

Environment

Scope 1 and Scope 2
Greenhouse Gas Emissions
(compared to fiscal year 2013)



33.8%
Reduction

Total Waste Generated from
Operations
(compared to fiscal year 2018)



20%
Reduction

FSC-Certified Paper Used in New
Product Catalogs
(Japan, North America, Europe)



Approximately
93%

- Environmental Strategy050
- Environmental Management Promotion System055
- Materiality 3 Promoting a Decarbonized Society**062
 - Reduction of Greenhouse Gas in the Supply Chain063
 - Initiatives to Reduce Greenhouse Gas Emissions in Products065
 - Initiatives to Reduce Greenhouse Gas Emissions at
Business Facilities066
 - Initiatives to Reduce Greenhouse Gas Emissions in Distribution070
 - Disclosures in Accord with the TCFD Recommendations071
- Materiality 4 Promoting Resource Circulation**075
 - 3R Initiatives for Products and Packaging076
 - Initiatives Aimed at Reducing Waste, Etc.078
 - Protection of Water Resources080
- Materiality 5**
- Preventing Pollution and Conserving Ecosystems**083
 - Management and Reduction of Hazardous
Chemical Substances in Products084
 - Management and Reduction of Hazardous Chemical Substances--086
 - Biodiversity Conservation089

Reasons for Priority

As the impact of climate change becomes more pronounced and the associated social and economic losses and damages become more severe, the importance of the 1.5° C target for limiting the global average temperature rise was confirmed at the 27th Conference of the Parties (COP27) of the United Nations Framework Convention on Climate Change. The conference also determined to set stronger goals on a country-by-country basis, etc. To achieve the 1.5° C target, greenhouse gas must be reduced to effectively zero by the year 2050. In order to realize long-term environmental goals, companies need to establish environmental strategies, build frameworks for environmental management based on this strategy, and steadily implement initiatives within these frameworks.

Simultaneously, there is a need to shift away from the traditional linear economy characterized by a cycle of mass production, consumption, and waste generation toward a circular economy, in which resources are recycled and reused. In addition, with regard to chemical substances contained in products, there has been a steady expansion in the scope of substances that are subject to regulation, as well as in the geographical areas in which such regulations apply. Companies need to take steps to reduce environmental impact throughout the product lifecycle, and to respond appropriately and reliably to the aforementioned regulations in their business activities.

In December 2022, the 15th Conference of the Parties (COP15) to the United Nations Convention on Biological Diversity adopted the Kunming-Montreal Global Biodiversity Framework, agreeing to halt biodiversity loss and put nature on a recovery track by 2030 with the goal of achieving Nature Positive. The targets defined include enhanced information disclosure and initiatives by companies—matters that we must address.

【Policy for Activities】

- Nikon Long-Term Environmental Vision
- Nikon Environmental Activity Policy
- Nikon Basic Green Procurement Policy
- Nikon Green Procurement Standards
- Hazardous Chemical Substances Guideline
- Paper Procurement Policy

【System】

- Sustainability Committee
- Environmental Subcommittee
- Supply Chain Subcommittee

【Management System】

- ISO 14001

Commitment

Under the Nikon Long-Term Environmental Vision, Nikon strives toward three goals: (1) Realizing a Decarbonized Society; (2) Realizing a Resource Circulating Society; and (3) Realizing a Healthy and Environmentally Safe Society. To this end, we established the Nikon Medium-Term Environmental Goals as specific goals to achieve by fiscal year 2030.

In our efforts to realize a decarbonized society, we aim to reduce greenhouse gas emissions from business facilities by 71.4% (compared to fiscal year 2013) by fiscal year 2030. This effort will help us achieve carbon neutrality by fiscal year 2050. This target was certified by the Science Based Targets (SBT) initiative. We are also a member of RE100 and are working to adopt renewable energy. In fiscal year 2022, we improved to roughly 22% in renewable energy use. This fiscal year, we set quantitative targets for the 3Rs related to our products, such as usage rates for recycled materials, to realize a resource circulating society. We also intend to respond to requests for enhanced information disclosure in a consistent manner and based on the new biodiversity framework, aiming to realize a healthy and environmentally safe society.

While climate change is a risk to our business, we also see a business opportunity to contribute to decarbonization and resource circulation by leveraging our core technologies. The Nikon Medium-Term Management Plan includes a sustainability strategy as one of its pillars. Here, we will contribute to building a sustainable society while balancing environmental friendliness and business growth.

Muneaki Tokunari
Director and Executive Vice President
Corporate Environmental Officer

Environmental Strategy

Long-Term Environmental Vision and Medium-Term Environmental Goals

To proactively address environmental risks and regulations, we formulated the Nikon Long-Term Environmental Vision, which looks ahead to fiscal year 2050. The Nikon Long-Term Environmental Vision comprises three pillars believed to be particularly important in consideration of the global situation and the characteristics of Nikon's business, which uses limited resources to manufacture and sell products. We will continue to strive for the achievement of carbon neutrality throughout

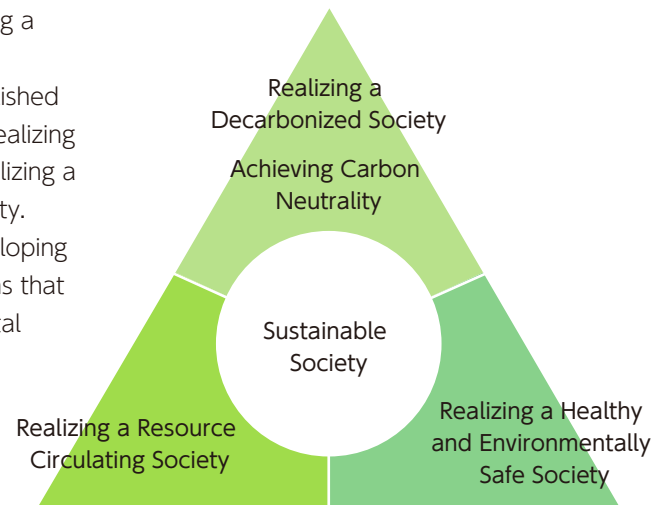
our supply chain by fiscal year 2050 as we aim to realize a decarbonized society. These three pillars are linked with Materiality and with the Nikon Medium-Term Environmental Goals, for which fiscal year 2030 is the target year. We conducted a review of materiality in fiscal year 2022. In the progress, we also reconfirmed the Nikon Medium-Term Environmental Goals, reviewing these goals in light of social trends and the state of progress for Nikon's business and environmental activities.

Environmental Action Plan

Based on the Sustainability Policy and the Nikon Environmental Activity Policy, the Nikon Group has formulated the Nikon Long-Term Environmental Vision and the Nikon Medium-Term Environmental Goals and has established the Environmental Action Plan as a single-year target. We are implementing this plan across the entire Nikon Group. We clarify the relationship between the environment and our business activities and then make an accurate assessment of the impacts and risks posed to the environment and use this information to prioritize these goals and plans. The Environmental Subcommittee deliberates on and approves self-evaluation performances and we review our action plans for the next year and thereafter based on the issues that are identified by the Subcommittee.

● Nikon Long-Term Environmental Vision (Target Period: Fiscal Year 2050)

The Nikon Group contributes to building a sustainable society through the Nikon Long-Term Environmental Vision, established for Realizing a Decarbonized Society, Realizing a Resource Circulating Society, and Realizing a Healthy and Environmentally Safe Society. The Nikon Group is committed to developing new businesses and tackling innovations that will contribute to reducing environmental impacts.



Nikon Environmental Activity Policy

https://www.jp.nikon.com/company/sustainability/environment/strategy/environment_policy.pdf

● Nikon Long-Term Environmental Vision and Medium-Term Environmental Goals

Materiality	Nikon Long-Term Environmental Vision Target Year: Fiscal Year 2050	Vision	What Nikon Will Do	Nikon Medium-Term Environmental Goals Target Year: Fiscal Year 2030
Materiality 3 Promoting a Decarbonized Society	Realizing a Decarbonized Society	Achieve carbon neutrality throughout the supply chain by fiscal year 2050	• Improve manufacturing facilities and production processes and promote decarbonization	• Reduce greenhouse gas emissions (Scope 1 ^{*1} and Scope 2 ^{*2}) by 71.4% ^{*3} compared to fiscal year 2013 [Targets for Fiscal Year 2025 in Sustainability Strategy of the Medium-Term Management Plan (Fiscal Year 2022 - Fiscal Year 2025)] Reduce greenhouse gas emissions (Scope 1 and Scope 2) by 46.5% compared to fiscal year 2013
			• Promote eco-office and diverse work styles to achieve a decarbonized workstyle	
			• Accelerate renewable energy adoption	• Achieve renewable energy adoption rate to 30% ^{*3} [Targets for Fiscal Year 2025 in Sustainability Strategy of the Medium-Term Management Plan (Fiscal Year 2022 - Fiscal Year 2025)] Achieve renewable energy adoption rate to 18% ^{*3}
			• Visualize the environmental impact in each process within products' lifecycles and implement new environmental initiatives harnessing expertise	
			• Downsize cargo, promote modal shift and establish a transportation system requiring minimal energy • Require procurement partners to formulate and pursue greenhouse gas reduction targets	• Reduce greenhouse gas emissions (in three of 15 Scope 3 ^{*4} categories—purchased goods and services, upstream transportation & distribution, and use of sold products) by 31% compared to the fiscal year 2013 ^{*3}
Materiality 4 Promoting Resource Circulation	Realizing a Resource Circulating Society	Minimize resource consumption and maximize resource circulation throughout the supply chain	• Reduce waste through streamlining processes from development to manufacturing • Minimize the amount of abrasives used	• Achieve the following zero emissions level ^{*5} at all manufacturing companies Japan: Level 5 Group manufacturing companies in China: Level 1 Other Locations: Levels determined individually • Reduce total amount of waste generated by 10% or more compared to fiscal year 2018
			• Promote the 3Rs of water (reduce water consumption, and recycle and reuse water)	• Reduce freshwater consumption ^{*6} by 5% compared to fiscal year 2018
			• Take into account the impacts that products have on the environment from the initial planning phase onwards and promote the 3Rs ^{*7} throughout the product lifecycle	• Reduce waste by extending product life, reducing size, decreasing weight, etc. • Reduce the amount of plastic packaging materials used by 10% compared to fiscal year 2022 • Promote the reuse and recycling of products, parts, materials, and related packaging materials • Use at least 5% recycled materials in products • Ensure at least 10% of plastic packaging materials are recycled or biomass plastics.
Materiality 5 Preventing Pollution and Conserving Ecosystems	Realizing a Healthy and Environmentally Safe Society	Have zero negative impacts on human health or ecosystems in the supply chain	• Comply with the laws, ordinances and regulations of the countries and regions where we operate and also manage the use of chemical substances appropriately based on more rigorous voluntary targets	• Zero usage of hazardous chemical substances ^{*8} in manufacturing processes • Zero hazardous chemical substances contained in products ^{*9}
			• Conduct ecosystem conservation activities • Quantify and minimize impact and dependence on ecosystems	• Continue activities to preserve the environment in the vicinity of company facilities to contribute to the prevention of marine plastic pollution • Product catalogs: Electronic data or FSC-certified paper 100% • Instruction Manuals: Electronic data or FSC-certified paper/recycled paper (80% or more recycled pulp content) 100% • Packing boxes: FSC-certified paper or recycled paper 100%

*1 Scope 1: Direct greenhouse gas emissions from the use of fuel on site.

*2 Scope 2: Indirect greenhouse gas emissions from the consumption of purchased electricity or heat.

*3 Under review and study based on fiscal year 2022 results and future environmental strategies.

*4 Scope 3: Indirect greenhouse gas emissions related to business activities in the supply chain (excluding emissions already included in Scope 1 and 2).

*5 Achieving zero emissions level: The concept of zero emissions was first advocated by the United Nations University (UNU) in 1994. It is an approach that seeks to reduce the waste to net zero for society as a whole, by using the waste generated in industrial activity as resources for other industries. The Nikon Group has introduced level-specific targets into its zero emissions initiatives.

Zero emissions Level 1 refers to a final landfill disposal rate of less than 1%. Zero emissions Level 5 refers to a final landfill disposal rate of 0.5%.

*6 Freshwater consumption: Sum of water withdrawal volumes A, B, and C, minus returned water volume D (A+B+C-D).

A: Water withdrawal from municipal water supply facilities (tap water, industrial water, etc.) B: Water withdrawal from surface water (lakes, rivers) C: Water withdrawal from groundwater D: Return water of equal or better quality than the water withdrawal source (applicable to B and C only)

*7 3R: Here, "3R" means to Reduce the amount of resources used and the amount of waste generated, to Reuse products and components, and to Recycle.

*8 Hazardous chemical substances: Here, "hazardous chemical substances" refers to prohibited substances as defined in the Hazardous Chemical Substances Guideline, a voluntary standard.

*9 Zero hazardous chemical substances contained in products: Here, "contained" is defined as having an amount that exceeds the threshold level specified by law.

● Environmental Action Plan Achievements for the Fiscal Year 2022 [Summary]

Self-evaluation ○ : Achieved △ : Measures started but not yet achieved

Materiality	Targets for Fiscal Year 2022		Results	Self-Evaluation	Corresponding Page	
Decarbonized society	Materiality 3 Promoting a Decarbonized Society	Greenhouse gas reduction	• Reduce Scope 1 and Scope 2 greenhouse gas emissions by 31.6% compared to fiscal year 2013	• Reduced Scope 1 and Scope 2 greenhouse gas emissions by 33.8% compared to fiscal year 2013	○	p.063
			• Achieve a renewable energy adoption rate of 9% or higher in electricity used for business activities	• Renewable energy share of electricity used for business activities: 22.3%	○	p.067
		Reduce environmental impact from products	• Reduce environmental impact by making effective use of the LCA methodology • Create eco-friendly products	• Continued to expand the range of product models subject to LCA calculation (100% for new products) • Approximately 82% of new products certified as eco-friendly products	○	p.060
		Reduction of the environmental impact of transportation	• Reduce greenhouse gas emissions in distribution by 10% compared to fiscal year 2019	• Reduced greenhouse gas emissions in distribution by 28% compared to fiscal year 2019	○	p.070
		Engagement with procurement partners	• Complete understanding of CO ₂ emissions for main procurement partners who account for 80% of procurement costs	• Completed understanding of CO ₂ emissions for main procurement partners who account for 81% of procurement costs	○	p.062
Resource circulating society	Materiality 4 Promoting Resource Circulation	Zero emissions	• Nikon and Group manufacturing companies in Japan: Maintain level S • Group manufacturing companies in China: Maintain level 1 • Group manufacturing companies outside Japan: Implement initiatives in line with conditions in each respective country	• Nikon and Group manufacturing companies in Japan: Achieved level S (final landfill disposal rate of 0.06%) • Group manufacturing companies in China: Achieved level 1 (final landfill disposal rate of 0.49%) • Group manufacturing companies outside Japan: Conducted disposal in accordance with respective national laws and regulations	○	p.075
			Waste reduction	• Reduce total waste emissions from business activities by 2% or more compared to fiscal year 2018 (total waste emissions: 7,616 tons or less)	• Reduced total waste emissions from business activities by 20% compared to fiscal year 2018	○
		Promotion of the appropriate use and effective utilization of water	• Reduce freshwater consumption by at least 2% compared to fiscal year 2018 (freshwater consumption in fiscal year 2018: 1,877,000 m ³) • Improve water reuse rate compared with the previous fiscal year	• Freshwater consumption: Reduced by 7.4% compared to fiscal year 2018 • Water reuse rate: Goal not achieved; -1.7% compared to the previous year	△	p.082
		Promotion of reducing, reusing and recycling	• Undertake the development of technologies to achieve a 70% or higher abrasive recycling rate	• Technical considerations increased due to a change in the target abrasive material type. Reform systems through team members who have the necessary knowledge and skills; begin considering ways to reduce the amount of abrasives used	△	p.080
			• Reduce environmental impact from products • Promote the reuse of products, parts, and materials • Promote the use of recycled materials for products	• Continued sales of used semiconductor lithography systems • Refreshed and upgraded FPD lithography systems • Promote use of recycled materials for imaging products and packaging materials	○	p.076-077
Healthy and environmentally safe society	Materiality 5 Preventing Pollution and Conserving Ecosystems	Reduction of hazardous chemical substances, etc.	• Abolish the use of prohibited level hazardous chemical substances based on the Hazardous Chemical Substances Guideline • Create a roadmap to take measure such as selection of alternative substances and sealing by the end of fiscal year 2024	• Completed the identification of residual prohibited level hazardous chemical substances; discussing individual measures • On track to eliminate approximately 65% of the hazardous chemical substances in question	○	p.087
			• Comply with the hazardous chemical substances laws and regulations of each country • Strengthen the management system for hazardous chemical substances contained in products	• Zero violations of laws and regulations • Strengthened the management framework of hazardous chemical substances contained in products	○	p.085
		Implementation of activities aimed at biodiversity conservation	• Perform local contribution activities of marine plastic pollution issues at least once a year in each business facility	• Regional contribution activities for marine plastic pollution prevention: 29 activities; 1,028 participants (across 20 sites in total)	○	p.092-093
			• Pursue paperless business operations • Promote the use of FSC-certified paper for paper items bearing Nikon logo	• Digitized product catalogs and instruction manuals • Newly ordered product catalogs: Around 93% for use in Japan, North America and Europe are printed on FSC-certified paper, excluding special paper types	○	p.091

● Environmental Action Plan Targets for Fiscal Year 2023 [Summary]

Materiality		Targets for Fiscal Year 2023	
Decarbonized society	Materiality 3 Promoting a Decarbonized Society	Greenhouse gas reduction	<ul style="list-style-type: none"> Reduce Scope 1 and Scope 2 greenhouse gas emissions by 36.5% compared to fiscal year 2013 Achieve a renewable energy adoption rate of 25% or higher in electricity used for business activities
		Reduction of the environmental impact from products	<ul style="list-style-type: none"> Reduce environmental impact by making effective use of the LCA methodology Create eco-friendly products 50% or more
		Reduction of the environmental impact of transportation	<ul style="list-style-type: none"> Reduce greenhouse gas emissions in distribution by 2.7% year on year
		Engagement with procurement partners	<ul style="list-style-type: none"> Identify CO₂ emissions of critical procurement partners (30 or more companies) Hold workshops for procurement partners (at least twice)
Resource circulating society	Materiality 4 Promoting Resource Circulation	Zero emissions	<ul style="list-style-type: none"> Nikon and Group manufacturing companies in Japan: Maintain level 5 Group manufacturing companies in China: Maintain level 1 Group manufacturing companies outside Japan: Implement initiatives in line with the actual conditions and circumstances of the country
		Waste reduction	<ul style="list-style-type: none"> Reduce total waste emissions from business activities by 3% or more compared to fiscal year 2018 (total waste emissions: 7,538 tons or less)
		Promotion of the appropriate use and effective utilization of water	<ul style="list-style-type: none"> Reduce freshwater consumption by 2% compared to fiscal year 2018
		Promotion of reduce, reuse and recycling	<ol style="list-style-type: none"> Reduce <ul style="list-style-type: none"> Reduce environmental impact of products and packaging materials (reduce size, extend product life, etc.) Reuse <ul style="list-style-type: none"> Promote reuse of products, parts, materials, and packaging Recycle <ul style="list-style-type: none"> Promote use of recycled materials in products
Healthy and environmentally safe society	Materiality 5 Preventing Pollution and Conserving Ecosystems	Reduction of hazardous chemical substances, etc.	<ul style="list-style-type: none"> Determine measures to abolish prohibited level hazardous chemical substances based on the Hazardous Chemical Substances Guideline; implement measures in order Comply with the hazardous chemical substances laws and regulations of each country Strengthen the management system for chemical substances contained in products
		Implementation of activities aimed at biodiversity conservation	<ul style="list-style-type: none"> Perform local contribution activities related to marine plastic pollution issues at least once a year at each business facility Promote paperless operations or the use of FSC-certified paper for paper items bearing the Nikon logo


Participation in Environmental Initiatives and Outreach to Society

By participating in a range of initiatives relating to the environment, Nikon is able both to accelerate its own initiatives undertaken within the Nikon Group, and also help to influence governments and society.

In April 2023, we joined as a new member of the Japan Climate Leaders' Partnership (JCLP). The JCLP is a group of companies committed to achieving sustainable decarbonized societies. In so doing, we aspire to demonstrate to society our intentions and actions to support decarbonized societies in a manner consistent with the Paris Agreement, and contribute to international and regional sustainable development through our own decarbonization practices. Also in April 2023, we endorsed the message released by the Japan Climate Initiative (JCI), an organization in which we have participated since its founding. This statement called on the Japanese government to introduce effective measures and implement regulatory reforms to accelerate the introduction of the renewable energy, as well as adopt effective carbon pricing as quickly as possible.

Setting Science-Based Targets and Signing Up to the Business Ambition for 1.5°C Initiative (→p.063)
 Joining RE100 (→p.067)
 Disclosures in Accord with the TCFD Recommendations (→p.071)

● Major Environmental Initiatives and Organizations with Nikon's Participation

Initiatives and Organizational Activities	活動内容
Science Based Targets (SBT) 	In February 2021, Nikon revised Scope 1 and Scope 2 greenhouse gas emissions reduction targets from 26% to 71.4% (compared to fiscal year 2013), receiving a certification from the SBT Initiative for the 1.5°C standard
Business Ambition for 1.5°C 	Endorsed in March 2021
RE100 	Joined in February 2021 In March 2021, Nikon sent a letter to the Japanese government, alongside other member companies, calling for expanded adoption of renewable energy
Japan Climate Initiative (JCI)	Joined as a founding member in July 2018 Nikon supported the April 2021 JCI message calling on the Japanese government to set ambitious targets for 2030 to help realize the goals of the Paris Agreement on Climate Change In April 2023, we endorsed the JCI message calling on the Japanese government to introduce effective measures to accelerate the renewable energy and adopt effective carbon pricing as quickly as possible
Task Force on Climate-related Financial Disclosures (TCFD) 	In November 2018, Nikon expressed its support for the TCFD's final report (TCFD recommendations) and takes action for appropriate disclosure of information related to climate change
TCFD Consortium 	Joined as a founding member in May 2019
Japan Climate Leaders' Partnership (JCLP) 	Joined in April 2023