

## **Nikon Group Slavery and Human Trafficking Statement for the fiscal year ended March 2022**

This statement is made in accordance with the United Kingdom Modern Slavery Act of 2015 to explain actions we have taken during the fiscal year ending March 31, 2022 (“FY2021”) and the preceding year where relevant. The Nikon Group, Nikon Corporation and its consolidated subsidiaries (“Nikon”, or “we”), endeavours to ensure that there are no human rights violations through our own business operations or our supply chains. We hereby provide this disclosure statement regarding our activities to prevent and tackle modern slavery and human trafficking.

### **a. Overview of the company, business and supply chain**

Nikon has been engaged in various business fields, such as Imaging Products (digital cameras and interchangeable lenses), Precision Equipment (FPD lithography systems and Semiconductor lithography systems), Healthcare (microscopes and retinal diagnostic imaging systems), Components (optical components, EUV related components, etc.), Industry Metrology and others, based on the opto-electronic and precision technologies that Nikon has developed since its establishment in 1917. Nikon manufactures and sells such equipment and apparatuses. Details of our company and business information can be found on the “Corporate Information” page of the Nikon Corporation’s website.

Nikon’s product parts and a small portion of the final products are supplied from external procurement partners, in and outside of Japan. More than 90% (calculated by the transaction amount in the country in which their headquarters are located) of procurement partners are based in Japan, China and Thailand. Details can be found on the “Sustainability Report” page of the Nikon Corporation’s website.

<https://www.nikon.com/about/sustainability/report/>

### **b. Policies related to modern slavery and human trafficking**

#### **Nikon Code of Conduct/ Nikon Human Rights Policy**

Nikon has the “Nikon Code of Conduct” (“Code”) in place where we set out our stance on social responsibility and the standard of conduct for individuals who work for Nikon. (This Code is translated into 16 languages. See <https://www.nikon.com/about/sustainability/nikon-sustainability/codeofconduct/>). The Code includes the sections of “Respect for Human Rights” and “Social Responsibility in the Supply Chain”, where we clarify our stance against forced labour and child labour not only with respect to Nikon, but also our suppliers and business partners.

Furthermore, we launched our “Nikon Human Rights Policy”

([https://www.nikon.com/about/sustainability/society-labor/human-rights/human\\_rights\\_policy.pdf](https://www.nikon.com/about/sustainability/society-labor/human-rights/human_rights_policy.pdf))

(“Policy”) in April 2019 in order to provide further detail on our approach to addressing human rights issues related to our business activities, based on the Code. We also state our commitment to respect the ten principles of the United Nations Global Compact, International Bill of Human Rights, International Labour Organization’s Declaration on Fundamental Principles and Rights at Work, as well as the United Nations Guiding Principles on Business and Human Rights. In the Policy, we identify seven issues as particularly relevant to our business that we commit to addressing, including “Prohibition of Forced Labour and Child Labour” and “Working Hours and Wages”.

Nikon is a member of the Responsible Business Alliance (RBA), the world’s largest industry coalition dedicated to corporate social responsibility (CSR) in global supply chain. Nikon strives to comply with the RBA’s code of conduct which specifies responsibilities for member companies, such as to improve working environments in their own organisation and supply chains or to support the rights and wellbeing of employees.

#### **Nikon CSR Procurement Standards**

The Nikon Group recognises that CSR procurement activities are essential for the sustainable development of business, both for ourselves and for our procurement partners. As for our supply chain, we require our

procurement partners to comply with the “Nikon CSR Procurement Standards” ([https://www.nikon.com/about/corporate/procurement/pdf/csr-procurement1\\_3\\_e.pdf](https://www.nikon.com/about/corporate/procurement/pdf/csr-procurement1_3_e.pdf)), which defines our stance on CSR. The Standards are based on the RBA’s code of conduct, which articulates the prohibition of forced, bonded (including debt bondage) or indentured labour, involuntary prison labour, slavery or trafficking of persons and the prohibition of child labour, as well as the requirements on working hours and wages.

### **Responsible Minerals Sourcing Policy**

In response to issues related to conflict minerals, we stipulated the “Responsible Minerals Sourcing Policy”. Recognising there are mineral resources that are extracted and traded in conflict-affected and high-risk areas which may become a source of human rights abuses that include child labour and forced labour, or a source of environmental destruction, conflict, and social injustice, we are collaborating with our procurement partners on surveys of conflict mineral sources and on due diligence.

Details can be found on the “Responsible Minerals Sourcing Report” page of the Nikon Corporation’s website.

[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)

**c. Due diligence process related to modern slavery and human trafficking**

**d. Risk assessment and risk management related to modern slavery and human trafficking**

**e. Measurement by appropriate indicators and effectiveness of steps to endeavour to ensure that slavery and human trafficking is not taking place**

### **Nikon**

In our Human Rights Policy, we identify seven human rights issues as particularly relevant issues to our business, including “Prohibition of Forced Labour and Child Labour”, “Occupational Health and Safety”, “Working Hours and Wages” and “Human Rights Issues in the Supply Chain”. We seek to continually improve our approach to address these issues.

Within Nikon, we conduct human rights and labour monitoring surveys annually to ensure child and forced labour practices are not occurring. We also performed annual checks at our manufacturing sites, including those where we had migrant workers (or foreign technical trainees in Japan) under our employment, since these individuals are likely to be exposed to the risk of forced labour. We did not identify any issues that may be considered as high risk in FY2021.

For employees, we have internal as well as regional or local external hotline(s) by which they are able to report if they become aware of an actual or potential violation of the Nikon Code of Conduct. Our employees can use the hotline(s) anonymously.

### **Supply Chain**

In our supply chain, we request our procurement partners to comply with the Nikon CSR Procurement Standards, which is explicitly mentioned in the basic transaction agreement. For important tier 1 procurement partners that account for the top 80% of transaction volume, we implement CSR assessments (self-assessment survey) once every three years. For procurement partners that are determined to be critical or high risk, we conduct third-party audits and take corrective action if needed for supply chain risks, including modern slavery and human trafficking.

Moreover, we set 65% compliance level of the CSR Procurement Standards as the minimum requirement. We provide support to those who do not reach the required level of compliance for a certain period to make improvement. We may terminate the transaction in cases where they are not willing to cooperate.

We conducted self-assessment surveys for 211 critical procurement partners in the period of FY2020. Based on the survey result, we identified 28 partners whose compliance levels were less than 65%. We then ceased transactions with two partners, and the number of partners became 26. We asked 13 partners in

FY2020 and 13 partners remaining in FY2021 to take corrective actions. We provided support to these suppliers and all 26 partners completed corrective actions in FY2021. This led all the important tier 1 procurement partners to meet the required CSR Procurement management criteria. We did not find any serious concerns that could lead to forced labour or child labour throughout the action plan implementation.

When we start transactions with new procurement partners, we also check the existence of problems and assess the conformity rate of CSR Procurement Standards. In FY2021, we have started transactions with 15 new partners who went through the assessment process.

Since FY2020, we have been working on identifying tier 2 suppliers. During this process, we perform CSR assessments using the same method as for our current procurement partners (tier 1 suppliers) in order to understand the current situation of tier 2 suppliers. As part of this, 60 suppliers of 11 procurement partners (trading companies) were captured by the process in FY2020, and 43 suppliers of 10 procurement partners (finished product subcontractor) in FY2021. We will continue this thorough process in identifying and vetting partners and implement corrective action for the identified risks accordingly.

In light of conflict mineral issues, we endeavour to prevent human rights violations, such as modern slavery and human trafficking, through implementing our Responsible Minerals Sourcing Policy and conducting investigations of our product components on usage and supply chain of mineral resource. In FY2021, we conducted a survey concerning cobalt use in some of the products, in addition to the ongoing 3TG\* surveys towards products of all Business Units.

\*(tin, tantalum, tungsten and gold).

#### **f. Training and Capacity building related to modern slavery and human trafficking**

We consider it important to raise awareness and increase sensitivity on human rights risks among employees in order for our company to respond to human rights issues including modern slavery and human trafficking.

##### **Nikon**

In FY2021, we continued to conduct training on human rights for all directors and employees in Nikon group companies in Japan through e-learning as in the previous period. The completion rate was 93%. Our CEO's message outlining our principles on respecting human rights was communicated to employees globally via our in-house newsletter in December 2021. We also selected human rights as the subject of our global newsletter to raise awareness. This series of educational messages and seminars explained the importance of preventing issues of and around modern slavery and trafficking. In Europe, we hosted e-learning sessions on modern slavery and human trafficking, and 65 employees completed the course in the Netherlands head office and UK branch office. This training will be carried out for the production facilities in the UK and other head offices in the region. In Asia, excluding Japan, we hosted e-learning sessions on forced labour for procurement personnel at product facilities.

##### **Employees of our procurement departments/sections and procurement partners**

For our supply chain, every year we explain the contents of the Nikon CSR Procurement Standards to employees of our procurement departments/sections and procurement partners. In FY2021, we held explanatory sessions for our Supply Chain Subcommittee, whose members include the Procurement and Quality Control department managers from each business unit. Furthermore, briefing sessions were held in Japan, China and Thailand for procurement partners as well as our employees who were responsible for procurement.

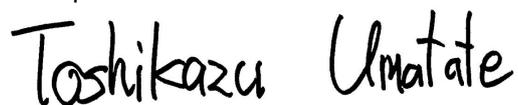
The agenda included explanation and clear prohibition of unfair recruitment practices, such as charging migrant workers unlawful fees, as well as updates on the latest legislation changes (including the UK Modern Slavery Act) in various countries on human rights issues. In total, 969 global procurement partners attended these briefings in FY2021.

Furthermore, we conduct training using tools/materials prepared by RBA. Since FY2020 we requested 200 partners, subject to CSR assessments, take part in the RBA Learning Academy. By the end of FY2021, the responsible staff at 142 companies completed it.

This Statement was reviewed and approved by the Nikon Corporation's Board of Directors on 2 September 2022.

Further, this Statement was reviewed and approved by Nikon Europe BV's Board of Directors on 25 August 2022, Optos plc's Board of Directors on 24 August 2022, Nikon Metrology UK Ltd.'s Board of Directors on 18 August 2022, and Nikon X-Tek Systems Ltd.'s Board of Directors on 27 August 2022. All of these companies are subject to the UK Modern Slavery Act.

15 September 2022



Toshikazu Umatate  
Representative Director  
President  
Nikon Corporation

15 September 2022



Bo Kajiwara  
Director & President  
Nikon Europe BV

15 September 2022



Robert Kennedy  
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15 September 2022



Berend van Iterson  
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