

## **Nikon Group Slavery and Human Trafficking Statement for the fiscal year ended March 2021**

This statement is made pursuant to the United Kingdom Modern Slavery Act of 2015. 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 ninety percent (calculated by the transaction amount in the country in which their headquarters are located) of procurement partners are based in Japan, China and Thailand.

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

Nikon has the “Nikon Code of Conduct” (“Code”) in place where we set out our basic stance on social responsibility and the standard of conduct for individuals who work for Nikon. 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” (“Policy”) in April 2019 in order to further outline our approach to address 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”.

In May 2018, Nikon joined the worldwide CSR alliance “Responsible Business Alliance (RBA)”, whose members include companies in the electronics, retail and auto industries. RBA’s code of conduct specifies responsibilities for member companies, such as to improve working environment in their own organisation and supply chains or to support the rights and wellbeing of employees. Nikon strives to comply with RBA’s code of conduct.

As for our supply chain, in August 2015 we published the “Nikon CSR Procurement Standards” (last revision: October 2018), which is our guideline to promote Nikon’s stance on CSR throughout our supply chain, and we require our procurement partners to comply with it. 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.

In response to issues related to conflict minerals, we revised the “Policy on Conflict Minerals” to “Responsible Mineral Sourcing Policy” in the fiscal year ended March 2021 (“Period”). The revision was made to cover a broad scope of responsible sourcing of minerals, as mineral resources that are extracted and

traded in conflict-affected and high-risk areas 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. With this policy we commit to source these mineral resources responsibly.

We also support the 10 principles of the United Nations Global Compact.

**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**

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. For the Period, at our manufacturing companies, we checked whether we had migrant workers (or foreign technical trainees in Japan) under our employment, since these workers are likely to be exposed to the risk of forced labour. Through these checks we did not identify any issues that may be considered as high risk.

In order to comply with RBA Code of Conduct in our organisation, we analysed the result of RBA self-assessment questionnaire conducted in manufacturing group companies outside Japan in the previous Period. Although we did not identify any issues of high risk, we have implemented remediation for minor non-conformity such as individual space in employees’ dormitory in the Period.

For Nikon 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.

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. By conducting periodical monitoring of the compliance situation through self-assessment survey, we endeavour to assess modern slavery and human trafficking risks in our supply chain. Moreover, we set 65% compliance level of the CSR Procurement Standards as the minimum requirement and request the partners to meet this requirement. We will 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 case they are not willing to cooperate.

We conducted self-assessment surveys for 211 critical procurement partners in the Period. Based on the survey result, we identified 28 partners whose compliance levels were less than 65%, and 13 of them were selected as the scope of our improvement activities in the Period. We conducted on-site audits for three partners by third-party auditors, and for the ten other companies, we instructed them in writing to make improvements in the areas where the Nikon CSR Procurement Standards were not satisfied. We demanded that all 13 companies submit action plans for our approval, and they are taking actions in accordance with such plans. For the other 15 companies, we request improvement in the fiscal year ending March 2022. Thirteen companies to which we requested rectification by on-site audits or letters during the fiscal year ended March 2020 reported to us that they completed corrective actions within the Period.

We expanded the scope of self-assessment survey to the 2nd tier suppliers in the Period. By cooperation of procurement partners (1st tier), 60 companies responded the survey. The survey result indicated five companies with high risk. We will work together with our procurement partners for improvement of this situation.

We will continue our efforts for improvement so that all our partners would meet the 65 % level.

Responding to the growing attention on issues related to the working environment of migrant workers, we had examined two labour recruiters who provide our procurement partners in Japan with access to foreign technical intern trainees, and requested the relevant partners for rectification in terms of local recruitment fees in the previous Period. Those procurement partners refunded the recruitment fees for three years to trainees who were returning to their home countries, and they established an in-house system that will prevent unfair charge of recruitment fees to trainees.

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 about usage and supply chain of mineral resource. In the Period, we started a trial investigation of cobalt. With expansion of the scope and ensuring the continuation, we aim to achieve actual implementation and realisation of the policy.

#### **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. In the Period, we conducted the e-learning training on human rights for all directors and employees in Nikon group companies in Japan. The completion rate was 87%. Also, we held online seminar to the Nikon Corporation CSR Committee members including directors/executive officers on human rights after the committee meeting. Our CEO message explaining our principles on respecting human rights was communicated to employees globally by our in-house newsletter in December 2020.

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 the Period, 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 session was held online due to the COVID-19 pandemic in the Period

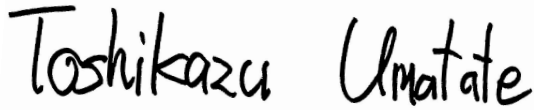
The agenda included request for compliance with our policy on recruitment fees for foreign technical intern trainees or migrant workers, and we shared the overview of the actual case mentioned above. In total, 86 employees and 1,061 procurement partners attended these briefings in the Period.

And we conduct training using tools/materials prepared by RBA. In the Period, we requested 211 critical procurement partners to participate in the RBA's e-learning program and 22 partners have completed it. We plan to encourage the remaining to finish the program by the end of fiscal year ending March 2022. The training contents are to facilitate understanding about the RBA's code of conduct, including issues of human rights and labour practices.

This Statement was reviewed and approved by the Nikon Corporation's Board of Directors on 3 September 2021.

Further, this Statement was reviewed and approved by Nikon Europe B.V.'s Board of Directors on 18 August 2021, Optos plc's Board of Directors on 3 September 2021, Nikon Metrology UK Ltd.'s Board of Directors on 17 August 2021, and Nikon X-Tek Systems Ltd.'s Board of Directors on 24 August 2021. All of these companies are subject to the UK Modern Slavery Act.

10 September 2021



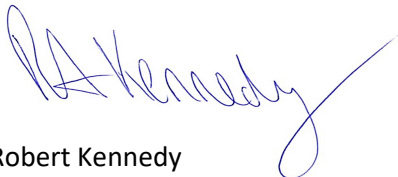
Toshikazu Umatate  
Representative Director  
President  
Nikon Corporation

10 September 2021



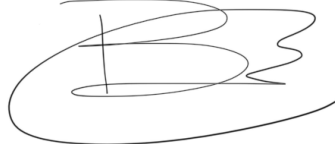
Bo Kajiwara  
Director & President  
Nikon Europe BV

10 September 2021



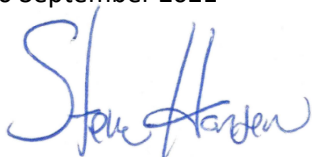
Robert Kennedy  
Director and Chief Executive Officer  
Optos plc

10 September 2021



Berend van Iterson  
Director & President  
Nikon Metrology UK Ltd.

10 September 2021



Steve Hansen  
Director & President  
Nikon X-Tek Systems Ltd.