

Society/Labor

Critical Procurement Partners



In compliance with CSR
Procurement Standards

Approx. **260**
companies

Percentage of women in management positions at Nikon:



7.5%

Severity rate of lost time accidents at the Nikon Group:



0.02%

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Materiality 6

Building a Resilient Supply Chain



In recent years, stakeholders have become increasingly concerned about social issues related to human rights, work environments, health and safety, and the environment in the supply chain. In addition, raw material price fluctuations due to various factors such as global extreme weather events and natural disasters, geopolitical influences, and international conflicts have increased the instability and risks in the supply chain.

Against this backdrop, the Nikon Group, together with procurement partners who share our vision and act in unison, strives to listen to the views of society and build a resilient supply chain that can address these social issues.

Activity Policies

- 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

Indicators and Targets

Self-Evaluation ○ : Achieved △ : Measures partially achieved or revised

Indicators	Targets (Year of Achievement)	Fiscal Year 2024 Plan (Action Plan)	Fiscal Year 2024 Results	Self-Evaluation	Fiscal Year 2025 Plan (Action Plan)
Percentage of due diligence conducted* ¹ (critical procurement partners)	100% (FY2025)	<ul style="list-style-type: none"> 100% Nikon CSR Self-Assessment Survey rate for critical procurement partners Completion of CSR audits and written improvement requests to critical procurement partners 	<ul style="list-style-type: none"> 100% Nikon CSR Self-Assessment Survey rate (25 companies) Completed CSR audits and submitted written improvement requests to critical procurement partners (23 companies) 	○	<ul style="list-style-type: none"> 100% Nikon CSR Self-Assessment Survey rate for critical procurement partners Complete of CSR audits and submit written improvement requests to critical procurement partners Conduct the Responsible Mineral Sourcing Survey and due diligence and publish reports
Understanding BCP systems in the supply chain* ²	100% (FY2025)	<ul style="list-style-type: none"> Visualization of information regarding the key business areas of procurement partner locations (15 companies) Conducting BCP system surveys for procurement partners (50 or more companies) Provision of assistance to procurement partners failing to meet Nikon standards as a result of the fiscal year 2023 survey 	<ul style="list-style-type: none"> Visualized information regarding the key business areas of procurement partner locations outside the primary managing division (15 companies) and expanded survey coverage through methodology streamlining (20 companies) Conducted BCP system surveys for procurement partners (54 companies) Supported procurement partners requiring system establishment (10 companies) 	○	<ul style="list-style-type: none"> Visualize procurement partner location data and their key procurement partners information (50 companies)

*1 Implement until improvement is completed when a survey or audit reveals correction is necessary.

*2 The scope of the supply chain requiring BCP system establishment is managed based on the number of suppliers.

Supply Chain Management

Basic Approach

Nikon considers suppliers to be 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. We established the Nikon Basic Procurement Policy based on this approach to ensure honest and fair procurement of materials.

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



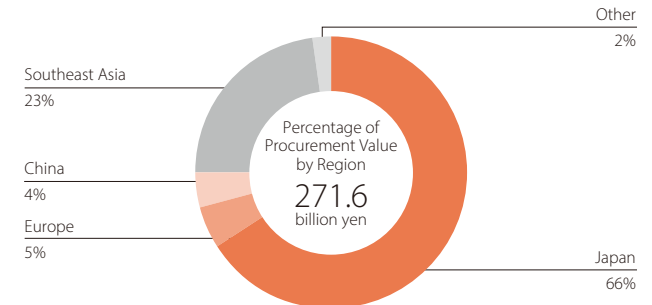
Nikon Basic Procurement Policy

The Nikon Group's Supply Chain

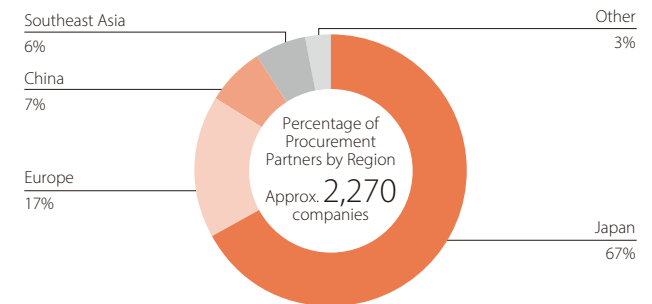
The Nikon Group has approximately 2,270 direct procurement partners globally. Beyond them, there are numerous Tier 2 and Tier 3 suppliers from whom we procure raw materials, electronic components, mechanical components, units, and others.

The Nikon Group's overseas production sites hire employees locally and actively procure raw materials and components from the countries and regions where the sites operate to ensure quality (Q), cost (C), and delivery (D). We require our local procurement partners to comply with various standards and provide assistance for improvement. In this way, we work from a long-term perspective to enhance our procurement partners' corporate capabilities and to generate new business opportunities for them.

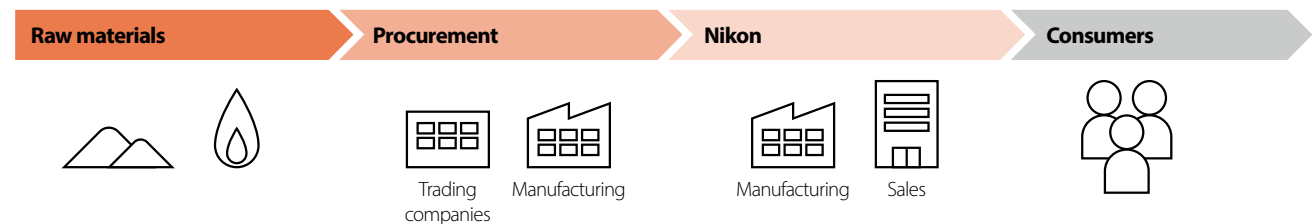
Percentage of Procurement Value by Region



Supply Chain Illustration



Supply Chain Illustration



Strategy

Risk

Risks in the supply chain include the spread of infectious diseases, extreme global-scale weather events, natural disasters, geopolitical influences. These factors can disrupt the supply-demand balance significantly for components and cause fluctuations in energy and raw material prices, leading to supply chain instability, and ultimately, potential business opportunity loss and a decline in business performance.

In particular, a major portion of the Nikon Group supply chain is in Japan, where earthquakes occur frequently. Stable procurement from procurement partners with inadequate BCP systems could be compromised, depending on the region, resulting in disruptions to the supply of products to our markets.

Public concern is rising related to human rights, the labor environment, health and safety, and environmental issues in the supply chain. Inappropriate efforts to address these concerns entail a risk of damage to our brand image and a loss of stakeholder trust.

Opportunities

To create a sustainable society, we must build supply chains from an ESG procurement perspective, collaborating in activities with procurement partners. Given this perspective, the Nikon Group believes we can strengthen business continuity by enhancing supply chain stability while engaging in environmentally and socially conscious procurement.

These initiatives also enable us to earn the trust of our customers and enhance the value of the Nikon Group brand.

Strategy

The Nikon Group builds strong relationships with procurement partners and establishes mechanisms and systems to respond flexibly to drastically changing business risks, social issues, and supply chain risks.

Specifically, we evaluate procurement partner risks to minimize the impact of supply chain disruptions during emergencies and to ensure a swift response and business continuity. We offer support to procurement partners that have not fully identified and established BCP systems of their own.

We also conduct survey-based procurement partner assessments to identify, prevent, and mitigate human rights-related, environmental, and other social risks in our supply chain. We ask procurement partners identified as high-risk to conduct audits, and we provide remediation support to help these partners improve. Furthermore, Nikon establishes and operates effective remedy mechanisms to respond quickly and flexibly when risks do occur.

These efforts enable us to build a sustainable supply chain that remains sound at all times in the face of business risks and social issues. Furthermore, these efforts help us grow our business through stable supply chains, create social value, fulfill our social responsibility as a corporate entity, gain the trust of our customers, and enhance brand value.

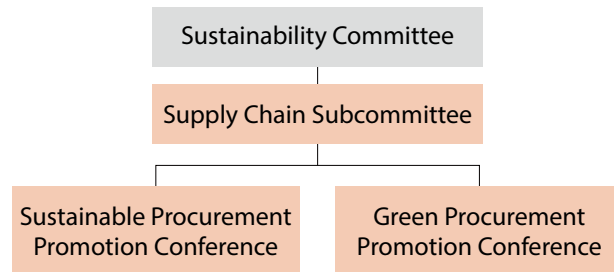
Governance

The Nikon Group established the Supply Chain Subcommittee under the Sustainability Committee to pursue sustainable procurement with our procurement partners.

An officer serving as the Deputy General Manager of the Production Technology Division (Sector Manager of the Procurement and Logistics Sector) chairs the Supply Chain Subcommittee under the supervision of an officer serving as the General Manager of the Production Technology Division. The subcommittee meets twice a year with the head of the Corporate Sustainability Department, the heads of the Quality Assurance Department and the Procurement Department, and Group company officers. This subcommittee manages risks and opportunities related to the supply chain and deliberates on activity reports and plans for building a resilient supply chain.

The Sustainable Procurement Promotion Conference (held monthly) and the Green Procurement Promotion Conference (held biannually) operate under the Supply Chain Subcommittee. These two conferences hold preliminary discussions on subcommittee reports and deliberations. The Nikon Group implements specific activities to build a resilient supply chain in cooperation with procurement departments and related divisions in each business, as well as administrative departments at each manufacturing site.

● Outline of Supply Chain Management System



● Supply Chain Subcommittee

Chair: Sector Manager, Procurement and Logistics Sector
 Vice Chairman: Department Manager, Procurement and Logistics Sector, Strategic Procurement Department
 Members: Manager of the Corporate Sustainability Department, managers in charge of procurement and quality assurance from each business unit, and officers from each Group company

● Sustainable Procurement Promotion Conference

Chair: Department Manager, Strategic Procurement Department
 Vice Chair: Section Manager, Supplier Management Section, Strategic Procurement Department
 Committee Members: Persons in charge of advancing ESG from each business unit and Group company

● Green Procurement Promotion Conference

Chair: Department Manager, Strategic Procurement Department
 Vice Chair: Section Manager, Quality Engineering Section, Quality Strategy and Management Department
 Committee Members: Members in charge of advancing Green Procurement from each business unit and Group company

Procurement Hotline

The Nikon Group 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.

We protect the privacy of individuals who contact us and accept anonymous reports to ensure that no user experiences unfair treatment as a result of making an inquiry. Each inquiry undergoes a fact-based review. If we identify a problem, we implement the appropriate procedures and take corrective and preventive action.

There were zero calls to the hotline related to procurement in fiscal year 2024.

Risk Management

The Nikon Group identifies supply chain risks through a process that involves selecting critical procurement partners and conducting risk assessments covering CSR procurement, responsible mineral sourcing, and business continuity planning (BCP). We clearly define the criteria for each assessment item to determine risks. Procurement departments and related divisions in each business, as well as lead teams at manufacturing sites, take the lead in addressing assessments and mitigating identified risks.

The Supply Chain Subcommittee and the Sustainable Procurement Promotion Conference, a subordinate body of the subcommittee, coordinate responses to cross-functional and high-priority risks, work with relevant

teams, and review risk assessments and countermeasures as needed.

Identifying Critical Procurement Partners

The Nikon Group identifies critical procurement partners through the following process based on perspectives such as procurement value, importance of procured components, and availability of substitutes. We prioritize various surveys on social issues, while also working to strengthen inter-company collaboration in the course of our business.

Identification of critical procurement partners takes place during CSR assessments. We conduct the CSR Self-Assessment Survey every three years for selected critical procurement partners. The Nikon Group assessed 247 companies globally in fiscal year 2023, identifying an additional 15 companies following mergers and acquisitions in fiscal year 2024.

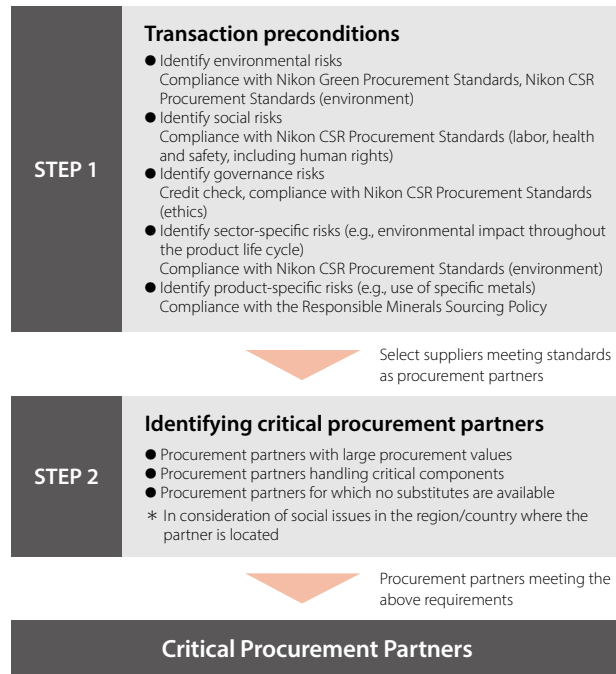
● STEP 1

When beginning business with a new supplier, we apply the Nikon Group Procurement Procedure Manual to identify any environmental, social, governance, and sector- and product-specific risks. We also stipulate ESG in the terms of our master agreements. Suppliers that meet these standards are selected as procurement partners.

● STEP 2

Among procurement partners, we identify those with whom we have large procurement values, those that handle critical components, and those for which no substitutes are available as critical procurement partners.

● Process for Identifying Critical Procurement Partners



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

	FY2020	FY2021	FY2022	FY2023	FY2024
Procurement partners (Tier 1 suppliers)	2,700	2,300	2,250	2,250	2,270
Critical procurement partners (Tier 1 suppliers)	200	200	200	250	260

* The above figures are approximate.

* Critical procurement partners (Tier 1 suppliers): In fiscal year 2019, we changed the definition to as suppliers accounting for the top 80% of Nikon Group procurement costs.

Major Initiatives

Communication with Procurement Partners

Sustainable Procurement Briefings

The Nikon Group holds briefings every year to gain procurement partner understanding of Nikon Group procurement quality management and ESG-related policies and approaches.

The Sustainable Procurement Briefing met four times in fiscal year 2024 between November 28 and 29 in an online format for procurement partners we engage with at our Japan, China, and Thailand locations. A total of 1,180 participants representing 1,078 companies attended the presentations, with topics related to human rights and BCP gaining the highest interest from participants.

We also took time to recognize procurement partners who contributed to ESG and quality management through flexibility, promptness, and resiliency.

Meetings with Procurement Partners

The Nikon Group believes in close communication with procurement partners and the importance of strengthening mutual relationships. To this end, we invite the representatives of approximately 160 major procurement partner companies in Japan and overseas to our annual meetings with procurement partners. These meetings report on Nikon's business environment, provide an overview of our business operations, and convey a message from the president to ensure communication with top management and strengthen relationships.



Sustainable Procurement Briefing 2024 (online)

Education and Communication

Nikon implements the following initiatives to build a responsible supply chain.

● Internal education and training

The Nikon Group implements various trainings and awareness activities for procurement department employees. Building on the previous year, we provided sessions for operational staff and new employees to strengthen their understanding of procurement fundamentals and their broader context. These efforts help improve supply chain stability and raise awareness of environmentally and socially responsible procurement.

● Donation activities

We continue to support the resilience-building project in the Democratic Republic of the Congo conducted by the certified NPO Terra Renaissance. Our contributions have helped 184 women learn sewing skills and 148 individuals begin producing beekeeping products. These efforts support women affected by conflict and help reduce the risk

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> Respecting Human Rights

> Diversity, Equity & Inclusion

> Employees' Health and Safety

of vulnerable youth and people in extreme poverty being drawn into armed groups or the conflict mineral trade.

● Awareness-raising activities

In conjunction with Human Rights Day, we held our first external seminar on responsible mineral sourcing for approximately 160 students at Shinagawa Shouei Junior and Senior High School. The event aimed to contribute to the local community while enhancing corporate value. We also shared a recorded version internally to deepen employee understanding and broader internal and external awareness of responsible mineral sourcing.



Special Seminar with Shinagawa Shouei Junior and Senior High School and Certified NPO Terra Renaissance [In Japanese]

Visualizing the Supply Chain

The Nikon Group focuses on registering supply chain information in our procurement system in our efforts to build a resilient supply chain. To this end, we asked procurement partners that handle critical materials to help us visualize Tier 2 suppliers. This initiative has enabled us to quickly and precisely identify the compliance status of our procurement partners with the standards required by the Nikon Group.

Strengthening BCP

In recent years, strengthening the ability to respond to natural disasters and the spread of new viruses has become an important issue in supply chain management. The Nikon Group has established a BCP management system

and takes measures to ensure our rapid response in the event of such emergencies.

In fiscal year 2024, we continued advancing supply chain visualization and established internal procedures for contingency surveys to enable faster situational awareness

during crises. Furthermore, based on the survey results, we provided support to major procurement partners with inadequate BCP systems to help them build systems for handling emergencies and promote the strengthening of BCPs in the supply chains.

● Initiatives for Visualizing the Supply Chain

FY2019	<ul style="list-style-type: none"> Introduced an integrated procurement data management system to visualize supplier information for the entire Nikon Group Started registering and gathering information on direct material procurement partners in Japan and Asian Group locations, where major suppliers are concentrated
FY2020	<ul style="list-style-type: none"> Added information used for procurement partner assessment (e.g., management status, business transactions, ESG information) Expanded scope of visualization to include indirect material procurement partners and procurement partners of Group locations in Europe
FY2021	<ul style="list-style-type: none"> Added business continuity plan (BCP) and quality information used for procurement partner assessment
FY2022	<ul style="list-style-type: none"> Conducted regular assessments of procurement partners based on visualized information Provided assistance for improvement to procurement partners that do not meet standards and promoted transaction suspension and transaction volume review based on survey results and improvement status
FY2023	<ul style="list-style-type: none"> Visualized procurement partner handling of critical parts and materials, beginning with Tier 2 suppliers
FY2024	<ul style="list-style-type: none"> Visualized supply chain information, including Tier 2 suppliers of procurement partners handling critical parts and materials

● Initiatives to Strengthen BCP

	I Visualizing the Supply Chain	II Establishing a Contingency Survey System	III Establishing Supplier BCP Systems
FY2020	<ul style="list-style-type: none"> Registered procurement partner (Tier 1 supplier) location information necessary for contingency surveys in the integrated procurement data management system 	<ul style="list-style-type: none"> Developed BCP internal first response infrastructure to efficiently assess procurement partner situations in the event of an emergency 	
FY2021		<ul style="list-style-type: none"> Launched contingency surveys using the integrated procurement data management system 	<ul style="list-style-type: none"> Conducted a survey on the status of infrastructure-related BCP system construction among our major procurement partners
FY2022	<ul style="list-style-type: none"> Expanded the scope of supplier location information visualization to include Tier 2 suppliers and beyond (manufacturing sites beyond trading company procurement partners) 		<ul style="list-style-type: none"> Conducted a survey on the status of BCP system construction among our major procurement partners, including those not related to infrastructure
FY2023	<ul style="list-style-type: none"> Visualized procurement partner handling of critical parts and materials, beginning with Tier 2 suppliers 		<ul style="list-style-type: none"> Provided support for procurement partners with insufficient BCP systems; expanded survey coverage
FY2024	<ul style="list-style-type: none"> Visualized procurement partners, including Tier 2 suppliers, that handle critical parts and materials 		<ul style="list-style-type: none"> Provided support for procurement partners with insufficient BCP systems; expanded survey coverage


Promoting CSR Procurement

Basic Approach

Nikon, as a global company, is committed to actively addressing social issues such as human rights, work environments, health and safety, and the environment in our supply chain, including among our procurement partners, through CSR procurement activities to meet society's expectations with trust and to realize a sustainable society. 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 also review these codes of conduct and standards on a regular basis to ensure our own procurement activities are consistent.

Joining the RBA ➡ **p.017**

 Nikon CSR Procurement Standards

Compliance Requests

The Nikon Group incorporates compliance with the Nikon CSR Procurement Standards in our master agreements, and we ask all our procurement partners and their suppliers to act responsibly in accordance with these standards.

Procurement Partner Assessments

We conduct assessments of critical procurement partners

in three-year cycles from fiscal year 2023 to 2025, and from fiscal year 2026 to 2028.

We conduct the Nikon CSR Self-Assessment Survey for suppliers identified as Nikon Group critical procurement partners. These assessments ask partners to self-assess their implementation of the Nikon CSR Procurement Standards. The CSR Self-Assessment questionnaire is based on the RBA questionnaire and is conducted as an assessment of items related to human rights and human life, such as forced labor and child labor, with its own weighting. If the survey results do not meet the target standards, improvements are requested.

Furthermore, we conduct CSR audits (second-party audits*) of procurement partners that are particularly critical to our business or that we judge to be high-risk. We ask for improvements and provide assistance to address issues identified through the Nikon CSR Self-Assessment Survey and CSR audits, confirming that improvements have been made. In principle, we confirm improvements in the year following the year of the improvement request (completion of improvements within one cycle, i.e., three years).

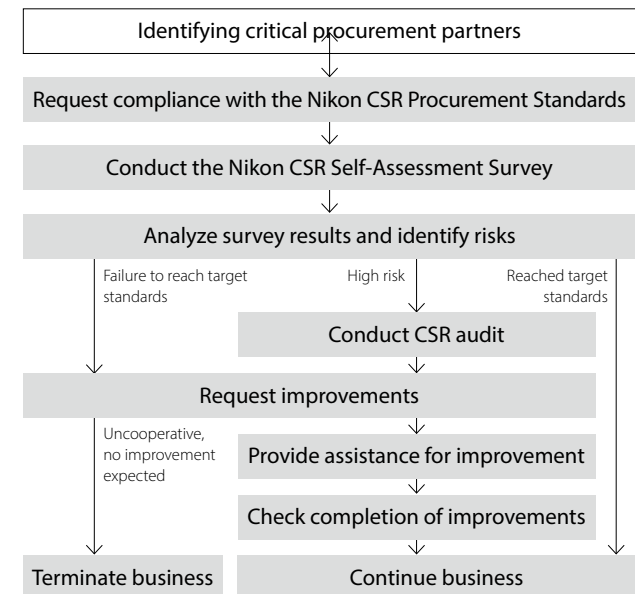
If a serious violation of the Nikon CSR Procurement Standards is confirmed, or if a procurement partner does not cooperate sufficiently in a survey or audit or make any improvements to address issues, we will review our business relationship with the partner. In addition, we always conduct the Nikon CSR Self-Assessment Survey for new suppliers before entering into business contracts after confirming that they meet our standards.

* Nikon CSR audit: An audit conducted by a commissioned consultant in accordance with RBA auditing standards.

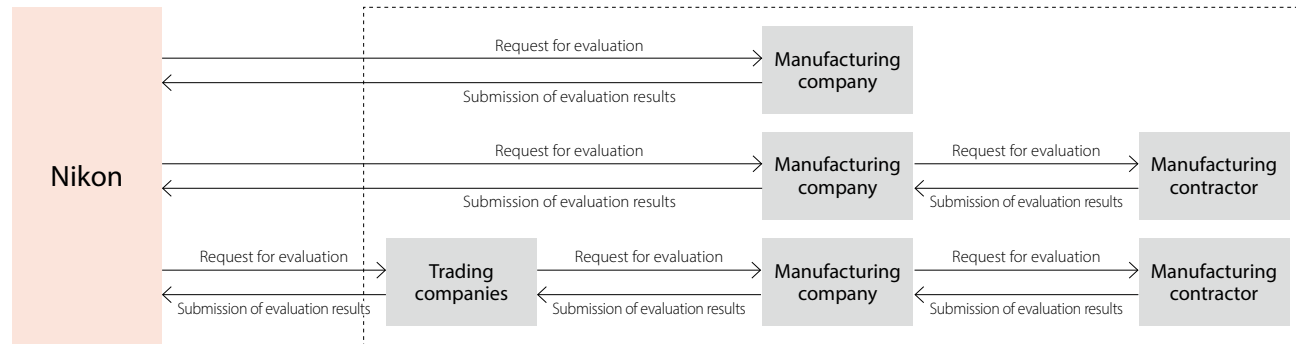
Risk-Based Procurement Partner Assessments



Flowchart of Critical Procurement Partner Assessments



● Scope of Assessments



Results of Fiscal Year 2024 Assessment

Basic Approach

We requested new procurement partners, critical partners, and Tier 2 suppliers and above to comply with the Nikon CSR Procurement Standards, and we conducted the Nikon CSR Self-Assessment Survey for these entities. We also conducted CSR audits (second-party audits) targeting three companies.

New Procurement Partners

In fiscal year 2024, we conducted the Nikon CSR Self-Assessment Survey for three new procurement partners that will begin doing business with the Nikon Group. We confirmed said partners met target standards, and began business transactions with these new procurement partners.

Existing Procurement Partners (Tier 1 Suppliers)

The Nikon Group assessed 15 procurement partners in fiscal year 2024 using the Nikon CSR Self-Assessment Survey. We confirmed that 14 companies met target standards, and we requested one company improve noncompliance related to labor, health and safety, the environment, and ethics. In addition, we conducted CSR audits (second-party audits) targeting three companies.

Tier 2 Suppliers and Beyond (Critical Procurement Partners)

In fiscal year 2024, we conducted the Nikon CSR Self-Assessment Survey for seven Tier 2 suppliers and beyond, confirming that these entities met target standards.

Major Improvement Request Cases for CSR Audit Findings

● Working hours

Issue	Long working hours
Assistance for improvement	Requests to provide information on and consistently manage legal restrictions regarding long working hours; requests for continuous monitoring

● No guidelines or procedures for obtaining, implementing, and retaining up-to-date legal information

Issue	Lack of communication of updated laws and regulations within the company
Assistance for improvement	Requests to update internal management procedures and implement training and disseminate information; confirmation of improved results

● Emergency exits

Issue	Lack of emergency exit signs
Assistance for improvement	Requests to install signs for emergency exits and evacuation routes; confirmation of improvements

● Fees related to employment

Issue	Collection of fees for new hires
Assistance for improvement	Requests for refunds of fees and suspension of collection; confirmation of improved results

● First aid kits

Issue	Expired first aid kits in some workplaces
Assistance for improvement	Requests to replace expired first aid kits and establish a management system; confirmation of improved results

● Plant equipment safety

Issue	Lack of equipment safety checks and inspections
Assistance for improvement	Implementation of pre-startup inspections and monthly inspections, requests to maintain management regulations, and confirmation of improved results

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> Respecting Human Rights

> Diversity, Equity & Inclusion

> Employees' Health and Safety

● Assessment Results

				FY2020	FY2021	FY2022	FY2023	FY2024
Nikon CSR Self- Assessment Survey	Tier 1 suppliers	Existing procurement partners	Critical procurement partners (periodic assessments)	211	-	-	247	-
			Critical procurement partners newly identified through M&A and other means	-	-	-	-	15
		New procurement partners			-	15	6	20
	Suppliers other than Tier 1 suppliers (Tier 2 and beyond, including key partners)			60	43	11	30	7
Improvement requests based on the Nikon CSR Self-Assessment Survey results				10	13	-	20	1
Improvement requests based on CSR audits				3	-	2	3	3
Improvements completed *				13	26	-	3	23

*Improvements may be completed in the fiscal year following requests for improvement.

Support for Responsible Minerals Sourcing**Basic Approach**

Certain minerals contained in Nikon products are mined and traded in conflict and high-risk areas. Concerns exist whether the mining processes may be a source of human rights abuses, including child and forced labor, environmental destruction, conflict, and social injustice. The Nikon Group established the Responsible Minerals Sourcing Policy, and we strive to procure mineral resources responsibly. The Nikon Group incorporates compliance with this policy into master agreements, and we ask all procurement partners and their suppliers to act responsibly in accordance with this policy.



Responsible Minerals Sourcing Policy

Responding to High-Risk Conflict Minerals

Tin, tantalum, tungsten, gold, and cobalt are high-risk minerals distributed through our global supply chain from various countries and regions. In cooperation with procurement partners, Nikon continues to initiatives to improve supply chain transparency and reduce risk.

Five Mineral Usage Survey and Results

We conduct a Nikon Group survey on the use of the five minerals as follows.

1. Identify Nikon Group products manufactured or commissioned to be manufactured in each business unit for the year covered by the survey
2. Request procurement partners handling products subject to the survey to conduct their own survey regarding country of origin and smelters related to said minerals

(using the industry standard Responsible Minerals Initiative: RMI Conflict Minerals Reporting Template (CMRT/EMRT))

3. Compare smelter information collected from procurement partners against the RMI list of smelters
The results of the 2024 survey forming the basis of our 2025 Responsible Minerals Sourcing Report did not identify country of origin for all five minerals used in our products. However, we did not identify any minerals that could be considered as contributing to conflict in the reports submitted by procurement partners.

● Tin, tantalum, tungsten, gold

Conducted surveys using CMRT for 704 procurement partners.

Of the 362 smelters identified in the survey, we found 229 to be compliant* with the Responsible Minerals Assurance Process (RMAP).

● Cobalt

Conducted surveys using EMRT for 58 procurement partners.

Of the 85 smelters identified in the survey, we found 54 to be RMAP-compliant*.

* Compliance includes smelters for which assessments were in progress.

Risk Mitigation Initiatives

Nikon requires procurement partners to establish a conflict minerals policy and implementation plan. We also encourage procurement from smelters that comply with RMAP. We also encourage smelters that do not comply with RMAP (as identified in our surveys) to obtain certification.

Responsible Minerals Sourcing

Nikon has participated in the Responsible Minerals Sourcing Study Group organized by the Japan Electronics and Information Technology Industries Association (JEITA) since 2013, working to raise awareness across the supply chain and improve the efficiency of due diligence efforts.

JEITA activities include hosting seminars and conducting survey briefings with domestic and international industry associations, as well as verifying smelter and refinery information. In fiscal 2024, JEITA briefings attracted 2,831 participants from approximately 1,290 companies.

We also actively contribute to JEITA working groups, where we continue engaging with member companies to encourage more smelters to join the Responsible Minerals Assurance Process (RMAP).

Nikon has also been a member of the Responsible Minerals Initiative (RMI), a global program focused on resolving mineral-related risks, since 2014. Through our membership, we strengthen our approach to responsible mineral sourcing and contribute to international frameworks for addressing these issues.



Report on Responsible Mineral Procurement Briefing 2024 [In Japanese]

Responsible Minerals Sourcing Report 2025 (Results of the 2024 Survey)

List of 3TG Smelters and Cobalt Refiners (Conformant and Active as of January 31, 2025) Identified by the 2024 Survey

Green Procurement

Basic Approach

Environmental regulations like the EU RoHS ^{*1} Directive and REACH ^{*2} 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 CO₂ 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 Green Procurement Policy, we conduct honest and fair materials procurement, aiming to continue providing products answering the expectations of our customers and to foster better society, a cleaner global environment, and sustainable corporate growth. Based on this philosophy, the Nikon Group created the Nikon Green Procurement Standards, prioritizing the 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.

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 Lists, a part of the aforementioned standards, and we require our procurement partners to comply with this and to submit data via chemSHERPA ^{*3} or another appropriate method.

The Nikon Green Procurement Standards and the Separate Volume: Corresponding Chemical Substance

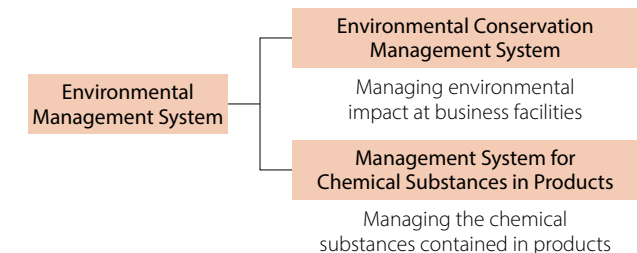
Lists include not only the substances regulated by the EU RoHS Directive, REACH Regulations, and other laws and regulations in Japan and abroad, but also our own regulated substances, and are both revised and updated regularly.

^{*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.

^{*3} chemSHERPA: A shared scheme for communicating information on chemical substances contained in products in the supply chain.

● Environmental Management System



Environmental Management System Survey and Assessment

At the Nikon Group, we conduct environmental management system surveys every three years for each eligible procurement partner 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.

Environmental management system assessments

check the environmental management structure (EMS) and chemical substance management (CMS) of procurement partners with a high risk of containing restricted substances. This review also covers the status of third-party management system certifications. For any noncompliance in environmental management systems found in the assessment process, improvements are requested, and assessments are completed after confirming that improvements have been made.

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. For small companies where it is challenging to establish a system, we conduct a simplified environmental management system assessment to confirm how chemical information is communicated and managed. The scope of this simple assessment has been expanded to include trading companies. Please note that the simple assessment confirms that there are no problems in the management of chemical substances contained in products is not a partner certification. 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.

Education and Communication

To maintain and enhance the quality of our 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 fiscal year 2024, 45 new assessors were certified, bringing the total number of assessors within the Nikon Group to 248^{*1}.

^{*1} As of March 31, 2025

Assessment Results

We requested that procurement partners comply with the Nikon Green Procurement Standards and conducted assessments.

In fiscal year 2024, we conducted assessments for 27 procurement partners. As a result, 23 companies^{*2} were certified as new Environmental Partners.

In addition, we conducted renewal assessments for 141 procurement partners, bringing the total number of certified companies to 461^{*2}, including newly certified companies. For the 13 companies^{*2} not certified, we requested improvements.

^{*2} As of March 31, 2025

● Environmental Partner Certification Results (as of March 31, 2025)

	FY2020	FY2021	FY2022	FY2023	FY2024
Assessments	139	149	180	167	168
Newly certified Environmental Partners	18	36	31	15	23
Total certified Environmental Partners	420	453	456	456	461

Note: Figures reflect the decrease stemming from discontinued business transactions, business closures, etc.