

Nikon Group Slavery and Human Trafficking Statement for the fiscal year ended March 2024

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, 2024 (“FY2023”). 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 Digital manufacturing (industrial machinery and optical processing machines), 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. Also, Nikon delivers integrated solutions encompassing end products, services and components. Details of our company and business information can be found on the “Corporate Information” page of the Nikon Corporation’s website.

<https://www.nikon.com/company/corporate/>

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 they are located) of procurement partners are based in Japan, China and Southeast Asia.

Details can be found on the “Sustainability Report (Materiality 6: Building a Resilient Supply Chain)” 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.

[\(https://www.nikon.com/about/sustainability/nikon-sustainability/codeofconduct/\)](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.

Since April 2019, we have our “Nikon Human Rights Policy” (“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) in place in order to provide further detail on our approach to addressing human rights issues related to our business activities, based on the Code. 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”. 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.

Responsible Business Alliance (RBA) Code of Conduct

Furthermore, Nikon is a member of the RBA, the world’s largest industry coalition dedicated to responsible business conduct 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 workers.

Nikon CSR* Procurement Standards

The Nikon Group recognises that socially responsible 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/company/corporate/procurement/pdf/csr-procurement2_e.pdf), which are based on the RBA’s code of conduct, articulating the prohibition of forced and child labour, bonded (including debt bondage) or indentured labour, involuntary prison labour, and slavery or trafficking of persons, as well as the requirements on working hours and wages.

*Corporate Social Responsibility

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.jp.nikon.com/company/sustainability/society-labor/supply-chain/Responsible_Minerals_Sourcing_Report_2023_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; “Prohibition of Forced Labour and Child Labour”, “Elimination of Discrimination and Harassment”, “Occupational Health and Safety”, “Freedom of Association and the Right to Collective Bargaining”, “Working Hours and Wages”, “Right to Privacy” and “Human Rights Issues in the Supply Chain”. We seek to continually improve our approach to address these issues.

<Check the presence of immigrant workers and foreign technical interns>

Within Nikon, we conduct human rights and labour monitoring surveys annually to ensure child and forced labour practices are not occurring.

We 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 FY2023.

<Efforts to comply with the RBA Code of Conduct>

In FY2022, we conducted training and self-assessments on the RBA Code of Conduct for a total of 18 domestic and overseas production sites in order to assess the level of adherence to the RBA Code of Conduct across the entire group. In FY2023, we held explanatory sessions on the results of the self-assessment conducted in FY2022 and provided feedback to the sites. Each site developed improvement plans based on these results and started initiatives. Furthermore, we disseminated the manual for preventing child labour, which was established in FY2022, to all domestic and overseas sites and subsidiaries. In FY2024, we plan to implement the improvement plans formulated.

Additionally, in FY2023, we voluntarily developed and executed improvement plans in response to the issues pointed out during the Validated Assessment Program (VAP) conducted at Kumagaya Plant in FY2022 by RBA, and underwent a re-audit for the improvement items. As a result, Kumagaya Plant was recognized for its high

level of compliance with the RBA Code of Conduct and obtained the Gold status. In FY2024, we plan to conduct corrective actions for the items that were found non-conformity in the re-audit, such as salary deduction as a disciplinary action.

<Reporting and consulting (whistleblowing) system>

We have internal as well as regional or local external hotline(s) by which employees are able to report if they become aware of an actual or potential violation of the Nikon Code of Conduct. It allows employees to raise concerns anonymously where the national law permits to do so.

Supply Chain

<Building a resilient supply chain>

Nikon recognizes the establishment of a resilient supply chain as a material issue and has set a goal to achieve a 100% implementation rate of human rights due diligence for key procurement partners by FY2025.

Key procurement partners are selected based on factors such as transaction amount, criticality and substitutability of the parts, dependency, and country risk as well as environmental, social, and governance risk assessments (ESG evaluations). A CSR survey (self-assessment method) is conducted every three years for these key partners.

Furthermore, for procurement partners deemed to have high CSR procurement risks or deemed to be important, a third-party audit is conducted on annual basis to assess risks in their supply chain, including modern slavery and human trafficking, and we request and provide support for improvements.

We may review the business relationship with procurement partners who are found to have significant violations of Nikon's CSR procurement standards, who do not cooperate sufficiently toward survey or audits, or who fail to make any improvements regarding identified issues.

<CSR Survey and Audit>

In FY2023, which was the first year of the three-year cycle, we conducted CSR survey assessments for 247 key primary procurement partners and confirmed that 227 partners met the target criteria.

Additionally, we requested improvement to 20 partners for non-compliance with labour, health and safety, environmental, and ethical standards. We requested the development of improvement plans, and we will monitor the progress and verify improvement results based on evidence, aiming to complete the improvements by the end of FY2024.

Furthermore, we conducted audits for three partners. Among them, one partner and the two partners audited last year had several issues identified in terms of labour, health and safety, ethics, and management systems. Prioritized issues included "lack of notification of contract details in written form for fixed-term employment," "unnecessary medical checks prior to employment", "lack of policy and procedures for non-discrimination and response to discrimination", "no reimbursement of health examination fees for new hires", "lack of notification of special retirement benefits at the end of employment contracts", and "long working hours". We requested improvements for these issues and their completion was checked and confirmed. For the remaining two partners, we will similarly issue improvement requests and provide support, aiming to complete the improvements by the end of FY2024.

For the 20 new procurement partners, we conducted CSR survey assessments and confirmed that they met the target criteria before commencing the business relationship. Additionally, we conducted CSR survey assessments for 30 key second-tier suppliers and beyond, and confirmed that they met the target criteria.

In FY2024, in addition to continuing improvement activities for the identified issues from the previous year, we plan to expand the scope to include assessment of procurement partners of Nikon subsidiaries which were recently acquired.

<Responsible minerals sourcing>

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 FY2023, we expanded the survey scope and conducted surveys in 7 business unit concerning the use of cobalt, in addition to the ongoing 3TG* surveys towards products of all Business Units.

We have started making donations to the Resilience Enhancement Project conducted by the certified non-profit organization Terra Renaissance in the Democratic Republic of Congo to support the people affected by human rights abuses related to minerals from FY2023. We organized an in-house seminar by the Terra Renaissance to deepen our understanding of the conflict minerals issue.

*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 FY2023, 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 95%.

Every year on World Human Rights Day in December, the CEO's message outlining our principle on respecting human rights is communicated to employees globally via our newsletter. Theme of the message in FY2023 was "Respecting Human Rights is at the Core of DEI (Diversity, Equity and Inclusion)" to strengthen and ensure Nikon Group's commitment to respecting human rights. It was to advocate for establishing a work environment where the rights of all employees are respected.

In December 2023, we held a human rights event titled "Towards World Human Rights Day 2023", mainly targeting our domestic employees. The event included a series of talk sessions focusing on human rights, which lasted for approximately one month and saw the participation of numerous employees. Additionally, as part of our training program for new employees, we conducted training sessions with a focus on human rights.

In Europe, we had training sessions on modern slavery and human trafficking, targeting employees who are in the functions to hire people, to procure/purchase goods & services, to maintain offices/shopfloor. In total 26 employees completed the training in the Netherlands head office and UK branch office, Optos plc, Nikon Metrology UK Ltd., and Nikon X-Tek Systems Ltd.

We also use a recording of a seminar by the certified non-profit organization Terra Renaissance as a teaching material to deepen understanding of the issue of conflict minerals and how these issues relate to procurement activities for all employees.

Employee of our procurement departments and sections

We hold biannual Supply Chain Committee meetings, consisting of key members such as the Quality Department Manager, Procurement Department Manager, and Presidents of domestic and overseas group production companies, to discuss and review activity reports and plans for building a resilient supply chain. Under the umbrella of the Headquarters Committee, we have established the Sustainable Procurement Promotion Meeting (held monthly) and the Green Procurement Promotion Meeting (held twice a year). These meetings collaborate with procurement departments and related divisions of each business unit, as well as administrative departments of manufacturing facilities, to drive specific activities towards building a resilient supply chain.

Furthermore, we conduct annual training sessions for internal practitioners involved in procurement and new employees, deepening their understanding of the fundamentals and context of procurement operations in order to enhance supply chain stability and promote procurement activities that take environmental and social aspects into account. In FY2023, we have introduced a new session on the importance of protecting human rights and how they relate to procurement operations.

Procurement partners

In Nikon Group, we hold annual briefing sessions to help our procurement partners understand our ESG policies and perspectives. In the FY2023, we revamped the traditional partner briefing session and organized the "Sustainable Procurement Briefing 2023" with a new name and content. This briefing session was conducted over two days, with a total of four sessions targeting procurement partners from Japan, China, and

Thailand, and we had the participation of 996 companies and 1,158 attendees. Additionally, we recognized and commended procurement partners who contributed with flexible, prompt, and resilient approaches to quality management and ESG promotion. Furthermore, we emphasized the importance of corporate responsibility and efforts towards human rights, and encouraged the promotion and collaboration.

This Statement was reviewed and approved by the Nikon Corporation's Board of Directors on 11/09 2024.

Further, this Statement was reviewed and approved by Nikon Europe BV's Board of Directors on 06/09 2024, Optos plc's Board of Directors on 22/08 2024, Nikon Metrology UK Ltd.'s Board of Directors on 22/08 2024, Nikon X-Tek Systems Ltd.'s Board of Directors on 22/08 2024, Nikon Precision Europe GmbH's Board of Directors on 29/08 2024, and Nikon SLM Solutions AG's Board of Directors on 03/09 2024. All of these companies are subject to the UK Modern Slavery Act.

11/09 2024

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Tokunari Muneaki
Representative Director
President
Nikon Corporation

06/09 2024

A handwritten signature in black ink, appearing to read 'Masahiro Horie', with a long horizontal stroke extending to the right.

Masahiro Horie
Director & President
Nikon Europe BV

22/08 2024

A handwritten signature in blue ink, appearing to read 'R. Kennedy', with a long horizontal stroke extending to the right.

Robert Kennedy
Director and Chief Executive Officer
Optos plc

22/08 2024



Dries Hermans
Director & President
Nikon Metrology UK Ltd.

22/08 2024



John Batchelet
Director & President
Nikon X-Tek Systems Ltd.

29/08 2024



Harumi Sawada
President
Nikon Precision Europe GmbH

03/09 2024



Sam O'Leary
Chairman of the Board & Chief Executive Officer
Nikon SLM Solutions AG