

Environmental Management

Nikon Group believes that co-existence and co-prosperity with the environment is one of management's most important tasks. We contribute to helping build a sustainable society by steadily implementing environmental activities with an eye on several decades into the future.

Activity Policies

- The Nikon Basic Environmental Management Policy
- Nikon Long-term Environmental Vision

Management System

- Environmental Management System
- ISO 14001
- Nikon Eco Program

Relevant Priority Issues

- Expansion and promotion of environmental management

Three Pillars of the Nikon Long-term Environmental Vision

- Realizing a Low-carbon Society
- Realizing a Resource-circulating Society
- Realizing a Healthy and Environmentally-safe Society

Nikon Environmental Management

The Nikon Group is conducting activities based on the Nikon Basic Environmental Management Policy in order to pass on a sustainable and healthy planet to future generations.

Basic Approach to Environmental Management Activities

In recent years, a number of international frameworks aimed at building a sustainable society have been put into place, such as the SDGs and COP21 Paris Agreement, because of the rising worldwide risks posed by climate change. As a result, companies are expected to play a much bigger role than ever before in terms of their environmental management. The Nikon Group conducts environmental activities aiming for the development of a sustainable society. We have formulated the Nikon Long-term Environmental Vision, the Medium-term Environmental Goals, the Nikon Three-year Environmental Plan and the Environmental Action Plan and conduct our environmental activities systematically. We clarify the relationship between the environment and our business activities in order to make an accurate assessment of the impacts and risks posed to the environment and develop environmental goals and plans based on these priorities.

▶ [The Nikon Basic Environmental Management Policy](http://www.nikon.com/about/sustainability/environment/environment_policy.pdf)
http://www.nikon.com/about/sustainability/environment/environment_policy.pdf

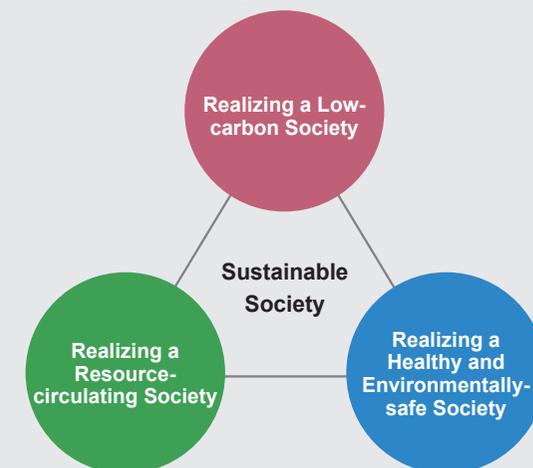
Formulation of Long-term Environmental Vision and Medium-term Goals

Physical risks and regulatory risks related to climate change as well as water and other resources are growing globally and we recognize that these are management risks. At the same time, relevant laws and ordinances are

becoming more rigorous as the demands for management of chemical substances become more stringent. To proactively address these risks and regulations, in April 2016, we formulated the Nikon Long-term Environmental Vision, which looks ahead to the next several decades. The Nikon Long-term Environmental Vision comprises three pillars believed to be particularly important given the situation globally and considering the characteristics of Nikon's business that uses limited resources to manufacture and sell products.

● Nikon Long-term Environmental Vision

The Nikon Group contributes to building a sustainable society by positioning the realization of a low-carbon society, a resource-circulating society, and a healthy and environmentally-safe society as the Long-term Environmental Vision based on the Nikon Basic Environmental Management Policy.



■ Medium-term Environmental Goals

The Nikon Group has defined its initiatives up until 2030 in the Nikon Medium-term Environmental Goals to realize the Nikon Long-term Environmental Vision. The targets laid out for each individual pillar are presented below.

Medium-term targets for realizing a low-carbon society

- Reduce CO₂ emissions throughout the entire supply chain by 26% compared with the fiscal 2013 level.
- Strive for technological development that is conducive to climate change measures.

Medium-term targets for realizing a resource-circulating society

- Make efforts throughout the product life cycle to achieve a resource-circulating society considering the impacts that products have on the environment from the initial planning stage
- Work to further increase the resource efficiency and strive to reduce waste by increasing the usage of resources with fewer environmental impacts during business activities

Medium-term targets for realizing a healthy and environmentally-safe society

- Aim to maintain the natural environment of communities and provide a comfortable living
- Comply with the laws, ordinances and regulations of the countries and regions where we operate and also establish our own voluntary targets to ensure the appropriately manage the use of chemical substances

Nikon Three-year Environmental Plan and the Environmental Action Plan

The Nikon Group has established the Nikon Three-year Environmental Plan running from the year ended March

Environmental Action Plan Results for the Year Ended March 31, 2017 [Summary]

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

Priority Activity Themes			Targets for the Year Ended March 31, 2017	Results	Self-evaluation	Corresponding
Low-carbon society	Business facility environment	Greenhouse gas reduction (CO ₂ emissions from energy use)	- Total CO ₂ emissions from Nikon and Group companies in Japan: 131 thousand t-CO ₂ or less - Nikon Imaging (China) Co., Ltd. and Nikon (Thailand) Co., Ltd.: More than 10% improvement in the rate of unit of output from the average for the year ended March 31, 2006 to the year ended March 31, 2008	- Nikon and Group companies in Japan : 121 thousand t-CO ₂ - Nikon Imaging (China) Co., Ltd. and Nikon (Thailand) Co., Ltd.: -0.4% improvement in the rate of unit of output	△	P36
	Product environment	Reduction of the environmental load from products (Improvement of resource efficiency)	- Promote environmental impact assessment that uses the LCA methodology	- Completed LCA calculations on the most popular products of each business division and assessed the environmental impact of these products.	○	P31
		Measures for logistics	- Expand the scope of visualization of CO ₂ emissions (Asia) - Improve the loading ratio of international logistics, and promote modal shifts and direct delivery (Microscope Solution/Industrial Metrology) - Continuously carry out measures regarding logistics in Japan (eco drive, etc.)	- Calculated our CO ₂ emissions in China - Promoted modal shifts. 13.96% reduced the airfreight (ratio in weight) - Continued measures regarding logistics in Japan	○	P38
Resource-circulating society	Business facility environment	Waste Reduction (Zero emissions)	- Group manufacturing companies in Japan: Maintain level S - Nikon Imaging (China) Co., Ltd.: Maintain level 1 - Hikari Glass (Changzhou) Optics Co., Ltd. - Nanjing Nikon Jiangnan Optical Instrument Co., Ltd.: Achieve level 1	- Group manufacturing companies in Japan: maintained level S - Nikon Imaging (China) Co., Ltd: maintained level 1 - Hikari Glass (Changzhou) Optics Co., Ltd. and Nanjin Nikon Jiangnan Optical Instrument Co., Ltd.: Achieved level 1	○	P42
		Waste Reduction (excluding valuable resources)	- Nikon and Group manufacturing companies in Japan: Not exceed the last three-year moving average of emissions	- 3,363 tons (8.2% reduction compared to the last three-year moving average of 3,662 tons)	○	P42
	Product environment	Conservation of forest resources	- Promote FSC-certified paper use for paper items with the Nikon logo	- Promoted FSC-certified paper use for newly published product catalogues in Japan	○	P44
Healthy and environmentally-safe society	Business facility environment	Local environmental activities	- Improve participation ratio in local environmental activities - Create activity plans on biodiversity conservation	- Improved the participation ratio in local environmental activities by Nikon employees to 12% from 10% last year - Expanded publicity by renewing the reporting page on the Nikon internal website - Participated in the biodiversity working group of four electrical and electronic equipment associations. Established an activity plan	○	P29
	Product environment	Reduction of Hazardous Chemical Substances	- Maintain compliance to hazardous chemical substance laws of each country (RoHS, REACH, etc.)	- 100% conformity with hazardous chemical substances laws and regulations (RoHS, REACH, etc.)	○	P46
Others	Environmental management system (EMS)		- ISO 14001 multi-site certification - Acquisition of Nikon Lao Co., Ltd. certification	- Nikon supported Nikon Lao Co., Ltd. for obtaining ISO 14001 certificate. No non-conformity was found during the certification audit - Received certification document on October 28, 2016	○	P24

* The CO₂ emission factors are the weighted average values of the actual emission factors between the year ended March 31, 2006 and the year ended March 31, 2008.

31, 2017 to the year ending March 31, 2019 with the goal of achieving medium-term environmental targets. We have positioned the first year of this three year plan as our Environmental Action Plan and are implementing this plan across the

entire Nikon Group.

We also modify our activities for the following years based on the issues that are identified from the Environmental Committee's deliberations and approval of the self-evaluation results.

Contents / Editorial Policy	Message from the President	Nikon Group Profile	Nikon CSR	Product Responsibility	Environmental Management	Respect for Human Rights	Labor Practices	Supply Chain Management	Community Contribution Activities	Foundations of Management	Data Index etc.
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> [Nikon Environmental Management](#) > Environmental Management Promotion System > Realizing a Low-carbon Society > Realizing a Resource-circulating Society > Realizing a Healthy and Environmentally-safe Society

Environmental Action Plan Targets for the Year Ending March 31, 2018 [Summary]

Priority Activity Themes			Targets for the Year Ending March 31, 2018
Low-carbon society	Business facility environment	Greenhouse gas reduction (CO ₂ emissions from energy use)	- Carry out activities to reduce GHG emissions 5.85% or more compared to the year ended March 31, 2014 by the year ending March 31, 2020
	Product environment	Reduction of the environmental load from products (Improvement of resource efficiency)	- Promote environmental impact assessment that uses the LCA methodology - Reduce CO ₂ emissions in the product life cycle (reduction targets to be established by each business unit)
		Measures for logistics	- Expand the scope of visualization of CO ₂ emissions - Improve the loading ratio of international logistics and promote modal shifts - Increase efficiencies of logistics routes in Japan
Resource-circulating society	Business facility environment	Waste reduction (Zero emissions)	- Nikon and Group manufacturing companies in Japan: Maintain level S - Group manufacturing companies in China: Maintain level 1
		Waste reduction (excluding valuable resources)	- Nikon and Group manufacturing companies in Japan: Not exceed the amount of previous fiscal year
	Product environment	Conservation of forest resources	- Promote FSC-certified paper use for newly printed paper items with the Nikon logo
Healthy and environmentally-safe society	Business facility environment	Local environmental activities	- Improve participation ratio in local environmental activities - Carry out biodiversity conservation activities based on the plan established in the year ended March 31, 2017
	Product environment	Reduction of hazardous chemical substances	- Maintain compliance to hazardous chemical substance laws of each country (RoHS, REACH, etc.)