

Priority Issue 8 Respecting Human Rights



Reason for Priority

There are still many human rights issues in the world today that are related to the business activities of companies, including forced labor, child labor, and slave labor in deplorable conditions. Particularly in recent years, it has become apparent that there are serious labor issues relating to the abuse of migrants and foreign workers, and there is an urgent need to address these problems. In order to face up to these serious and complex social issues, and to contribute towards their resolution, companies are expected to carry out human rights due diligence in accordance with the UN Guiding Principles on Business and Human Rights.

Commitment

As a company with global operations, the Nikon Group deeply recognizes the importance of respecting human rights in its business activities. One of our significant responsibilities to society is addressing human rights issues sincerely. In order to more clearly express our stance and strategy in response to expectations from society, in April 2019 we launched the “Nikon Human Rights Policy.”

We will be striving to further strengthen our efforts to ensure that this Policy is disseminated among all Nikon Group employees, and to build a corporate culture where respecting human rights is valued. In addition, as enunciated by the Nikon Human Rights Policy, we will be implementing human rights due diligence steadily in accordance with the UN Guiding Principles on Business and Human Rights. Not only by avoiding engagement or complicity in human rights violations in our own operations, but by promoting prevention and mitigation of the negative impacts on human rights among our business relationships, the Nikon Group is doing its utmost to uphold internationally recognized human rights standards.

Toshikazu Umatate

Representative Director, President and CEO, Chairperson of the CSR Committee

Activity Policies

- Nikon Human Rights Policy

System

- CSR Committee

What We Intend to Achieve in 3 to 5 Years	Targets for the Fiscal Year Ended March 31, 2019	Results	Results
Identification of human rights risks	Create action plan on human rights due diligence	Launched the “Nikon Human Rights Policy,” as the first step towards implementation of human rights due diligence, and drew up the due diligence action plan for the fiscal year ending March 31, 2020	Nikon Group

Human Rights Initiatives

The Nikon Group respects human rights. We strive neither to be engaged in human rights abuse by ourselves nor to be involved in any such activities in complicity with others.

Basic 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 in order to further outline our approach to addressing human rights issues related to our business activities based on the Code of Conduct.

The Nikon Human Rights Policy also sets out basic principles that we should follow for implementing practical procedures in line with 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 as well as by taking advice from external experts, and was approved by Nikon’s Board of Directors.

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

- ▶ [Nikon Human Rights Policy](https://www.nikon.com/about/sustainability/csr-management/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/)
- ▶ [Policy on Conflict Minerals](https://www.nikon.com/about/sustainability/csr-management/supply-chain/conflict_minerals_policy.pdf)
- ▶ [Participation in International Initiatives \(P9\)](#)

Organizational System

Implementation of the Nikon Human Rights Policy in the Nikon Group is supervised by Nikon’s CSR Committee which includes several members of the Nikon Board of Directors. Instructions from the CSR Committee are handled by the CSR Department together with the related departments (and committees) shown in the following table. In the case that an emerging issue is identified, we will enhance our organizational structure and systems by consulting these departments and other appropriate departments if necessary.

We have reporting and consulting systems in place for each company or each region, to which employees of the Nikon Group can report any case of violation 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, a hotline dedicated to conflict minerals issues, and contact points for customer support, etc.

The Nikon Group will monitor the results of our actions concerning respect for human rights and continue our efforts to enhance the management system for effective implementation of the policy

- ▶ [Reporting and Consulting System \(P115\)](#)
- ▶ [Conflict Minerals Hotline](https://www.uw.nikon.com/form/com/cmh/form.php)

Main Committees and Departments in Charge of Human Rights Issues

Committees and departments in charge	Main issues handled
CSR 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 Division	Privacy (including protection of personal information)
Bioethics Review Committee	Bioethics
Supply Chain Subcommittee	Human rights issues in the supply chain (labor, conflict minerals ,etc.)

[Contents /
Editorial Policy](#)
[Message from the
President](#)
[Nikon Group Profile](#)
[Nikon CSR](#)
[Contributing to Society
through Business Activities](#)
[Responding to
Environmental Issues](#)
[Strengthening CSR
Foundation](#)
[Corporate Citizenship
Activities](#)
[Data Index](#)
[>Strengthening Supply Chain Management](#)
[>Respecting Human Rights](#)
[>Promoting the Success of Diverse Employees](#)
[>Strengthening Compliance](#)
[>Ensuring Effective Governance](#)

Initiatives for Preventing Human Rights Violations

Human Rights Risk Assessment

In the process of developing the Nikon Human Rights Policy, the Nikon Group implemented risk assessment to identify significant human rights issues for the group. The assessment was conducted by benchmarking other companies' results of assessment or the actual cases of human rights violation reported in the same industry with Nikon, while referring to international human rights standards.

We identified the following seven items as human rights issues particularly relevant to our business as a result of the assessment and specified them in the Nikon Human Rights Policy as particularly important issues; "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". We will enhance our efforts to address these issues in particular. In the event that there is any significant change in terms of corporate management such as change of business scope, or a review is otherwise considered necessary due to other reasons, we will conduct a review of current assessment results by taking the necessary steps including deliberation in the CSR Committee.

Initiatives within Nikon Group

The Nikon Group conducts human rights and labor monitoring surveys within the Group at the end of each fiscal year. In the survey, we check whether there have been practices that heighten the risk of human and labor issues as well as the data concerning occupational safety, etc. The results are reported to the CSR Committee, where further confirmation or corrective actions are instructed if necessary to prevent incidents/potential incidents or their recurrence.

In the surveys for the fiscal year ended March 31, 2019, we added questions about freedom of association, minimum wage and working hours, etc., by reflecting the results of the human rights risk assessment.

Examples of questions included in the group monitoring surveys

- Methods to verify age when recruiting new staff or accepting intern trainees
- Number of young intern trainees accepted during the fiscal year and their allocated jobs (including confirmation that they were not engaged in dangerous or harmful tasks)
- Incidence of occupational accidents (outside Japan)

In recent years, growing attention has been paid to the issue of slave labor involving foreign technical intern trainees in Japan and migrant workers in Asian countries outside Japan. In response, as part of the group monitoring surveys outlined above, the Nikon Group has sought to confirm the current status of foreign technical intern trainees and migrant workers, following the survey conducted in the previous fiscal year. More specifically, we conducted checks of whether there had been foreign technical intern trainees or migrant workers in our employment in the fiscal year, whether labor brokers had been used for employment of those employees, or whether there had been practices that heighten the risk in terms of

withholding of passports, working hours and wages, etc. Through these checks, we did not identify any actions that may be considered risks.

In May 2018, Nikon joined the Responsible Business Alliance (RBA). Since then, we have been implementing self-assessment to verify manufacturing sites or manufacturing companies in the Nikon Group are in conformity with the RBA Code of Conduct.

In the circumstances that laws and regulations related to personal information protection in each country and region are tending to be tightened up, we are enhancing our measures for appropriate handling of personal information to ensure its secure management, by consulting with supervisory authorities and/or lawyers.

[▶ Participating in the RBA \(P9\)](#)

[▶ Risk Management for Information Assets \(P128\)](#)

Initiatives outside Nikon Group

The "Nikon CSR Procurement Standards" require that procurement partners respect the human rights of workers, and that they comply with human rights and labor related regulations and social norms. The content of the Nikon CSR Procurement Standards is based on the RBA Code of Conduct.

Furthermore, in order to verify compliance with the Nikon CSR Procurement Standards by major procurement partners, the Nikon Group implements self-assessment surveys, and conducts audits by external auditors in line with RBA standards. In the fiscal year ended March 31, 2019, the surveys were carried out at 208 companies and audits were conducted at 4 companies. The main audit findings requiring corrective action were in relation to long working hours and the amount of compensation paid for extra working hours.

In addition, with regard to the issue of conflict minerals, Nikon performs a survey of country of origin for those minerals on an annual basis. In the survey for the fiscal

[Contents /
Editorial Policy](#)
[Message from the
President](#)
[Nikon Group Profile](#)
[Nikon CSR](#)
[Contributing to Society
through Business Activities](#)
[Responding to
Environmental Issues](#)
[Strengthening CSR
Foundation](#)
[Corporate Citizenship
Activities](#)
[Data Index](#)
[> Strengthening Supply Chain Management](#)
[> Respecting Human Rights](#)
[> Promoting the Success of Diverse Employees](#)
[> Strengthening Compliance](#)
[> Ensuring Effective Governance](#)

year ended March 31, 2019, we confirmed that smelters of tantalum for investigated products are all RMAP conformant smelters.

In terms of the protection of personal information, Nikon is implementing measures to prevent information security incidents caused by outsourcing contractors. Besides formulating the Requirements to Ensure Information Security and notifying contractors of these requirements, we also distribute cards that display a summary of the key points of the Requirements. Furthermore, starting from the fiscal year ended March 31, 2019, we have been distributing the Information Security Report (a booklet for outsourcing contractors); in this way, we are supporting contractors to further understand the significance of this issue.

[▶ Promoting CSR Procurement P90](#)

[▶ Dealing with the Issue of Conflict Minerals P94](#)

[▶ Risk Management for Information Assets P128](#)

Human Rights Training

The Nikon Group publishes a CSR newsletter for all Group employees for raising their awareness, and the contents sometimes include human rights articles. Training on the Nikon CSR Procurement Standards (including human rights issues) is also provided to employees in charge of procurement, in Japan, China and Thailand.

We also hold briefing sessions regarding our CSR Procurement Standards and conflict minerals surveys for our procurement partners. Through these sessions, we aim to deepen their understanding of the importance of tackling human rights issues and of the Nikon Group's approach for respecting human rights.

In the fiscal year ending March 31, 2020, we are planning to implement human rights training for the Nikon Group employees, to ensure awareness among employees of the Nikon Human Rights Policy as well as so that they further understand human rights.

[▶ Promoting CSR Procurement \(P90\)](#)

Compliance with the UK Modern Slavery Act

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 the fiscal year ended March 31, 2018](#)
<https://www.nikon.com/about/sustainability/csr-management/human-rights/uk-modern-slavery2018.pdf>

Labor Relations

The Nikon Group respects and is committed to respecting basic labor 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."

The Nikon Labor Union is a member of the Japanese Association of Metal, Machinery, and Manufacturing Workers [JAM], mostly made up of employees of SMEs in the metal and machine industries. As of March 31, 2019, the Nikon Labor Union had 4,123 members. The company and unions discuss various issues related to the labor environment, hold joint study meetings, and exchange opinions as necessary.

At Group companies in Japan, Nikon Labor Union chapters and employee-elected representatives serve the same role.

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, dialogue with employee groups, and face-to-face meetings with individual employees.

As a result, currently, labor and management maintain generally good relations.

Whenever a substantial change is made to the job description and work location of a Nikon Group employee, the matter is discussed with his or her union or employee representative in advance to obtain their approval, ensuring adequate time is taken to communicate the change to the employee.