Materiality 5

# Preventing Pollution and Conserving Ecosystems

## Management and Reduction of Hazardous Chemical Substances in Products

Environmental Action Plan Achievements for Fiscal Year 2024 [Summary] ➡p.049
Environmental Action Plan Targets for Fiscal Year 2025 [Summary] ➡p.050

## Basic Approach

While chemical substances enrich lives, highly hazardous substances can cause serious damage to human health and the environment depending on the method of use and disposal. Countries around world develop laws and regulations on the proper management of chemical substances aiming to prevent health hazards and negative environmental impact. These laws and regulations are tightened each year, spreading to other countries based on European laws and regulations.

The products sold by the Nikon Group consist of numerous parts, which contain a variety of chemical substances. Based on these circumstances, the Nikon Group established the Nikon Environmental Policy on the management of hazardous chemical substances in products, environmental friendliness, pollution prevention, and compliance with laws and regulations. In addition, we set Realizing a Healthy and Environmentally Safe Society as a pillars of the Nikon Long-Term Environmental Vision for 2050.

Web Nikon Environmental Policy

## Strategy

### Risk

If products are improperly disposed or incinerated, any hazardous chemical substances released may pose a risk of environmental contamination and health hazards to humans and other living organisms. We recognize various risks amid the tightening of laws and regulations on chemical substances in products. These risks include costs to respond (recall, compensation, etc.) in the event of non-compliance with laws and regulations, suspension of operations and other penalties, loss of social trust, and disinvestment.

Avoiding the use of newly regulated hazardous chemical substances could make it impossible to manufacture products that meet the performance requirements of the market. Other risks include product manufacturing delays due to difficulties in obtaining alternate materials and sub-materials, as well as delays in technological development relying on alternate materials.

### Opportunities

Managing and reducing chemical substances in proper to comply with increasingly tightening laws and regulations enables us to reduce our impact on climate change and biodiversity, as well as reduce health, safety, and environmental risks to society. These efforts will also help us maintain stakeholder trust.

### Strategy

To safeguard human health and reduce environmental risks, the Nikon Group strives to implement rigorous chemical substance management that adheres to international regulatory frameworks. More specifically, we established our own Nikon Group standards (Nikon Green Procurement Standards) to ensure compliance with international environmental laws and regulations, including the EU RoHS Directive *1 and REACH Regulation *2. We follow the latest trends in chemical substance regulations and prohibit relevant substances in our procured products to control and reduce said substances before regulations are enforced.

We also track trends in each country in advance of the enforcement of laws and regulations to share information and develop alternative technologies.

*1 EU RoHS Directive: RoHS stands for "Restriction of Hazardous Substances." This directive restricts use of specified hazardous substances in electrical and electronic equipment.
*2 REACH Regulations: An EU regulation on chemical substances that came into effect in 2007. REACH stands for "Registration, Evaluation, Authorisation and Restriction of Chemicals." Under this regulation, manufacturers and importers of chemical substances are required to register information on the safety and use of these substances.

Nikon Long-Term Environmental Vision and Medium-Term Environmental Goals ➡p.048
Green Procurement ➡p.099

## Governance

Each business unit in the Nikon Group sets its own targets based on the Nikon Environmental Action Plan. Meetings related to product environment, organized under the Products Subcommittee, check progress, discuss and decide on response policies. The secretariats of these meetings gather the latest information on relevant laws, regulations, and industry trends, share information with relevant business units. Further, we instruct our business units to manage and reduce hazardous chemical substances based on the latest information and check the status of their response.

Environmental Management Promotion System ➡p.053

## Risk Management

Since Nikon products consist of a very large number of materials and parts, we conduct surveys using chemSHERPA *1, a tool for communicating information on chemical substances in products. We conduct both internal surveys and surveys in cooperation with our procurement partners. We obtain survey results from chemSHERPA for stages up to production launch for new products and through regular surveys once a year for existing products.

Based on information gathered from these surveys, each business unit confirms whether Nikon products comply with Nikon Green Procurement Standards, striving to manage and reduce hazardous chemical substances in our supply chain.

*1 chemSHERPA: A shared scheme for communicating information on chemical substances in products in the supply chain.

Environment-Related Risk Management ➡p.057
Green Procurement ➡p.099

### Main Measures for Chemical Substance Management

1. Researching recent global trends in related laws and regulations
   - Collecting information from external committees, etc.
2. Implementing surveys of hazardous chemical substances in products
   - Conducting surveys throughout the supply chain
   - Making effective use of IT to realize efficient data management
   - Implementing chemical analysis, etc.
3. Discussing countermeasures of the Nikon Group
   - Utilizing the relevant internal environment-related systems (committees, etc.)
4. Communicating countermeasures, both internally and externally, in a timely manner
   - Reduction of hazardous chemical substances, alternative instructions, etc.
   - Formulating and updating the Nikon Green Procurement Standards
5. Confirming compliance with laws and regulations
   - Implementing product/packaging assessments
6. Confirming how procurement partners manage chemicals and helping to upgrade their processes
   - Implementing CMS (Chemical Substances Management System) *2 assessments for procurement partners
   - Providing support to procurement partners for building CMS (Chemical Substances Management System)

*2 CMS: Chemical Substances Management System (Management system of chemical substances in products)

## Major Initiatives

### Total Abolition of All Ozone-Depleting Substances and Reduction of CFC Use

As of fiscal year 2008, the Nikon Group has abolished the use of substances that contribute to the depletion of the ozone layer (HCFCs). These substances had previously been used as refrigerants needed to regulate the temperature in FPD lithography systems and semiconductor lithography systems. For devices previously sold that used HCFCs as their refrigerant, the Nikon Group is developing new types of air-cooling units that do not use HCFCs, and which can be installed in these older devices. With this modification, the Nikon Group is helping to not only reduce the use of HCFCs, but also to extend the product lifespan of older devices.

In 2024, the EU revised regulations (F-gas regulation) on hydrofluorocarbons (HFCs) and other greenhouse gases, making regulations more stringent than ever. Currently, the Nikon Group strives to reduce HFCs or switch to use this substance with lower coefficients of global warming for equipment using HFCs.

## Technology without Hazardous Substances

The Nikon Group works to develop technologies that do not employ hazardous substances.

### Use of Lead- and Arsenic-Free Technology

In the 1990s the Nikon Group adopted the use of lead- and arsenic-free glass*, in the recognition that the lead and arsenic used in most optical glass at that time had a serious environmental impact. We are also thoroughly utilizing lead-free solder. Today, with the exception of certain products with special specifications for industrial use, the utilization rate of lead-free solder in new designs is 100%.

* Lead- and arsenic-free glass: Nikon has developed a new type of glass that contains absolutely no lead or arsenic for the optical glass used in the lenses and prisms built into optical instruments. Nearly all of Nikon's product lines have a 100% utilization rate of lead- and arsenic-free glass.

### Hexavalent Chromium-Free Technology for Surface Treatment Processes

Nikon has formulated rigorous technical standards in order to discontinue the use of heavy metals (hexavalent chromium, lead, cadmium, and mercury) in all surface treatment processes, including plating. We provide separate technical support to the procurement partners to which we outsource surface treatment processes, and use chemical analysis to check actual products delivered.

### Reduction of Organofluorine Compounds

Organofluorine compounds (PFAS), a general term for organic substances that contain fluorine, are extremely stable compounds that we use in numerous products. The stability of PFAS reversely makes it difficult to decompose in nature or in the body, causing countries to review the safety of the substance and expand product content restrictions. PFOS, PFOA, PFHxS, and related substances are a type of PFAS already designated as substances to be eliminated under the Stockholm Convention. PFHxA is another type of PFAS, regulated under EU REACH and added to the list of restricted substances. The Nikon Green Procurement Standards have prohibited these substances ahead of the effective regulation date, and we are working to replace components that contain these substances.

The State of California in the U.S. banned the use of PFAS in textile products effective January 1, 2025. The Nikon Group designated PFAS as a banned substance one year ago and began substituting out components containing PFAS.

# Management and Reduction of Hazardous Chemical Substances

Environmental Action Plan Achievements for Fiscal Year 2024 [Summary] ➡p.049
Environmental Action Plan Targets for Fiscal Year 2025 [Summary] ➡p.050

## Basic Approach

Chemical substances can inflict serious damage to health and the environment if mishandled, and countries around the world continue to develop, strengthen, and expand laws and regulations to prevent such damage. Companies are required to establish a system for the proper management of chemical substances and to develop, manufacture, and sell products while complying with laws and regulations. The Nikon Group stipulates the management of chemicals and compliance with laws and regulations and pollution prevention in the Nikon Environmental Policy, establishing Realizing a Healthy and Environmentally Safe Society as one of the pillars of the Nikon Long-Term Environmental Vision for the year 2050.

Web Nikon Environmental Policy

## Strategy

### Risk

The pollution of public waters due to a leakage of hazardous chemical substances from business facilities has a negative impact on the environment. For example, reports says that the toxic chemical PFAS has been detected in rivers and tap water due to underground infiltration and diffusion caused by improper management. We have learned that it takes decades for water quality to change from poor to good, and that the types of aquatic life also change. Contamination of soil, groundwater, etc., by hazardous chemical substances not only threatens human health, but may also affect the survival of surrounding species. We also recognize the risk of losing public trust and the withdrawal of investment.

### Opportunities

The proper management and use of hazardous chemical substances enables the Group to comply with laws and regulations and maintain stakeholder trust. These efforts also help strengthen our competitiveness through taking preemptive measures to avoid the use of chemical substances facing potential stricter regulations.

### Strategy

The Nikon Group established and enforces the Hazardous Chemical Substances Guideline as a self-directed chemical substances management measure. These guidelines integrate management standards regarding chemical substances used in production processes, safety and health, and contained in products. Management standards have been established in relation to chemical substances used in the production process, according to the risks to the environment and to health. These substances are classified as "Prohibited," "Reduced," "Controlled," or other. We have restricted the use of substances ranked "Prohibited" since April 2025. We may make special exceptions only within the scope of laws and regulations when replacing or discontinuing use is technically difficult. Meanwhile, we conduct studies for alternate materials and take action to abolish prohibited materials. We strive to mitigate environmental impact and human health risks by reducing the use of chemical substances.

We not only comply with laws, regulations, ordinances, and other rules to prevent air, water, and soil contamination from hazardous chemical substance emissions, we also enter into agreements with local organizations, set voluntary standard values in said areas, and engage in other initiatives.

Nikon Long-Term Environmental Vision and Medium-Term Environmental Goals ➡p.048

## Governance

The person in charge of EMS at each location and Group company collects environmental data on chemical substances, air, water, etc., reporting to the Local Environmental Subcommittee secretariat (under the Environmental Subcommittee) twice a year.

In addition, the Chemical Substance Risk Control Team, a working group spanning each business unit, sets common targets for the Group in order to manage and reduce chemical substances in the product lifecycle.

Environmental Management Promotion System ➡p.053

## Risk Management

The Nikon Group continues to strive to reduce the risk of environmental pollution to as close to zero as possible by implementing environmentally-friendly management of chemical substances, from purchase to use to disposal. When purchasing a new chemical substance, a system has been established whereby a safety data sheet (SDS) * is obtained and a risk assessment is conducted. Measures based on the results of the assessment are then checked and confirmed by the environment department and the health and safety department from an expert's point of view.

Further, emergency drills are conducted annually in each region.

In the event of an environmental accident, we report it to the relevant parties under a predetermined management system. We then follow the contact and reporting system according to the level of accident that occurred.

* Safety data sheet (SDS): To promote improvements in the appropriate management of chemical substances by business enterprises, when a chemical substance specified by the Chemical Substances Control Law (CSCL), or a product containing such a substance, is transferred or supplied from one enterprise to another, the transferring or supplying enterprise is required to provide, in advance, a safety data sheet (SDS) noting information about the characteristics of the chemical substance and how it should be handled.

Environment-Related Risk Management ➔p.057

## Major Initiatives

### Management and Reduction of Chemical Substances in Manufacturing

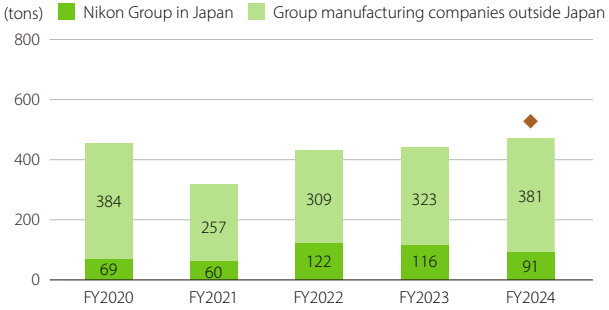
The Nikon Group has completely eliminated the use of ozone-depleting substances, including HCFCs and other substances classified as "Prohibited" under the Hazardous Chemical Substances Guideline. We ranked dichloromethane, suspected of being a carcinogenic substance, as a "Prohibited" substance. We have also replaced dichloromethane with other substances for certain processes. The installation of extraction equipment and repeated use of the extracted dichloromethane has resulted in an 18% reduction in dichloromethane emissions in fiscal year 2024 compared to fiscal year 2023. For HFCs, our reductions are significantly ahead of the Montreal Protocol, which targets reduction of at least 85% by 2036.

### Nikon Group's PRTR and VOCs

At the Nikon Group in Japan and Group manufacturing companies outside Japan, we use the Hazardous Chemical Substances Guideline to reduce the use of and manage chemical substances subject to inclusion in a pollutant release and transfer register (PRTR) *1, and also carry out safety controls on the handling and disposal of these substances based on the safety data sheets (SDS). In addition, the Nikon Group carries out environmental information surveys twice a year to compile data on uses, disposals, transfers, etc. We conduct the surveys for substances of which 100 grams or more are handled per year, implementing internal management that is more rigorous than the PRTR, which only requires reporting for substances of which 0.5 tons or more (or 1 ton or more, depending on the substance) are handled per year.

We established reduction targets for our efforts to reduce the amount of volatile organic compounds (VOC) *2 emitted into the atmosphere, implementing measures to make cleaning equipment more airtight, improve the rate of reuse, and otherwise reduce atmospheric emissions. For fiscal year 2024, VOC emissions were on par year on year, totaling 91 tons from the Nikon Group in Japan and 381 tons from Group manufacturing companies outside Japan.

#### VOC Emissions of the Nikon Group in Japan and Group Manufacturing Companies outside Japan




◆:Values in Data Index assured by a third party
* 1 PRTR → p.065
* 2 VOCs mentioned here mean the 100 major VOCs as indicated by the Ministry of the Environment

## Control and Disposal of Polychlorinated Biphenyl (PCB) Waste

With regard to waste and in-use electrical equipment containing polychlorinated biphenyl (PCB), which can be harmful to living organisms and the environment, the Nikon Group conducts surveys of all Group companies to confirm whether they possess any such equipment, observes stringent safekeeping practices in compliance with relevant laws and regulations, and submits all required notifications to the relevant governmental authorities.

Nikon has completed the treatment of all high-density PCB waste in the Nikon Group. We intend to dispose of any electrical components that may be contaminated with low-density PCBs by the end of fiscal year 2025. Disposal should go as planned, meeting the deadline for treatment under the Act on Special Measures concerning Promotion of Proper Treatment of PCB Wastes* (March 2027).

* The Act on Special Measures concerning Promotion of Proper Treatment of PCB Wastes: A special measures law aimed at promoting the appropriate processing of polychlorinated biphenyl (PCB) waste.

## Prevention of Air, Water, and Soil Pollution

Nikon and one Group manufacturing company in Japan reported a minor case of exceeding levels allowed by water quality standards.

We follow the government's administrative guidance in response to cases of exceeding allowed levels, including increasing the frequency of cleaning and conduct more water discharge analyses as we endeavor to maintain stable water quality below the maximum standard.

# Biodiversity Conservation

Environmental Action Plan Achievements for Fiscal Year 2024 [Summary] ➡p.049
Environmental Action Plan Targets for Fiscal Year 2025 [Summary] ➡p.050

## Basic Approach

Corporate activities are profoundly linked to biodiversity. We obtain resources needed in our business activities from ecosystems, while causing impacts on ecosystems, such as the emission of chemical substances and greenhouse gases, from our business activities.

Biodiversity is the foundation of society, and conserving biodiversity is extremely important for companies to continue business activities. In December 2022, the second part of the 15th Conference of the Parties (COP15) to the Convention on Biological Diversity was held in Montreal, Canada. During the convention, representatives adopted a new international goal, the Kunming-Montreal Global Biodiversity Framework (GBF). This framework established a 2030 Mission to take urgent action to halt and reverse biodiversity loss and put nature on a path toward recovery. The framework includes 23 new targets with related business goals under each. Companies will have to accelerate biodiversity efforts if they are to achieve these targets. In September 2023, the Taskforce on Nature-related Financial Disclosures (TNFD)*1 released the Recommendations of the Taskforce on Nature-related Financial Disclosures (Final TNFD Recommendations v1.0).

The Nikon Environmental Policy stipulates that we strive to identify and disclose dependency, impact, risks, and opportunities related to biodiversity and ecosystems in our value chain. We also endeavor to conserve ecosystems through our business activities, environmental activities, and community contribution activities. We also engage in biodiversity conservation to realize a healthy and environmentally safe society, a pillar of the Nikon Long-Term Environmental Vision, and are implementing related activities to this end.

The loss of nature over that past several years has accelerated climate change. And the world is realizing that climate change is a cause of nature loss.

The Nikon Group recognizes this connection with climate change and works to conserve biodiversity and disclose information in line with the Final TNFD Recommendations.

*1 An international organization that establishes a framework for private companies and financial institutions to assess and disclose risks and opportunities related to natural capital and biodiversity.

Web Nikon Environmental Policy

## Strategy

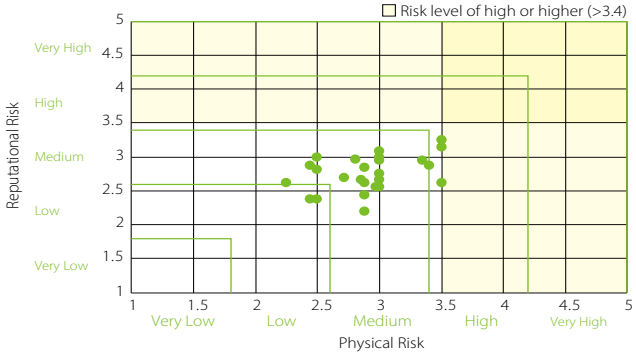
### Risk Assessment through the Biodiversity Risk Filter

The Nikon Group used WWF Biodiversity Risk Filter*2 to assess physical and reputational risks at 38 major sites. The granularity of physical risk and reputational risk indicated that several business facilities face high physical risk (greater than 3.4). All business facilities ranked below medium (3.4 or lower) in terms of reputational risk.

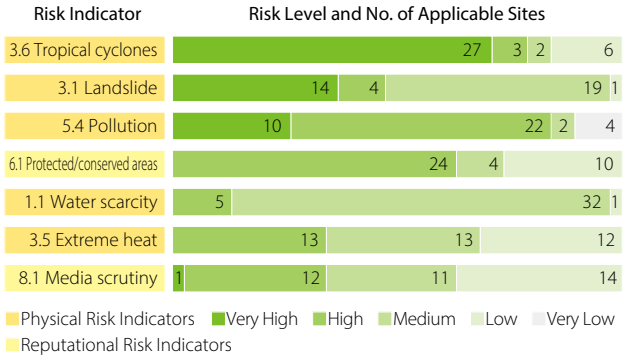
However, a closer look at the 33 indicators used in our evaluations showed a risk level of extremely high risk indicators. We also found that trends in risks differed by region.

*2 A tool developed by WWF to promote spatial understanding of the natural environment, including forests, oceans, and river basins, to conserve biodiversity ecosystem and business perspective, determining issues and priorities for investment and business model considerations. Developed by WWF. https://riskfilter.org/

● Biodiversity Risks at 38 Major Sites



### Top Risk Indicators at 38 Major Sites (Excerpt)




### Risk Trends by Region at 38 Major Sites

| Region | Risk Trends |
|---|---|
| Japan | Very high risk of tropical cyclones and landslides<br>High risk of pollutions and protected/conserved areas |
| China and Asia | Very high risk of tropical cyclones and pollution<br>High risk of water scarcity and extreme heat |
| The Americas | High risk of tropical cyclones |
| Europe | High risk of pollution<br>High risk of water conditions |

## Dependency and Impact Assessment through Encore

The Nikon Group used Encore * to assess the dependencies on ecosystem services and the impacts on nature that our main Group operations have. While we have previously analyzed and assessed such dependencies and impacts, the Encore results indicate that the Group is particularly dependent on water supply (groundwater and surface water) in ecosystem services. The results also indicate that we impact nature through pollutants to water and soil, greenhouse gases, and waste. Even though these results indicate no significant differences from previous assessments, we now have a clearer understanding of the degree of our dependencies and impacts.

* Encore is a tool developed jointly by the Natural Capital Finance Alliance (NCFA, an international network of financial institutions), the United Nations Environment Programme World Conservation Monitoring Center (UNEPWCMC), and other organizations to understand the extent of the impacts and dependencies of private companies on nature.

## Main Risks Related to Biodiversity

The Nikon Group identified the following risks based on our Biodiversity Risk Filter and Encore assessment results.

Water is a natural resource on which the Nikon Group has a relatively high degree of dependence and impact. We have not experienced any major issues to date, but we continue to monitor water quality and quantity carefully. In fiscal year 2024, we conducted a water risk survey for major procurement partners. We used location information and information on water use to assess watershed and operational risks for procurement partners.

In the future, we plan to take this information into account and study the risks related to biodiversity in our supply chain.

Protection of Water Resources ➡p.074

### Summary of Ecosystem Service Dependencies and Impacts on Nature (M: Medium H: High NA: Not Applicable)

| Dependencies and Impacts | Dependencies on Ecosystem Services | | Impacts on Nature | | | | | |
|---|---|---|---|---|---|---|---|---|
| Ecosystem Services | Provisioning services | | Climate change | Pollution/pollution removal | | | | Resource use/ replenishment |
| | Groundwater | Surface water | Greenhouse gas emissions | Water pollutants | Soil pollutants | Solid waste | Lifestyle interference (noise, light pollution) | Water use |
| Evaluation | M | M~H | NA~H | H | NA~H | M~H | NA~M | NA~H |

## Biodiversity Risks

| Principle Risks | | | Related Major Dependencies and Impacts | Financial Impacts | Nikon Group Initiatives | Corresponding Page |
|---|---|---|---|---|---|---|
| Physical Risk | Acute | Intensifying tropical cyclones due to natural degradation | Dependency: Flood mitigation, storm mitigation<br>Impact: GHG emissions | Suspension of operations and decline in asset values due to damage to major bases | Pursuit of business continuity management (BCM) | p.141 |
| Physical Risk | Chronic | Changes in precipitation patterns and droughts due to natural degradation | Dependency: Water supply<br>Impact: Water use | Operating rate declines and shutdowns due to inability to extract sufficient water resources | Reducing water withdrawal<br>Proactive water recycling<br>Assessing water risks | p.074 |
| Transition Risk | Policies | Stricter regulations on pollution | Impact: Pollutant emissions in air, water discharge, and soil; waste emission | Higher management costs for chemical substances contained in production processes and products<br>Lower raw material supplies and price hikes due to stricter regulations; switch to substitutes<br>Higher waste disposal and wastewater treatment costs<br>Lower sales and stock price due to fines or the loss of public trust | Management and reduction of chemical substances in products<br>Chemical substance management in production processes<br>Waste reduction<br>Proper waste management<br>Appropriate wastewater treatment | p.072<br>p.075<br>p.078<br>p.079 |
| Transition Risk | Policies | Tighter disclosure regulations | Dependency: Water and other natural resources<br>Impact: GHG emissions, pollutant emissions, water discharge, etc. | Higher costs to respond to assessments that consider biodiversity as well as related information disclosures | Monitoring and appropriate disclosure of environment-related information<br>Response to TNFD | p.084 |
| Transition Risk | Technologies | Mandates to replace with raw materials having less environmental impact | Impact: Use of chemicals and raw materials derived from oil refining | Inability to switch to raw materials with less environmental impact, resulting in exclusion from the market and weaker competitiveness<br>Higher costs related to raw material procurement | Implementing product assessments<br>The 3R initiatives for products and packaging | p.059<br>p.069 |
| Transition Risk | Reputation | Lower corporate reputation and brand value due to the use of natural resources that are not environmentally friendly | - | Lower sales and stock price due to loss of public trust | The 3R initiatives for Products and Packaging<br>Paper Resource Initiatives | p.069<br>p.087 |

## Biodiversity Opportunities

The Nikon Group recognizes business opportunities in biodiversity. We believe it is crucial for the Group to contribute to biodiversity through our business activities. These activities include contributing to the mainstreaming of biodiversity by providing products for education and research and through engaging in corporate citizenship activities. We also provide products and services to improve energy efficiency, reduce waste, and encourage resource circulation.

We are committed to conducting further analysis on our unique risks, opportunities, and impacts of our dependencies. At the same time, we will properly assess not only direct operations, but also the relationship our value chain has with nature, aiming to incorporate such findings in establishing targets and effective initiatives.

Nikon Long-Term Environmental Vision and Medium-Term Environmental Goals ➔p.048

# Governance

The secretariat of the Environmental Subcommittee examines Nikon Group-wide strategies for biodiversity conservation and the analysis of risks and opportunities. The meeting related to product environment (under the Products Subcommittee of the Quality Committee) and the Local Environmental Subcommittee (under the Environmental Subcommittee) propose targets and confirm the progress of initiatives.

Environmental Management Promotion System ➔p.053

# Risk Management

All environmental activities involve biodiversity conservation. The Nikon Group confirms nature-related dependencies, impacts, risks, and opportunities, as well as the progress of initiatives, related to our business and products at meetings related to product environment. The

● Biodiversity Opportunities

| Opportunity Type | | Principle Opportunities | Nikon Group Initiatives | Corresponding Page |
|---|---|---|---|---|
| Business Performance | Market | Expanded sales of technologies and products that improve energy efficiency and contribute to decarbonization | Riblet processing that contributes to carbon neutrality | Web Riblet processing |
| | Resource Efficiency | Expanded sales of technologies and products that reduce resource use and waste | Additive manufacturing | Web Optical processing machine |
| Sustainability Performance | Ecosystem protection, restoration, and regeneration | More opportunities to use products and technologies in biodiversity research and conservation activities | Environmental awareness raising activities for children | Web Encouraging Future Generations to Appreciate Global Environmental Issues |
| | | Support for biodiversity conservation and restoration | Support for the Akaya Project | p.088 |

Local Environmental Subcommittee evaluates company production process. Not only do we verify laws, regulations, industry information, and other social trends at each of these meetings, but the Environmental Subcommittee secretariat also collects information. Each party shares information with each other.

Environment-Related Risk Management ➔p.057

# Major Initiatives

## Forest Resource Initiatives

### Sustainable Paper Use

Paper, a forest resource, is one of the resources that the Nikon Group benefits from ecosystem services. The Nikon Group strives to reduce paper consumption as a part of the conservation of biodiversity and forest resources. These efforts include the digitization of product catalogs and instruction manuals.

In addition, under our Paper Procurement Policy, we have recommended conversion to paper use that is mindful of the sustainable use of forest resources. In product development, we verify the environmental sustainability of the paper resources that we use by implementing the Nikon Product Assessment and Nikon Packaging Assessment at the planning and design stage, as well as at the prototyping and production stage.

Nikon Product/Packaging Assessment ➔p.059

Web Paper Procurement Policy

### Conversion to Using FSC-Certified Paper

The Nikon Group is, in accordance with the Paper Procurement Policy, switching over to the use of FSC-certified paper. We prioritize high-quantity paper use cases with a major impact on society. In Japan, we are using FSC-certified paper for product catalogs and for printed materials, corporate envelopes, name-cards, and other items issued or used by Nikon's corporate administration divisions.

In addition, our Environmental Action Plan calls for the use of FSC-certified paper for paper used by business units. In fiscal year 2024, approximately 67% of newly published product catalogs in Japan, North America, and Europe, were made from FSC-certified paper (excluding cases of specialty paper use). We also completed the switch to FSC-certified paper for packaging boxes for certain products.

* FSC-certified paper: Paper certified as made from wood harvested from appropriately managed forests.

### Reducing Paper Resources Used in Products

The Nikon Group is working to save resources in the user's manuals packaged with Nikon products.

For example, in recent years, the amount of paper used for user's manuals for mirrorless cameras has tended to increase as the range of functions that these cameras provide has grown, thus requiring more pages in these manuals. Paper use has also increased with the need to provide replacement manuals or supplementary materials when upgrading firmware. In response to this situation, we have been taking steps to substantially simplify user's manuals provided with our cameras, while providing more detailed information in a timely manner through the Nikon website. Nikon Vision Co., Ltd. revised the instruction manual included in the COOLSHOT 20i GIII GOLF LASER RANGEFINDER, released in April 2024, reducing paper consumption by 43% compared to all models.

The Nikon Group also started utilizing paperless

catalogs and instruction manuals for corporate products. The Healthcare Business provides product catalogs and instruction manuals for certain products on the website. Customers now access the latest information whenever they need it using their preferred device, whether it be their laptop, tablet computer or smartphone. This helps to enhance customer convenience. Further, this initiative not only helps with reducing paper usage, but also contributes to cutting $CO_2$ emissions associated with printing and product transportation.

## Activities in Industry Groups

Nikon participates in the Environmental Strategy Liaison Committee Biodiversity Working Group (WG) formed by the four leading Japanese electric and electronic (E&E) industrial associations *, and works to promote biodiversity conservation and restoration activities alongside the associations' member companies. This working group undertakes a wide variety of activities, including the publication of biodiversity awareness-raising materials and handbooks for activity implementation, the conduction of surveys on biodiversity-related trends, the organization of training activities, and the creation and publication of a public database of case-studies on biodiversity conservation work undertaken by the associations' member companies.

In fiscal year 2024, we updated and prepared guidance related to our existing relationship map between the electric and electronics business and biodiversity, holding seminars related to this content. We also held an OECM workshop for member companies of the four electrical and electronic industrial associations, as was the case last year.

* The four leading Japanese electric and electronic (E&E) industrial associations. These associations are collaborating on biodiversity initiatives. The Japan Electrical Manufacturers' Association (JEMA), The Japan Electronics and Information Technology Industries Association (JEITA), Communications and Information Network Association of Japan (CIAJ), Japan Business Machine and Information System Industries Association (JBMIA)

## Support for Biodiversity Conservation and Restoration

Nikon has been supporting the Akaya Project of the Nature Conservation Society of Japan (NACS-J) since 2006. This project involves research and verification testing aimed at conservation and restoration of biodiversity in the Akaya Forest, which is centered in an around 10,000 hectare area of national forest in the north of Minakami Town in Gunma Prefecture, and which has been designated by UNESCO as the Minakami Biosphere Reserve, as well as promoting sustainable community development that makes effective use of forest resources. In addition to providing our digital cameras and binoculars to support research activities, Nikon began encouraging employees of the Nikon Group in Japan every year since 2016 to participate in volunteer activities to help regenerate the natural forests. An initiative to accelerate the regeneration of natural forest by removing trees and plants that retard the growth of young trees.

In 2023, vegetation specialists analyzed the growth and reproduction of the tree species of the natural forest, demonstrating the results of our efforts over an eight-year period. In 2024, we took the lessons from our experience to a nearby site and started new activities to transition from planted forests to natural forests.

A voluntary employee activity. Employees carefully collect saplings for trees targeted for growth from the surrounding area and plant in areas requiring transplanting. The transplanted saplings are marked and size recorded to determine subsequent growth.

## Initiatives at Each Plant and Business Facility

Through cleaning and beautification activities surrounding our business locations, the Nikon Group contributes to the preservation of local environments and prevention of urban waste flowing into the ocean. We also participate in nature conservation activities held in local communities. In fiscal year 2024, each location participated in at least one such activity, accounting for 35 activities in all.

Web Environmental Actions at Business Facilities