

Environmental Management Promotion System

Environmental Governance

The Nikon Group ensures the governance of Group-wide initiatives through discussions in the Sustainability Committee, as well as in the Environmental Subcommittee and the Supply Chain Subcommittee, both entities under the Sustainability Committee. We also ensure governance through management and oversight by the Board of Directors.

Environmental Management Promotion System Framework

The Nikon Group has established the Sustainability Policy with the goal of earning stakeholders' trust by continuing to be a highly honest and transparent company, contributing to the realization of a sustainable society. Based on this policy, the Sustainability Committee has been established to ensure appropriate actions are taken, including fostering sustainability awareness, conducting education and training, and monitoring sustainability-related activities. The Sustainability Committee is the organization responsible for overall Nikon Group environmental activities.

The Sustainability Committee convenes twice a year to make overall decisions about activities relevant to sustainability, including the environment, such as setting goals relating to materiality, receiving progress reports on activities, and issuing directions for improvement as required. The committee is chaired by the Representative Director and President and has members from the Executive Committee and others.

The Environmental Subcommittee formulates specific policies, targets and achievement criteria in relation to the Nikon Group's environmental issues and environmental

activities, verifies implementation status, and promotes relevant response measures in line with Nikon Long-Term Environmental Vision. The Environmental Subcommittee is chaired by the General Manager of Production Technology Division, who is a Corporate Vice President, and convenes twice a year. Members of the Environmental Subcommittee are heads of the departments with responsibilities relating to the environment, procurement, logistics, and sustainability.

The Supply Chain Subcommittee promotes sustainable procurement, including addressing environmental issues, together with procurement partners. The Supply Chain Subcommittee is chaired by Nikon's Procurement Sector

Manager and convenes twice a year.

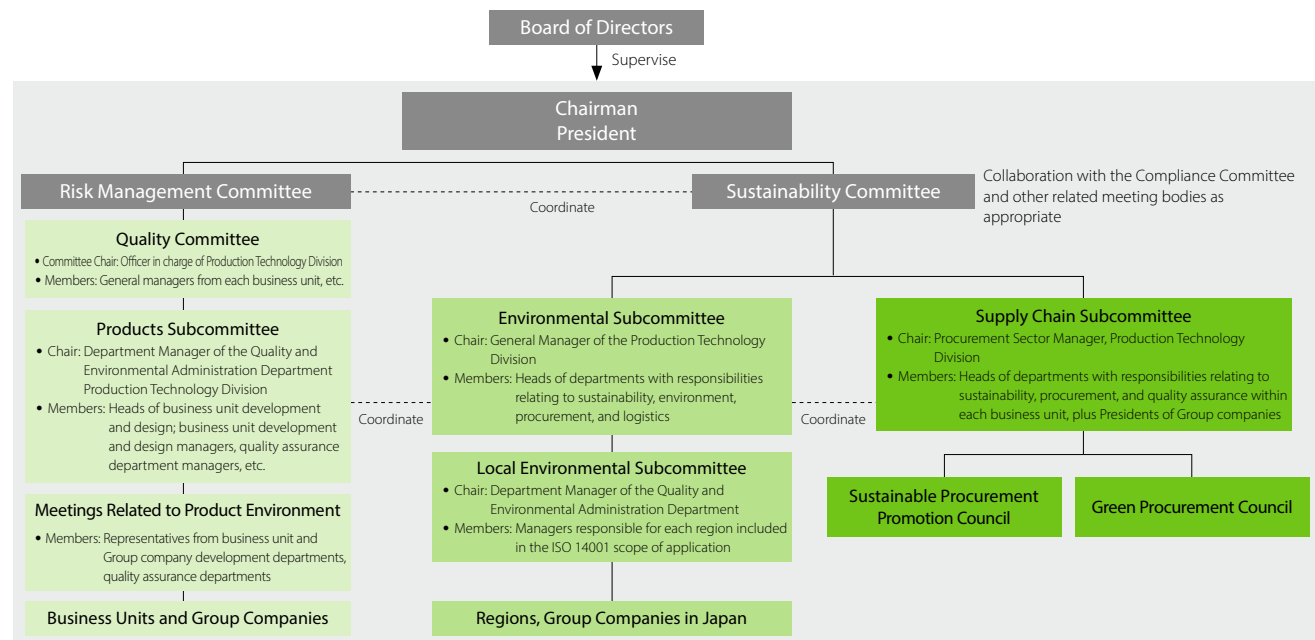
Details from the Environmental Subcommittee and the Supply Chain Subcommittee are reported to the Sustainability Committee twice a year.

We incorporated sustainability strategies, including environment-related strategies as an evaluation factor into the performance-linked stock compensation plan for directors and officers. We strive to ensure that the status of our environmental initiatives is reflected in director and officer compensation, as well as in that of related division heads and department employees.

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Outline of Supply Chain Management System → p.106

● Environmental Management Promotion System (As of April 1, 2024)



System for Supervision by the Board of Directors

Details from the Sustainability Committee are reported to the Board of Directors once a year. On these occasions, the Board verifies the Nikon Medium-Term Environmental Goals, including climate change-related goals, and the progress made towards achieving them. In fiscal year 2023, we reported on the progress of KPIs related to sustainability strategies, including environment-related strategies, defined in our Medium-Term Management Plan. We also reported on Group GHG emissions as well as the status of renewable energy adopted at sites producing significant emissions. The Board oversees and manages the effectiveness of sustainability-related activities from a management perspective and incorporates these activities into the Group's overall strategy.

Legal Violations

In fiscal year 2023, there were no fines or sanctions for violation of environmental laws and regulations imposed on Nikon or any of its Group companies in or outside Japan.

Environmental Management System

The Nikon Group has rolled out its Environmental Management System (EMS) across every one of its companies.

Utilization of ISO 14001 Certification

The Nikon Group conducts environmental management in accordance with ISO 14001 and aims to have all manufacturing business sites certified under this standard.

We will continue to use the ISO 14001 system and promote environmental management integrated with our business activities by introducing mechanisms for mitigating environmental impacts while maintaining a clear understanding of both internal and external circumstances. The status of our ISO 14001 certification progress is presented on the following page.

Implementing EMS Assessments*¹

The Nikon Group conducts HQ EMS Assessments to check the state of top management and the EMS Secretariat per region*², and Local EMS Assessments to check the state of organizations within each region. These assessments are each conducted once a year, designed to check conformity with ISO 14001 and to improve performance. HQ EMS Assessments are conducted by EMS assessors qualified by JRCA*³ or those persons with EMS management experience at a regional secretariat.

To maintain and improve the quality of these assessments, the Nikon Group in Japan conducts EMS assessor cultivation training four times a year. A total of 94 employees completed this training in fiscal year 2023. Employees completing this training are tasked with conducting Local EMS Assessments.

We are also cultivating assessors at Group companies outside Japan through participation in training programs run by auditing organizations.

In addition, the Nikon Group in Japan conducts training on laws and regulations related to the environment twice a year. A total of 122 employees completed this training in fiscal year 2023. In fiscal year 2022, we began inviting lecturers from outside educational institutions to improve the level of training related to environmental laws and regulations and ensure an up-to-date knowledge of legal information.

*1 EMS Assessment: At the Nikon Group, the term "EMS assessment" is used as an equivalent to "internal audit" in ISO 14001, and internal auditors are called "EMS assessors."

*2 The Nikon Group EMS organization consists of business sites, companies, and other units called *regions*.

*3 JRCA: A certification and registration body for management auditors established within the Japanese Registration of Certificated Auditors and experts. The body registers certification of ISO management system auditors and internal auditors.

Nikon Eco Program

The Nikon Group has introduced the Nikon Eco Program, which is a simplified environmental management system for our non-manufacturing facilities in and outside Japan that have low environmental impacts. The Nikon Eco Program is divided into two levels, Standard and Basic. This mechanism helps facilities more easily implement environmental activities.

The Nikon Eco Program Standard (NEPS) is designed for relatively large non-manufacturing facilities. The Standard level requires goals set for the reduction of environmental impacts, efforts made to achieve those goals, and improvement and enhancement of activities while repeating the PDCA cycle. The Nikon Eco Program Basic (NEPB), which is designed for relatively small non-manufacturing facilities, involves visualization of environmental impacts and conducting activities related to the environment.

NEPS has already been adopted at all five applicable business facilities. At all other business facilities, NEPB has been introduced to steadily visualize environmental performance data.

● Nikon Environmental Management Tools

	ISO 14001	Nikon Eco Program Standard	Nikon Eco Program Basic
Target business facilities	Manufacturing facilities and certain non-manufacturing facilities, etc., where ISO 14001 certification is required	Large-scale non-manufacturing facilities, etc.	Small-scale non-manufacturing facilities
<ul style="list-style-type: none"> ● Implementation of environmental impact assessments, compliance assessments, and EMS assessments ● Implementation of corrective actions, preventive actions, etc. ● Management reviews, etc. 	○	—	—
<ul style="list-style-type: none"> ● Setting of environmental goals ● Utilization of the PDCA cycle in relation to targets 	○	○	—
<ul style="list-style-type: none"> ● Implementation of environmental awareness-raising activities ● Collection of environmental impact data 	○	○	○

● ISO 14001 Acquisition Status and Data Categories (Fiscal Year 2023)

Data Category	Company	ISO 14001 Acquisition Status
Nikon	Nikon	○
Group manufacturing companies in Japan	Tochigi Nikon Corporation	○
	Tochigi Nikon Precision Co., Ltd.	○
	Sendai Nikon Corporation	○
	Miyagi Nikon Precision Co., Ltd.	○
	Hikari Glass Co., Ltd.	○
	Nikon Engineering Co., Ltd.	○
	Nikon CeLL innovation Co., Ltd.*	*1
Group non-manufacturing companies in Japan	Nikon Tec Corporation	○
	Nikon Solutions Co., Ltd.	○
	Nikon Systems Inc.	○
	Nikon Business Service Co., Ltd.	○
	Nikon Product Support Corporation	*1
	Nikon Vision Co., Ltd.	○
Group manufacturing companies outside Japan	Hikari Glass (Changzhou) Optics Co., Ltd.	○
	Nanjing Nikon Jiangnan Optical Instrument Co., Ltd.	○
	Nikon (Thailand) Co., Ltd.	○
	Nikon Lao Co., Ltd.	○
	Nikon X-Tek Systems Ltd.	○
	Optos Plc	○
	Optos, Inc.	○
Nikon SLM Solutions AG	○	
Group non-manufacturing companies outside Japan*2	41 other companies	*1

* The ISO 14001 certification rate for the Nikon Group as a percentage of the number of employees at manufacturing sites is nearly 100%.

* Data classification for environmental performance data in this report is based on the above data categories.

*1 These companies have introduced the Nikon Eco Program.

*2 Three non-manufacturing Group companies in Japan with extremely limited environmental impact that have not obtained ISO 14001 are included. This excludes 18 companies such as private funds, companies in the process of liquidation, newly added companies through M&A, etc.

Environmental Education and Awareness Raising Activities for Employees

The Nikon Group believes that the awareness and understanding of employees who are the foundation of its activities are vital to furthering its environmental activities and increasing its standards.

Therefore, we have introduced various environmental education and awareness raising activities for our employees in an effort to help employees have a better understanding and awareness of environmental activities.

Environmental Education

The Nikon Group provides employees with education matched to their duties and position, based on the EMS training plan.

● Environmental Education Programs (Fiscal Year 2023)

Content	Participants	
	Nikon	Group companies in and outside Japan
Education on environmental issues and EMS	79	785
Education on EMS assessments	87	155
Education on environmental laws, hazardous chemical substances, and waste	113	1,279

Environmental Awareness Raising Activities

The Nikon Group conducts various environmental awareness-raising activities among employees in the month of June, which is designated as Nikon Environment Month. In addition, every year, we implement environment-related e-learning for the Nikon Group in Japan, focusing in particular on matters with which employees must be familiar. The content of this e-learning is also shared with Nikon Group companies outside Japan and is incorporated into individual companies' environmental education and awareness-raising activities. The topic of the fiscal year 2023 program was biodiversity. Employees learned about the definition of biodiversity, the connection between companies and biodiversity, social movements toward biodiversity conservation, and the expectations of companies in this context.

● Environmental Awareness-Raising Activities (Fiscal Year 2023)

Main Environmental Awareness-Raising Activities		Eligible Organizations	Result
Nikon Environment Month (June)	Awareness-raising posters and newsletter distribution	Nikon Group	15 languages supported
	Seminars	Nikon Group in Japan	167 participants
Sustainability Photo Contest (June to September)		Nikon Group	Entries: 137
Environmental e-learning (March -)		Nikon Group in Japan	Attendance rate: 90%
		Group companies outside Japan	Implemented for eligible personnel
Earth Hour* (March)		Nikon Group	Participants: 48 companies

* Earth Hour: An environmental campaign organized by the World Wide Fund for Nature (WWF). People around the world show their desire to stop global warming and protect the global environment by switching off the lights at the same time on the same day.