

Materiality 6

# Strengthening Supply Chain Management



## Reason for Priority

The processes of development, design, procurement, production, sales, and services form a value chain underpinning the provision of products to customers by business enterprises. The manufactured products delivered to customers must not only be of high quality, but must also guarantee these enterprises' social responsibility on global issues such as human rights, labor, and the environment.

In the procurement process within the value chain, when business enterprises procure raw materials via global supply chains, recognized social issues may be present at individual worksites, such as human rights violations, poor working conditions, environmental destruction, and conflict minerals. The supply chain may also contain many risks with regard to these issues at tier 2 suppliers and beyond.

Business enterprises are required to contribute to solving these social issues by visualizing supply chains and consistently doing business with suppliers who share the same vision and work together to address these issues.

## Commitment

The environment surrounding the supply chain is undergoing drastic changes, including the spread of COVID-19 and sustained infections by its Omicron variant, soaring costs of raw materials and other resources due to shifting geopolitical considerations, tightening parts and materials supplies typified by the semiconductor crunch, and disrupted logistics.

Amid an environment like this, the "D" of QCD (Quality, Cost, Delivery) becomes even more important. To ensure stable delivery within the supply chain, it is essential to strengthen BCP systems across the entire supply chain with the cooperation of procurement partners and to collaborate founded in trust relationships that are stronger than ever before. The Nikon Group aims to deepen its cooperation with procurement partners that comply with Nikon's quality requirements and share our desire for sustainability. Through this cooperation, we will seek to deliver products of higher quality and with greater sustainability to the world, to gain the trust of our stakeholders, and to sustain our corporate activities.

At the Nikon Group, we will seek to establish a supply chain alongside these kinds of procurement partners and work with them to achieve sustainable procurement. By doing so, we will also contribute to the creation of a sustainable society.

Nobuyuki Ishizuka  
Executive Vice President,  
General Manager of Production Technology Division

## [Policy for Activities]

- Nikon Basic Procurement Policy
- Nikon CSR Procurement Standards
- Responsible Minerals Sourcing Policy
- Nikon Basic Green Procurement Policy
- Nikon Green Procurement Standards

## [Organizations]

- Supply Chain Subcommittee

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
Realization of effective procurement, in which the supply chain as a whole contributes towards the resolution of social issues and which safeguards quality, cost, and prompt delivery (QCD), by sharing Nikon's approach to procurement policy with suppliers and by implementing rigorous risk management	Further strengthen suppliers' CSR management systems	8.7 8.8 12.4	Promote visualization of tier 2 suppliers in CSR-aware procurement management	Procurement partners / tier 2 suppliers	Completed CSR assessments for 10 suppliers of outsourced finished goods
			Provide assistance for making improvements at those suppliers failing to achieve at least 65% compliance in the previous fiscal year's CSR assessment (totaling 28 companies)		Completed provision of assistance for improvements at 26 of 28 companies that failed to achieve 65% compliance in the previous fiscal year's CSR procurement assessment (excluding two companies for which transactions were terminated)
			In the area of minerals procurement, build a system capable of handling the growing scope of mineral types subject to assessment and the expansion of conflict-affected and high-risk areas	Procurement partners	Increased efficiency of assessment data management by improving work manuals and processes and shifting to robotic process automation (RPA) in order to cope with the expansion of minerals and countries with mines that require due diligence
			Revise the policy for dealing with procurement partners that fail to comply with the Nikon Green Procurement Standards	Nikon Group / Procurement partners	Completed corrective actions against 65 procurement partners found to be non-compliant in assessment results; confirmed compliance after actions taken
			Implement assessments of procurement partners deemed subject to assessment based on an adjustment of environmental management system surveys and assessments (assess at least 40 companies)	Procurement partners	Completed assessments for 52 procurement partners subject to assessment
	Strengthen BCM by thoroughly implementing the collection and management of procurement data		Aim to enhance the quality of information used for procurement partner assessment	Nikon Group	Added quality and BCP assessment indicators and registered assessment data in the integrated supply chain management system
			Increase the amount of data collected in relation to tier 2 suppliers and beyond suppliers for BCP-related supply chain management purposes	Nikon Group / Procurement partners	Tier 1 trading company suppliers increased information provided on their supply chain (tier 2 and beyond)

# Supply Chain Management

## Basic Approach for Procurement


Approach and Policy

Nikon considers its suppliers important partners helping us create and provide products and solutions useful for the world. Based on this belief, we strive to deepen mutual understanding and build trust with these procurement partners, and seek co-existence and co-prosperity with them. Furthermore, as a company working to build a better society and global environment as well as realize sustainable growth, we have established the Nikon Basic Procurement Policy to continually supply the world with useful products and solutions. Under this plan, we carry out our procurement activities in an honest and fair manner.

### Nikon Basic Procurement Policy (Summary)

Procurement based on the concept of partnership

1. Sustainable corporate activities
2. Open-door procurement
3. Procurement founded in fair competition

 Nikon Basic Procurement Policy  
<https://www.nikon.com/about/corporate/procurement/policy/>

## The Nikon Group's Supply Chain

The Nikon Group manufactures and assembles nearly all products within the Group. At the same time, we procure raw materials, electronic components, mechanical components, units, and others via direct transactions with around 2,300 procurement partners in and outside Japan, who also have a number of tier 2 and tier 3 suppliers beyond them.

To ensure a high degree of quality, cost and delivery (QCD), we hire employees locally and actively procure raw materials and parts from the countries and regions where we manufacture our products. We procure approximately 90%

of external goods by transaction value from local sources at our production sites in China (Nanjing Nikon Jiangnan Optical Instrument Co. Ltd., Nikon International Trading (Shenzhen) Co., Ltd., and Hikari Glass (Changzhou) Optics Co., Ltd.) and approximately 80% at our production site in Southeast Asia (Nikon (Thailand) Co., Ltd.).

We require our local procurement partners to comply with various standards and provide guidance on improvements. In addition to optimizing QCD, we work from a long-term perspective so as to enhance our procurement partners' corporate capabilities and to generate new business opportunities for them.

● Percentage of Local Procurement at Production Sites (Fiscal Year Ended March 2022)

		Percentage of local procurement (Based on transaction value)	Percentage of locally-based procurement partners
Country/ Region	Japan	96%	99%
	China	99%	89%
	Southeast Asia	77%	73%

## Procurement Partner Management

System and Framework

Activities and Results

### Total Supply Chain Management

Corporations have found themselves in a rapidly-changing environment in the past few years, with the global COVID-19 pandemic, economic conflict between the U.S. and China, geopolitical destabilization around the world, increasing natural disasters, and more. For that reason, it is essential to establish a Total Supply Chain Management system in the supply chain that can respond promptly to these changes.

At the Nikon Group, we are working to build such a system in two stages. The first stage is the visualization of the supply chain in order to accurately identify the current situation. The next stage involves doing business with an eye to maintaining this over the long term with procurement partners that meet the Nikon Group's required standards based on technical capabilities, quality, cost, ESG, and other indicators.

At the Nikon Group, we have been operating an integrated procurement data management system since the fiscal year ended March 2020 so as to visualize the supply chain. Currently, we have completed visualization of data on Japan and Asia, where our major procurement partners are concentrated, and we are using this system to manage corporate information, transaction status, and ESG information for our procurement partners across the entire Group in an integrated fashion. This has enabled us to quickly and precisely identify the compliance status of our procurement partners with the standards required by the Nikon Group. In the fiscal year ended March 2022, we added the Business Continuity Plan (BCP) and Quality indicators to enhance the quality of data used to assess procurement

partners, and moved to register this data in our system. In addition, we continued to register data on procurement partners working with Nikon Group companies in Europe and those for indirect materials, which we started in the fiscal year ended March 2021, expanding the scope of integrated management.

In the fiscal year ending March 2023, we will use the various data visualized through this system to regularly assess and classify procurement partners and provide timely assistance to procurement partners out of compliance with our standards. Those procurement partners who are unable to understand Nikon's position here will no longer have our business, and we will as a result grow our business with procurement partners who score well in our assessments. Through these measures, we will promote transactions with an eye to strengthening mutual procurement capability over the long term, seeking to achieve sustainable procurement.

### Strengthening BCP

Strengthening the ability to respond to frequent natural disasters and other emergencies is also an important issue in Total Supply Chain Management. The Nikon Group has established a BCP management system for rapid response in the event of an emergency.

In the fiscal year ended March 2021, this BCP management system enabled us to rapidly survey the situation and share information within the Group after events impacting (or with the potential to impact) supply from procurement partners. In December 2021, we also began operation of our integrated procurement data management system's BCP contingency survey function so as to efficiently survey the situation at our procurement partners in the event of an emergency. In parallel with this system, we will continue our

efforts to visualize the supply chain, including tier 2 suppliers and beyond. Here, we plan to complete registration of data for tier 2 suppliers and beyond who provide major parts and materials in the fiscal year ending March 2023.

Furthermore, in the fiscal year ended March 2022 we conducted a survey on the status of infrastructure-related BCP system construction among our major procurement partners so as to help them build BCP systems in preparation for emergencies. In the fiscal year ending March 2023, we will seek to strengthen our supply chain BCP by conducting in-depth surveys on further alternative measures and other aspects, helping our procurement partners that have not fully established their own systems to make improvements.

## Supply Chain Materiality

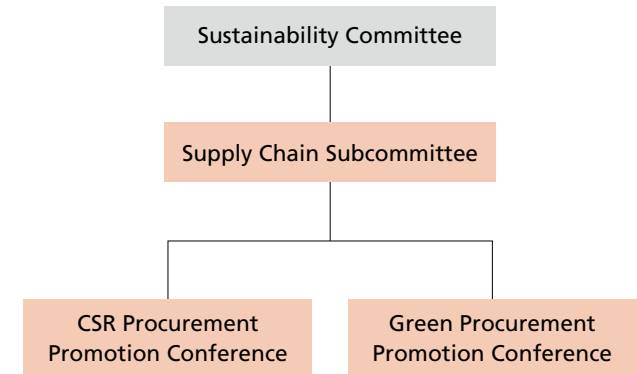
The Nikon Group analyzes the materiality of its supply chain to ensure more accurate and effective activities, aimed at truly responsible supply chain management. Specifically, we have been mapping sustainability issues with reference to various international standards, and have been taking action in the areas of CSR procurement, responsible minerals sourcing, and green procurement with respect to the high-priority issues of human rights and labor, as well as chemical substance management. We will continue these activities going forward.

## Supply Chain Management System

System and Framework

The Nikon Group has established the Supply Chain Subcommittee, which meets twice a year to report on activities related to responsible procurement and carry out deliberations on plans for subsequent years involving the entire Group. This subcommittee is chaired by Nikon's Procurement Sector Manager and is comprised of members such as the heads of quality assurance and procurement from each business unit and the presidents of Group manufacturing companies in and outside Japan. Under this subcommittee, we have established the CSR Procurement Promotion Conference, which promotes all aspects of CSR procurement, including compliance with responsible minerals sourcing, as well as the Green Procurement Promotion Conference. The members of each of these promotion conferences are managers at section head level from the relevant departments, where they discuss and implement specific activities and measures, as well as carry out progress management. Note that before establishing business with a new procurement partner, our procurement-related departments conduct surveys not only of the company's product quality, cost, delivery performance and technology, but also of its CSR measures. We only contract with those companies that meet all of these criteria specified by the Nikon Group.

### ● Outline of Supply Chain Management System




# Promoting CSR Procurement

## Basic Approach

Approach and Policy

Companies are called to proactively use their procurement activities to resolve social issues in the supply chain such as human rights, labor safety, and the environment. The Nikon Group considers CSR procurement activities like these to be essential for the sustainable development of our business alongside our procurement partners. With this in mind, the Nikon Group has established the Nikon CSR Procurement Standards in accordance with the Responsible Business Alliance (RBA) Code of Conduct. We have published these standards in Japanese, English, and Chinese. We ask all our procurement partners and their suppliers to act responsibly in accordance with the Nikon CSR Procurement Standards. Furthermore, the Nikon Group requires compliance with the Nikon CSR Procurement Standards as a condition for doing business, and stipulates terms to this effect in its master agreements with procurement partners.

Initiatives for RBA ( ➡ P11)

 Nikon CSR Procurement Standards  
<https://www.nikon.com/about/corporate/procurement/csr/>

## Promoting CSR Procurement

Approach and Policy

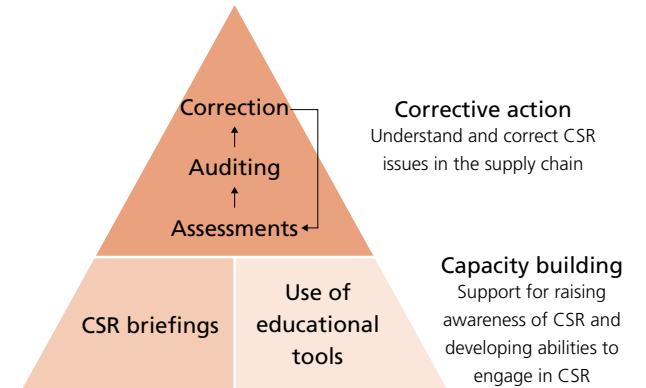
System and Framework

CSR procurement at the Nikon Group is an activity aimed at reducing CSR risks in the supply chain. More specifically, we identify and correct CSR risks in the supply chain in accordance with the Nikon CSR Procurement Standards. At the same time, we promote capacity building, helping procurement partners make improvements in order to ensure correction.

In the area of corrective action, we confirm compliance with the Nikon CSR Procurement Standards through CSR assessments. We conduct audits for procurement partners identified as non-compliant and high risk and take corrective action. When there are difficult issues that cannot be resolved by the procurement partner alone, Nikon provides support for improvement. We also actively use information such as the RBA Self-Assessment Questionnaire (RBA-SAQ) to conduct CSR assessments efficiently. In the area of capacity building, we utilize CSR briefings and educational tools to raise CSR awareness, acquire knowledge, and study best practices. Through these measures, we help build our procurement partners' capacity to establish their own CSR system and provide their own education.

The Nikon Group will continue building a more responsible supply chain through these two types of activities.

● Conceptual Diagram of CSR Procurement



## Corrective Action

System and Framework

Activities and Results

### CSR Risk Management Through Corrective Action

The Nikon Group takes corrective action, such as CSR assessments, audits, and corrections once every three years. In CSR assessments, we select which procurement partners will be subject to assessment from those critical procurement partners who account for the top 80% of Group-wide transaction value. This selection is based on a multifaceted risk assessment on information such as the incidence of any social issues at the respective partner's location or their supply of any key or non-substitutable parts. Assessments take the form of self-assessment by our procurement partners to confirm their compliance with the five areas set out in the Nikon CSR Procurement Standards: Labor, Health and Safety, Environmental Conservation, Ethics, and Management System. We have also allowed for use of survey and audit data from RBA-Online in assessment responses, reducing our procurement partners' workload in these assessments.

At the Nikon Group, we evaluate these self-assessments weighted toward items related to human rights and human life, including forced labor and child labor. In addition, we have adopted the Nikon CSR Procurement Standards as our standards for CSR procurement management, setting 65% compliance as the threshold; the RBA's benchmark is also 65%, for which companies falling below are identified as high risk.

We use these evaluations and management standards to determine the CSR risk of our procurement partners, and conduct third-party audits of procurement partners identified as high risk and request the correction of non-compliant items. Procurement partners that fall below the

threshold for our management standards are required to submit an improvement plan, and we provide them with assistance to make improvements so as to exceed 65% compliance. CSR assessments are conducted for all new suppliers to confirm they meet our management standards, and we do not enter into contracts with suppliers that do not meet these.

Though corrective actions were scheduled to take place over a three-year period from the fiscal year ended March 2021 to the fiscal year ending March 2023, we were able to complete these in fiscal 2021, one year early.

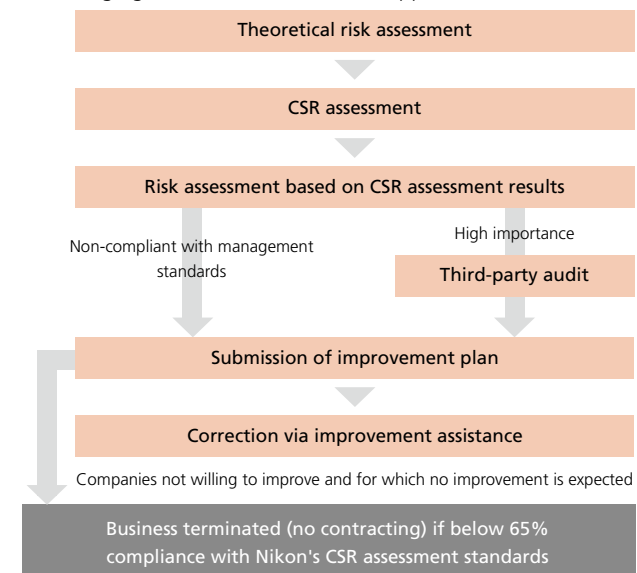
The results of CSR assessments for 211 critical procurement partners accounting for the top 80% of transaction value for the fiscal year ended March 2021 showed that 28 critical procurement partners did not meet the management standards. Since the assessments, two of these companies no longer do business with Nikon, with 26 remaining that were out of compliance. Correction requests were made to 13 companies in the fiscal year ended March 2021, and to the remaining 13 companies in the fiscal year ended March 2022. We provided assistance for making improvements, and corrective actions were successfully completed.

As a result, all critical procurement partners were compliant with our CSR procurement management standards. In the fiscal year ended March 2022, we also conducted CSR assessments for 15 tier 1 suppliers with whom we planned to begin new business transactions. Each was confirmed to be in compliance with our management standards, and we began doing business with them as new procurement partners.

### Visualization of Tier 2 Suppliers and Beyond

The Nikon Group has been working to visualize tier 2 suppliers and beyond suppliers since the fiscal year ended March 2021. In this visualization, to understand the state of our tier 2 suppliers, we collect data through CSR assessments using the same method as with our procurement partners. In the fiscal year ended March 2021, we visualized 60 tier 2 suppliers for 11 procurement partners (trading companies), and in the fiscal year ended March 2022, we visualized 43 tier 2 suppliers for 10 procurement partners (suppliers of outsourced finished goods). In the fiscal year ending March 2023, we will again select procurement partners that have an impact on our business as key partners and conduct CSR assessments for these. Note that key partners are not necessarily tier 1 suppliers.

#### Managing CSR Risks from Critical Suppliers



● Number of Procurement Partners (Tier 1 Suppliers) and Critical Procurement Partners

(companies)

	FY3/2018	FY3/2019	FY3/2020	FY3/2021	FY3/2022
Procurement partners (tier 1 suppliers)	Around 3,200	Around 3,200	Around 2,700	Around 2,700	Around 2,300
Critical procurement partners	Around 600	Around 600	Around 200* <sup>1</sup>	Around 200	Around 200

\*1 In the fiscal year ended March 2020, the criteria for the scope of theoretical risk assessment (critical procurement partners) was changed from inclusion in the top 80% of transaction volume by business unit to 80% of transaction volume for the Nikon Group as a whole.

● Corrective Action Achievements

(companies)

		FY3/2018	FY3/2019	FY3/2020	FY3/2021	FY3/2022
CSR assessments	Procurement partners (tier 1 suppliers)* <sup>1</sup>	209	208	–	211	–
	New suppliers* <sup>2</sup>	–	–	8	–	15
	Tier 2 suppliers* <sup>3</sup>	–	–	–	60	43
Correction requests* <sup>4</sup>	Correction requests based on third-party audit results	3	4	3	3	–
	Correction requests based on CSR assessment results	10	10	10	10	13
Corrective actions completed		13* <sup>5</sup>	13	14	13	26

\*1 Number of critical procurement partners selected and assessed through theoretical risk assessments. If correction is deemed necessary as a result of assessments, corrective actions are taken within three years.

\*2 The Nikon Group does not contract with new suppliers with a compliance rate under 65% based on the results of CSR assessments and therefore, in principle, none of these suppliers require correction requests.

\*3 Number of companies for which tier 2 supplier assessments were requested and conducted based on an assessment of critical procurement partners' products handled, procurement amounts, social criteria, etc.

\*4 Number of companies for which correction requests were issued based on assessment results, determined based on compliance rates under 65% with the Nikon CSR Procurement Standards, weighting with consideration to human rights and human life, and on procurement amount, company size, etc.

\*5 Number of companies for which corrective actions carried over from the fiscal year ended March 2017 were completed.

## Capacity Building

Activities and Results

The Nikon Group holds educational activities every year, both within the Group and for procurement partners, to spread awareness of its approach to CSR procurement.

Within the Nikon Group, we implement education for procurement staff, managers of procurement-related departments, etc. This education provides background on social issues in the supply chain, such as human rights and labor, as well as an outline of corrective actions, and presentations on achievements and issues.

We hold CSR briefings for our procurement partners in Japan, China, and Thailand, where we explain the Nikon Group's CSR procurement and the latest trends in CSR. In addition, we utilize the RBA e-Learning Academy as an educational tool for CSR promotion staff at our procurement partners.

For the fiscal year ended March 2022, we held CSR briefings online. At these briefings, we explained the prohibition on imposing expense burdens on migrant workers, requested compliance with the same, and introduced legislative trends in various countries on human rights issues. We also explained CSR assessments alongside best practices for corrective actions. In terms of the utilization of educational tools, we recommend enrollment in the RBA e-Learning Academy for CSR promotion staff at procurement partners in the scope of CSR assessments from the fiscal year ended March 2021 onward.

● CSR Briefings for Procurement Partners and Utilization of Educational Tools (Fiscal Year Ended March 2022)

	Participating companies		Participants
	In Japan	Outside Japan	
CSR briefings	716	253	1,135
Utilization of educational tools	142		162

\* Cumulative educational tool utilization since the fiscal year ended March 2021




## Responding to Human Rights Issues Faced by Foreign Workers

At the Nikon Group, we believe it is important to address human rights issues faced by foreign workers, and we are taking actions to address these issues in our CSR procurement.

In corrective actions and new business transactions, we focus our CSR assessments on checking for any behavior that may lead to violation of foreign worker human rights. In the unlikely event that problematic behavior is identified, we promptly seek measures to prevent recurrence and take corrective actions. At our capacity building CSR briefings, we also remind participants about these issues each year. No problematic behavior was identified in the fiscal year ended March 2022.

### Procurement Hotline


The Nikon Group has set up an externally accessible point of contact so that any information on violations of our CSR procurement standards in the supply chain can be quickly conveyed and acted upon.

 Inquiries (Procurement, CSR procurement, Green procurement)  
<https://www.nikon.com/about/corporate/procurement/form/>  
**Web**

## Support for Responsible Minerals Sourcing Activities and Results

Besides establishing its Responsible Minerals Sourcing Policy, the Nikon Group is collaborating with its procurement partners on surveys on responsible minerals sourcing and on due diligence.

In the fiscal year ended March 2022, as in previous years, we conducted 3TG (tantalum, tin, tungsten, and gold) surveys for all of our business units' products. We also conducted cobalt surveys for some products using the Extended Minerals Reporting Template (EMRT), newly issued by RMI in the fall of 2021. More detailed information about these measures is published in our Responsible Minerals Sourcing Report 2022 (Results of the 2021 Survey) (English) on the Nikon website.

 **Web** 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](https://www.nikon.com/about/sustainability/society-labor/supply-chain/Responsible_Minerals_Sourcing_Report_2021_Survey.pdf)  
List of RMAP Conformant Smelters Identified by the 2021 Survey (as of March 31, 2022)  
[https://www.nikon.com/about/sustainability/society-labor/supply-chain/rmap\\_list.pdf](https://www.nikon.com/about/sustainability/society-labor/supply-chain/rmap_list.pdf)

# Promoting Green Procurement

## Basic Approach

Approach and Policy

System and Framework

Environmental regulations like the EU RoHS\*<sup>1</sup> Directive and REACH\*<sup>2</sup> Regulations have even become more widespread in countries outside the EU, and Japan has also established similar laws and regulations. Moreover, efforts aimed at reducing CO<sub>2</sub> are rapidly growing around the world.


The Nikon Group has been aware of the social issues behind these social trends for some time. Based on the Nikon Basic Green Procurement Policy, we prioritize procurement of goods that give consideration to environmental impact, and we have made active involvement in environmental conservation a condition of doing business with our procurement partners. More specifically, we require that procurement partners abide by the Nikon Green Procurement Standards. Procurement partners are asked to establish and properly utilize an environmental management system (comprising both a management system for environmental conservation and a management system for chemical substances in products). Furthermore, we have defined prohibited chemical substances and controlled chemical substances for the chemical substances contained in products and used in manufacturing processes in the Separate Volume: Corresponding Chemical Substance List, a part of the aforementioned standards, and we require our procurement partners to comply with this and to submit data via chemSHERPA or another appropriate method. In addition, Nikon has created a positive list\*<sup>3</sup> and manufactures products that take environmental impact into consideration from the design stage. The Nikon Green Procurement Standards and the Corresponding Chemical Substance List were created

based on laws and regulations in and outside Japan including the EU RoHS Directive and REACH Regulations, and are both revised and updated regularly.

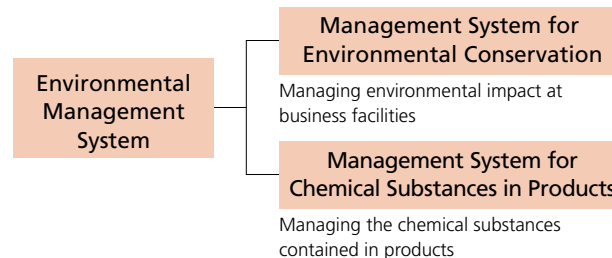
\*1 See P81 for EU RoHS Directive

\*2 See P81 for REACH Regulations

\*3 Positive list: A list of materials that are allowed for use in products

 Nikon Basic Green Procurement Policy/Nikon Green Procurement Standards  
<https://www.nikon.com/about/corporate/procurement/green/>

● Environmental Management System



## Environmental Management System Survey and Assessment

At the Nikon Group, we conduct environmental management system surveys every three years in accordance with risks of chemical substances occurring in materials used, components, and processes. In addition, we conduct environmental management system assessments to check the status of the establishment and management of environmental management systems. We use the results of these assessments to certify procurement partners deemed compliant with our system standards as Nikon Environmental Partners. After certification, we continue to carry out checks on their system maintenance. In addition, we request that procurement partners submit data via chemSHERPA to check that their management of chemical substances contained in products is functioning effectively. Our environmental management system survey is a questionnaire-based check of procurement partners for which risks have been identified. According to the content of the questionnaire's response, corrective action is requested and we work toward rapid resolution for any non-compliant items. From the fiscal year ended March 2021 to the fiscal year ended March 2022, the Nikon Group has conducted risk assessments for all procurement partners. In this process, we also conducted environmental management system surveys for all procurement partners identified as handling products at risk (799 companies), requested corrective measures from procurement partners where these surveys revealed issues (65 companies), and confirmed that improvements had been completed. Environmental management system assessments are conducted for procurement partners identified as high risk, and includes a review of their environmental management

systems (EMS) and chemical management systems (CMS), including the extent to which procurement partners have put in place third party-certified management systems. For any non-compliance in environmental management systems found in the assessment process, corrective measures are requested, and assessments are completed after confirming that improvements have been made. In the fiscal year ended March 2022, amid restrictions on travel due to the spread of COVID-19, assessments were conducted for 69 new companies using web conferencing tools. Of these, 52 were newly certified as Environmental Partners, bringing the total to 465 companies (as of March 31, 2022). Corrective measures are ongoing at 17 companies.

● Nikon Group Assessments and Certifications (companies)

	FY3/2020	FY3/2021	FY3/2022
Assessments	144	148	166
Newly-certified Environmental Partners	23	19	52
Total certified Environmental Partners (Figure reflects decrease due to termination of business, business closures, etc.)	—	420	465

## Capacity Building

Activities and Results

The Nikon Group holds briefings with its procurement partners each year on the management of chemical substances contained in products. At these briefings, we work to raise awareness of chemical substance management among our procurement partners, providing information on important trends related to chemical substances contained in products, including the content of revisions to REACH Regulations, Substances of Very High Concern (SVHC), the details of the revised EU RoHS Directive, and the latest regulations on Per- and PolyFluoroAlkyl Substances (PFHA). In the fiscal year ended March 2022, we held four briefings (two in Japan and two outside Japan) with 1,135 participants from 716 procurement partners.

## Cultivation of Environmental Management System Assessors

System and Framework

Activities and Results

To maintain and enhance the quality of its procurement partner assessments, the Nikon Group works to cultivate Environmental Management System Assessors. More specifically, we provide education and training for personnel selected by Nikon business units and Group companies in and outside Japan, certifying those who meet our requirements as Environmental Management System Assessors. These certified assessors are the driving force in conducting environmental system assessments. In the fiscal year ended March 2022, 23 new assessors were certified, bringing the total number of assessors within the Nikon Group to 183. That same year, we also provided education and practical training on management of chemical substances contained in products, guided by external instructors, for 23 assessment leaders who play a central role in each business unit, improving their capabilities.