

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 and child labor. 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 due diligence in accordance with the UN Guiding Principles on Business and Human Rights.

Commitment

As a company with global operations, the Nikon Group is profoundly aware of 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.

In order to ensure that this Policy is disseminated among all Nikon Group employees, we will be striving to further strengthen our efforts 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 also 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 and President
Chairperson of the CSR Committee

Activity Policies

- Nikon Human Rights Policy

System

- CSR Committee

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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 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 1–2 (Human Rights) and 3–6 (Labor).

▶[Nikon Human Rights Policy](https://www.nikon.com/about/sustainability/csr-management/human-rights/human_rights_policy.pdf)
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)
https://www.nikon.com/privacy/privacy_policy.htm

- ▶[Nikon CSR Procurement Standards](https://www.nikon.com/about/corporate/procurement/csr/)
<https://www.nikon.com/about/corporate/procurement/csr/>
- ▶[Responsible Minerals Sourcing Policy](https://www.nikon.com/about/sustainability/csr-management/supply-chain/conflict_minerals_policy.pdf)
https://www.nikon.com/about/sustainability/csr-management/supply-chain/conflict_minerals_policy.pdf
- ▶[Joining the UN Global Compact \(P9\)](#)

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 Corporate Sustainability Section, which functions as the secretariat for the CSR Committee, 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 continue our efforts to enhance the management system for effective implementation of the policy.

- ▶[Code of Conduct Hotline \(Reporting and Consulting System\) \(P88\)](#)
- ▶[Inquiries \(Procurement, CSR procurement, Green procurement\)](https://www.nikon.com/about/corporate/procurement/form/)
<https://www.nikon.com/about/corporate/procurement/form/>
- ▶[Conflict Mineral Hotline](https://www.nikon.com/about/sustainability/csr-management/supply-chain/form/)
<https://www.nikon.com/about/sustainability/csr-management/supply-chain/form/>

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 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

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 if 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.

Monitoring

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 checking the data concerning occupational safety, etc. The results are reported to the CSR Committee, where instructions for further confirmation or corrective actions are provided if necessary, to prevent incidents/potential incidents or their recurrence. 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.

In May 2018, Nikon joined the Responsible Business Alliance (RBA). Since then, we have been implementing self-assessment to verify that manufacturing sites or manufacturing companies in the Nikon Group operate in conformity with the RBA Code of Conduct. We have also been implementing review for the identification of risks and potential improvements.

Given the current situation where 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.

▶[Initiatives as an RBA Member \(P9\)](#)

▶[Risk Management for Information Assets \(P94\)](#)

Other related measures

▶[Promoting CSR Procurement \(P68\)](#)

▶[Conflict Minerals Report \(2019 Survey Results\)](#)
https://www.nikon.com/about/sustainability/csr-management/supply-chain/Conflict_Minerals_Report-2019.pdf

Examples of questions asked in intra-Group human rights and labor related 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)
- Occupational accidents (outside Japan)
- Current status in relation to freedom of association (outside Japan)
- State of compliance with laws and regulations relating to the minimum wage and working hours

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.

In the fiscal year ended March 31, 2020, the Nikon Group has implemented human rights training for the employees at all Nikon Group companies, to ensure awareness among employees of the Nikon Human Rights Policy and promote a better understanding of human rights; more than 90% of employees took part in this training. The training included an overview of the Nikon Human Rights Policy and major risks related to the Nikon Group's business activities, and explained points to bear in mind or actions to take in employees' everyday duties in order to prevent or respond to such risks. The training was implemented in an appropriate way – such as e-learning, classroom training or self-learning – at each Group company. We also explain 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 \(P68\)](#)

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 2020](#)
<https://www.nikon.com/about/sustainability/csr-management/human-rights/uk-modern-slavery2020.pdf>

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Labor Relations

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."

The Nikon Labor Union has been organized at Nikon, and it 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, 2020, the Nikon Labor Union had 4,102 members. The company and unions discuss various issues including the workplace environment, hold joint study meetings, and exchange opinions as necessary. At the Group companies in Japan, Nikon Labor Union chapters and employee-elected representatives play the same role.

At the 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.