Its members are comprised of members of the Executive Committee and all general managers responsible as heads of the business units and divisions, with related department managers participating as observers.

The committee deliberates on overall management and decision-making related to sustainability activities, including identifying materialities, setting goals for materiality issues, managing the progress of each measure, evaluating performance, and directing improvements. We also monitor overall sustainability risks with a focus on materiality.

In addition, to properly respond to risks that might critically impact corporate management, the Nikon Group has set up the Risk Management Committee, which also identifies and takes other actions against risks to the Nikon Group based on risk identification surveys in coordination with the Sustainability Committee.

In principle, the Sustainability Committee meets twice a year. In fiscal year 2022, it met four times. At the same time, lectures by experts and discussions are held at this committee's meetings to enhance each member's knowledge of global social issues and trends. Deliberations at this committee are reported at least once a year to the Board of Directors, which manages and supervises the appropriateness and effectiveness of activities as well as associated risks.

The Environmental Subcommittee and the Supply Chain Subcommittee have been established under the Sustainability Committee.

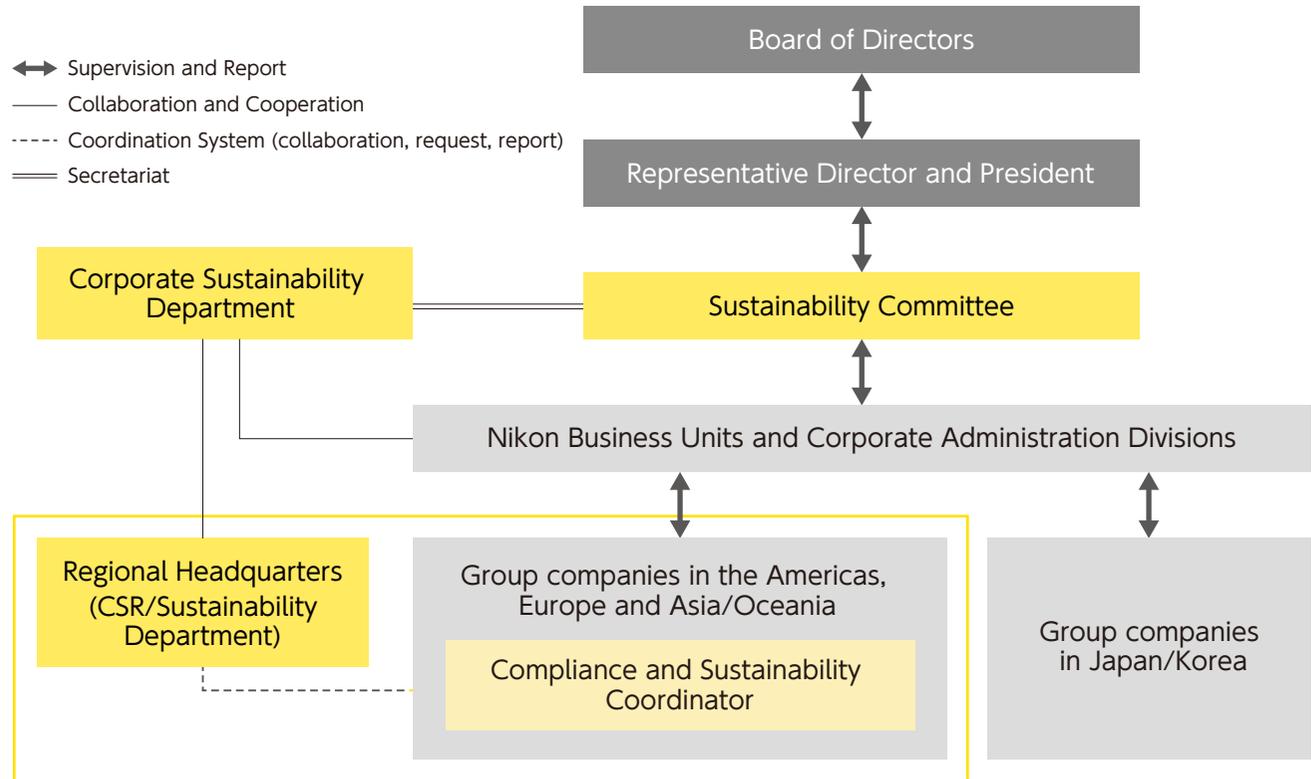
● Sustainability Promotion System (As of March 31, 2023)

↔ Supervision and Report

— Collaboration and Cooperation

----- Coordination System (collaboration, request, report)

==== Secretariat



Environmental Management Promotion System (→ p.055)

Supply Chain Management (→ p.097)

Risk Management (→ p.143)

Promotion System at Group Companies Outside Japan

The Nikon Group has established a sustainability department at each regional headquarters, in order to advance consistent sustainability initiatives across the Group companies while taking into account the characteristics of each region where they are located, including culture, customs, language, etc. We divide the geographic areas where we operate into four regions (excluding Japan), and the sustainability departments of Nikon and of each regional headquarters puts in place systems for the promotion of sustainability within their jurisdiction. Furthermore, a Compliance and Sustainability Coordinator is appointed at each company to ensure collaboration. In addition, a Sustainability Global Communication Meeting is held once a year, with participants representing the CSR/sustainability department at each regional headquarters. At this meeting, information regarding social trends in each region, progress made in sustainability activities, and issues that need to be addressed, is shared and discussed. In fiscal year 2022, this meeting was held in the U.S. In particular, a forum was established for exchanging opinions with local Group company stakeholders about DEI, and intensive discussions were held on how to strengthen future initiatives.

Activities Aimed at Raising Employees' Sustainability Awareness

The Nikon Group publishes a quarterly newsletter in 14 languages covering activities related to the SDGs and sustainability-related news within and outside the Group, with the aim of raising sustainability awareness among employees. In addition, a sustainability page has been established on our Group portal site (Japanese), with new content posted every two weeks regarding sustainability awareness-raising and the current status of related Group activities. In the fiscal year 2022, we disseminated information on various themes, including biodiversity, human rights, compliance, and corporate citizenship activities, to raise awareness and encourage employee participation in activities. Furthermore, Nikon held a talk event about SDGs in the workplace in Japan for employees in Japan using a web conferencing system. To provide an opportunity for people to become familiar with sustainability and to think about the connection between their work and the SDGs, employees from different business units were invited to appear on stage each time to introduce initiatives at their workplaces.



Sustainability Newsletter

Participation in International Initiatives

The Nikon Group aims to enhance the optimization and effectiveness of its activities by working together with various groups through involvement in international initiatives.

Participation in Environmental Initiatives and Outreach to Society
 (→ p.054)

Joining the UN Global Compact

Nikon became a signatory to the UN Global Compact (UNGC) in 2007. We respect the ten principles covering the four areas of human rights, labor, environment and anti-corruption. Through the UNGC, the Nikon Group acquires a global perspective on social challenges as well as gaining opportunities to share information with other companies and build a network with experts.



● Main Achievements for the Fiscal Year 2022 in Relation to the Ten Principles of the UN Global Compact

	Principle	Policy	Jurisdiction	Achievements
Human rights/ Labor	1·2/3·4·5·6	Nikon Human Rights Policy	Sustainability Committee	Disseminated a message from the president to all Nikon Group employees on Human Rights Day. In addition, human rights events and human rights e-learning programs were held in Japan. Furthermore, the communication handbook for deepening consideration of human rights in advertising and promotions was updated and disseminated to those in charge.
		Nikon CSR Procurement Standards	Supply Chain Subcommittee	Conduct CSR assessment, audits, and corrective actions once every three years for procurement partners that are selected based on risk assessment from various perspectives. In the current fiscal year, the CSR questionnaire was revised in consideration of the RBA's SAQ, and the CSR questionnaire diagnosis was conducted for seven new procurement partners and 10 key partners (Tier 2 suppliers and beyond). In addition, CSR audits were conducted for two procurement partners and improvements were requested.
		Responsible Minerals Sourcing Policy		In addition to conducting 3TG surveys of products in all business units, in fiscal year 2022, the scope of the cobalt survey was expanded to include a cumulative total of four business units. Published the Responsible Minerals Sourcing Report and the list of smelters that are either 3TG/cobalt conformant or undergoing surveys.
Environment	7·8·9	Nikon Long-Term Environmental Vision	Environmental Subcommittee	Deployment throughout the Group of Environmental management systems and implementation of initiatives. In fiscal year 2022, we reviewed our Nikon Medium-Term Environmental Goals in conjunction with materiality inspections and formulated the Environmental Action Plan accordingly.
		Nikon Green Procurement Standards	Supply Chain Subcommittee	Conducted our triennial environmental management system survey in accordance with risks of chemical substances occurring in materials used, components, and processes. Also conducted environmental management system assessments to confirm the establishment and management of environmental management systems. In fiscal year 2022, we conducted assessments for 59 procurement partners. As a result, 31 companies were newly certified as environmental partners (total number of certified environmental partners: 456).
Anticorruption	10	Nikon Anti-Bribery Policy	Compliance Committee	Confirmation of the operation of anti-bribery guidelines using a self-inspection sheet. In fiscal year 2022, we began work on revising the Anti-Bribery Guidelines to reflect the latest social trends and business realities. In addition, education on anti-bribery was provided to Nikon Group employees.

Initiatives for RBA

With the aim of enhancing sustainability both within the Nikon Group and in the supply chain, Nikon joined the Responsible Business Alliance (RBA)^{*1} in May 2018. The RBA has established the RBA Code of Conduct to ensure that working environments remain safe and workers are treated with respect and dignity, while also setting standards for the fulfillment of environmental and ethical responsibilities within the supply chains of all member companies. In fiscal year 2022, we conducted education and assessments on the RBA Code of Conduct at 18 manufacturing facilities inside and outside Japan to ascertain the status of compliance with the RBA Code of Conduct for the entire Group. The results were reviewed by the Corporate Sustainability Department, which provided feedback to improve and

resolve issues at the respective business facilities. In fiscal year 2023, we plan for a Group-wide effort to improve and resolve issues identified in assessments. In August and September of 2022, the RBA VAP^{*2} audit was carried out at Kumagaya Plant, the first such audit for Nikon. It was carried out by an RBA-dispatched auditor and covered all applicable categories of labor, health and safety, environment, and ethics. Results revealed generally good levels for each. For the issues identified, we will formulate and carry out a voluntary improvement plan, and undergo a re-audit of items improved during the first half of fiscal year 2023, after which the final audit results will be determined. With a sincere approach to the audit results, we will maintain our process of continuous improvement to promote compliance with RBA's Code of Conduct. In addition, Nikon is implementing measures to foster

compliance with the RBA Code of Conduct throughout the supply chain. For example we ask procurement partners to implement the RBA self-assessment and making effective use of relevant educational materials. In fiscal year 2022, the questionnaire was revised to enable a rigorous understanding of the status of each company's CSR-related initiatives and risks.

^{*1} The Responsible Business Alliance (RBA) is an international industry coalition dedicated to corporate social responsibility in global supply chains (labor, occupational health and safety, environment and ethics). Initially, the RBA was founded primarily by three leading U.S. electronics companies; its membership has since expanded to include firms in the automotive, retail and toy manufacturing sectors, among others.

^{*2} Validated Assessment Process (VAP): An audit to verify compliance with the RBA's Code of Conduct for labor, health and safety, environment, and ethics, conducted by an audit organization accredited by the RBA.

Promoting CSR Procurement (➔ p.101)