

Materiality 7

Respecting human rights



Reason for Priority

As companies do business in a more globalized way, the potential that they infringe on human rights increases day by day, and companies are now required to take action to minimize and prevent these infringements. Companies must also work to ensure that human rights are respected for all stakeholders, including those in the supply chain, in their business activities.

Commitment

As an organization doing business on a global scale, the Nikon Group is profoundly aware of the importance of respecting human rights in its business activities. We recognize that one of our significant responsibilities to society is addressing human rights issues with sincerity. As per the Nikon Human Rights Policy established in 2019, all Group employees will respect human rights and conduct business activities with integrity in accordance with this policy and relevant laws and regulations. In addition, we will implement human rights due diligence steadily in accordance with the UN Guiding Principles on Business and Human Rights and advance initiatives to respect the human rights of all people involved in our business activities, including those in the supply chain. We will also strive to disseminate this policy throughout the Group and foster a corporate culture of respect for human rights.

Toshikazu Umatate
Representative Director and President

[Policy for Activities]

■ Nikon Human Rights Policy

[System]

■ Sustainability Committee

| Goals for the fiscal year ending March 2031 (What Nikon Intends to Achieve) | What Nikon Needs to Do | Related SDGs | Goals for the fiscal year ended March 2022 | Scope | Results |
|--|---|----------------------------|---|-------------|--|
| Ensuring that the principles embodied by the Nikon Human Rights Policy are instilled throughout the value chain, and that the measures outlined by the policy are properly implemented | Spread awareness of human rights and of the Nikon Human Rights Policy | 8.7 8.8 10.2 16.2 | Continue to implement human rights awareness-raising activities targeting all employees. In addition, for personnel in the departments related to public relations and marketing, implement training that is more closely linked to their daily work. | Nikon Group | Implemented human rights education for employees in all regions of the world as planned at the beginning of the fiscal year. E-learning is offered to all employees in Japan, with a 93% participation rate. |
| | Implement public relations and marketing activities that take human rights into consideration | | | | Developed and distributed a guidebook on standards for the use of inclusive language for employees in public relations and marketing-related departments |
| Ensuring that the RBA Code of Conduct is instilled in every company in the Nikon Group, and is strictly observed | Enhance conformity with the RBA Code of Conduct | | Put in place a Group-wide management system to foster conformity with the RBA Code of Conduct | Nikon | For the four categories (labor, health and safety, environment, and ethics), leaders were selected from relevant workplaces at the head office, and it was agreed that the Corporate Sustainability Department would work with them to promote the dissemination of the Code of Conduct within the Group as part of future awareness-raising activities. Education for leaders, which was scheduled for the second half of the year, was postponed to the first half of next year due to the updating of the RBA's e-learning system in the second half of the year. |

Human Rights Initiatives

Basic Policy

Approach and Policy

Through our business activities, the Nikon Group is directly and indirectly involved in the human rights of a variety of stakeholders. Our stance, which emphasizes respect for the human rights of all these people, is clearly enunciated in "2. Respect for Human Rights" of the Nikon Code of Conduct. Furthermore, we launched our Nikon Human Rights Policy in April 2019, a way for us to clearly show how we address human rights issues related to our business activities under our Code of Conduct. The Nikon Human Rights Policy also sets forth fundamental principles for us to practice in line with the UN Guiding Principles on Business and Human Rights, which were adopted by the United Nations in 2011. The policy was developed through internal discussions with major relevant departments and incorporating advice from external experts, and was approved by the Board of Directors.

The Nikon Group has other policies and standards in place specific to individual human rights issues, including the Nikon Group Privacy Protection Statement, the Nikon CSR Procurement Standards, and the Responsible Minerals Sourcing Policy. Nikon also supports the 10 Principles of the UN Global Compact, and we continue to implement measures aimed at realizing Principles 1 and 2 (Human Rights) and Principles 3 through 6 (Labour).



- Nikon Code of Conduct (nikon.com)
https://www.nikon.com/about/sustainability/policy/codeofconduct/code_of_conduct_EN.pdf
- Nikon Human Rights Policy
https://www.nikon.com/about/sustainability/society-labor/human-rights/human_rights_policy.pdf
- Nikon Group Privacy Protection Statement
https://www.nikon.com/privacy/privacy_policy.htm
- Nikon CSR Procurement Standards
https://www.nikon.com/about/corporate/procurement/csr/responsible_minerals_sourcing_policy
- Responsible Minerals Sourcing Policy
https://www.nikon.com/about/sustainability/society-labor/supply-chain/responsible_minerals_sourcing_policy.pdf

Joining the UN Global Compact (→ P10)

Organizational System

System and Framework

In the Nikon Group, the Nikon Human Rights Policy is implemented with supervision by Nikon's Sustainability Committee, which includes several members of the Nikon Board of Directors. Instructions from the Sustainability Committee are handled by the Corporate Sustainability Department, which functions as the secretariat for the Sustainability Committee, together with related departments and committees as shown in the table on the next page. In the case that an emerging issue is identified, we will enhance our organizational framework and systems by consulting these departments and other appropriate departments as necessary.

With the Nikon Group, we have reporting and consulting systems in place by company or by region. Any Group employee can use these systems to report violations of the Nikon Code of Conduct (including issues related to human rights). For external stakeholders, we have several channels of inquiry, including contact points for suppliers and customer support, a hotline dedicated to conflict minerals issues, etc.

At the Nikon Group, we will continue working to enhance our management systems to effectively implement the Nikon Human Rights Policy.

Code of Conduct Hotline (Reporting and Consulting System) (→ P123)



- Inquiries (Procurement, CSR procurement, Green procurement)
<https://www.nikon.com/about/corporate/procurement/form/>
- Responsible Minerals Sourcing Hotline
<https://www.nikon.com/about/sustainability/society-labor/supply-chain/form/>

● Main Committees and Departments in Charge of Human Rights Issues

| Committees and departments in charge | Main issues handled |
|--------------------------------------|---|
| Sustainability Committee | General human rights issues (supervising implementation of the Nikon Human Rights Policy) |
| Human Resources Department | Prohibition of forced labor and child labor, elimination of discrimination and harassment, occupational health and safety, wages, working hours, freedom of association and collective bargaining rights, etc., with respect to Nikon employees |
| Administration Department | Contact points for employee reporting and consulting system |
| Information Security Department | Privacy (including protection of personal information) |
| Bioethics Review Committee | Bioethics |
| Supply Chain Subcommittee | Human rights issues in the supply chain (labor, conflict minerals, etc.) |

Initiatives for Preventing Human Rights Violations

Activities and Results

Human Rights Risk Assessment

In the process of developing the Nikon Human Rights Policy, the Nikon Group implemented a risk assessment to identify significant human rights issues for the Group. More specifically, this assessment used international human rights standards as a reference, benchmarking Nikon's situation against industry peers and reviewing past human rights violations reported in business domains where Nikon is active. As a result of this assessment, we identified the following seven human rights issues as particularly important to our business, specifying them as such in the Nikon Human Rights Policy: Prohibition of Forced Labor and Child Labor, Elimination of Discrimination and Harassment, Occupational Health and Safety, Freedom of Association and the Right to Collective Bargaining, Working Hours and Wages, Right to Privacy, and Human Rights Issues in the Supply Chain. Going forward, we will continue to enhance our efforts to address these issues in particular.

In the event of any major changes in management, including in the scope of our business, or if it is deemed otherwise necessary to review these important issues, we will take steps needed for review, including deliberation by the Sustainability Committee.

Monitoring


In the Nikon Group, we conduct human rights and labor monitoring surveys for Group companies each year in order to continuously improve how we address human rights. The results of these surveys are reported to the Sustainability Committee, which provides instructions for

further confirmation or corrective actions to prevent the occurrence or recurrence of human rights violations. In these surveys, we check for any practices that may heighten the risk of human rights and labor issues, as well as checking on employment of migrant workers and foreign technical trainees, information on occupational safety and accidents, etc. (see table on the next page). Starting in the fiscal year ended March 2021, we expanded the scope of the surveys to non-consolidated Group companies for which we are not the sole shareholder. No major problems were identified in the surveys for the fiscal year ended March 2022.

In addition, Nikon has joined the Responsible Business Alliance (RBA) and uses the self-assessment tool for RBA Code of Conduct compliance to monitor human rights risk. In fiscal 2020, our Group manufacturing companies outside Japan conducted self-assessments, analyzing results with the goal of identifying risks and considering and implementing necessary measures for improvement. While these assessments did not find any major human rights risks, there were some minor issues, such as the size of employee dormitories, and we have worked to make improvements at the business sites involved. In the fiscal year ending March 2023, we will begin regular education to promote understanding of the RBA Code of Conduct, and will conduct self-checks related to the RBA Code of Conduct at each Nikon plant and Nikon Group manufacturing companies inside and outside Japan. We will continue to monitor and mitigate human rights risks through human rights and labor surveys of Group companies and the use of RBA's Code of Conduct.

In addition, given the current tendency toward more restrictive laws and regulations related to personal information protection in various countries and regions, we are enhancing our measures for appropriate handling of personal information to ensure that it is securely managed.

Initiatives for RBA (➔ P11)
 Risk Management for Information Assets and Cybersecurity (➔ P133)
 Other related measures
 Promoting CSR Procurement (➔ P95)

 Responsible Minerals Sourcing Report 2022 (Results of the 2021 Survey)
https://www.nikon.com/about/sustainability/society-labor/supply-chain/responsible_minerals_sourcing_report_2021_survey.pdf

Details of the Human Rights and Labor Survey

Date: End of each fiscal year

Target: Group companies (including non-consolidated companies)

Content:

- Working environment for young workers and trainees (state of acceptance, format of employment/acceptance, work tasks, methods of age verification at the time of hiring/acceptance, state of compliance with respective local laws)
- State of employment of migrant workers and foreign technical trainees/specified skilled foreign workers)
- State of compliance with laws and regulations relating to minimum wages and working hours
- State of freedom of association (outside Japan)
- State of occupational accidents (outside Japan)

Human Rights Training

Activities and Results

At the Nikon Group, we work to disseminate information and raise awareness about human rights among our executives and employees.

In the fiscal year ended March 2022, we once again disseminated a message from the president to employees entitled *Become an even better company by respecting human rights* in the in-house newsletter to coincide with Human Rights Day since the previous fiscal year. We also occasionally include human rights topics in this quarterly newsletter. In addition, we provided e-learning on respecting human rights for Nikon Group employees in Japan. Its content focused on essential topics like the history of fundamental human rights and the relationship between business and human rights. The e-learning also touched on promoting the use of inclusive language in business and reminding employees about remote harassment due to the increase in working at home. Of eligible participants, 93% attended this course. To be even more mindful of human rights in advertising and promotion, we will also create a guidebook for being mindful of human rights in communication that can be applied across the Group, and we will strive to utilize this guide in our business operations. We also provide presentations about the importance of human rights issues to our procurement partners as well as persons in charge of procurement within the Nikon Group.


Promoting CSR Procurement (➔ P95)

Compliance with the UK Modern Slavery Act

Activities and Results

The Modern Slavery Act came into effect in the United Kingdom in October 2015.

The Nikon Group has released a statement on its website in accordance with the act.

 Nikon Group Slavery and Human Trafficking Statement for fiscal year ended March 31, 2021
<https://www.nikon.com/about/sustainability/society-labor/human-rights/uk-modern-slavery2021.pdf>

Labor Relations

[Approach and Policy](#)[Framework and System](#)

The Nikon Group respects basic labor rights and is committed to human rights as described in the Nikon Human Rights Policy following the International Labor Organization's (ILO's) Declaration on Fundamental Principles and Rights at Work.

At Nikon, the Nikon Labor Union has been organized, which is a member of the Japanese Association of Metal, Machinery, and Manufacturing Workers (JAM), itself mostly made up of employees of SMEs in the metal and machine industries. As of March 31, 2022, the Nikon Labor Union had 4,062 members, and 78.8% of Nikon employees were members of the union. When implementing measures related to the personnel system or work styles, we strive for full consultation with the Nikon Labor Union. Nikon also holds joint study meetings with the Nikon Labor Union, and exchanges opinions as necessary.

At Group companies in Japan, Nikon Labor Union branch or employee-elected representative is responsible for discussing with their company. At Group companies outside Japan, issues are discussed either by the company's in-house union or through consultations with an outside labor union to which employees belong. At companies where there is no labor union, we hold briefings for all employees, dialog with employee groups, and face-to-face meetings with individual employees.

When ordering an employee to change the job description and/or work location, the Nikon Group will discuss with their union or employee representative and informs the employee with a sufficient period of time.