

Nikon CSR Report 2011 Glossary

B

■ BCM

Business continuity management, a strategic management method for companies to respond promptly to a range of risks that might materialize with the occurrence of unexpected emergencies such as natural disasters or acts of terrorism. It is designed to help them continue their business even in the event of a major emergency.

■ BCP

Business continuity plan, a plan formulated by a company to show its policies and measures in the event of an emergency such as a natural disaster or accident, designed to ensure continuity of business and to allow ordinary business activities to be resumed with the limited managerial resources available in such an emergency.

■ Biodiversity

A state achieved through the link between all individual living creatures on Earth. The Convention on Biological Diversity defines biological diversity as follows: "Biological diversity" means the variability among living organisms from all sources including, inter alia, terrestrial, marine and other aquatic ecosystems, and the ecological complexes of which they are part; this includes diversity within species, between species and of ecosystems.

C

■ CFP (Carbon Footprint)

Greenhouse gases emitted by a product through the entire process of raw material procurement, manufacturing, distribution, sales, usage, and disposal are converted to CO₂ for the purpose of visualization.

■ Compliance (with laws and regulations)

Compliance provides the basis for CSR fulfillment. Companies are required to comply with laws, regulations, and rules and also to respond sincerely to requests from the society in which they operate.

■ COP (Communication on Progress)

An annual report of activities towards the realization of the 10 principles that must be submitted by corporations and groups that have declared their participation in the UN Global Compact.

■ Corporate governance

A system that allows companies to supervise and check the management of their business appropriately.

■ CSR

Corporate social responsibility. Companies are expected to fulfill their corporate social responsibilities from environmental, economic, and social aspects on a voluntary basis to build trust with the society in which they operate. In the ISO 26000 standard on social responsibility created by the International Organization for Standardization (ISO), CSR for corporations as well as all types of organizations is defined as follows:

Responsibility of an organization for the impacts of its decisions and activities on society and the environment, through transparent and ethical behavior that

- contributes to sustainable development, including health and the welfare of society;
- takes into account the expectations of stakeholders;
- is in compliance with applicable law and consistent with international norms of behavior; and
- is integrated throughout the organization and practiced in its relationships

Source: ISO/DIS 26000 Guidance on Social Responsibility, ISO

■ CSR-oriented procurement

In CSR-oriented procurement, companies expand their CSR activities to suppliers and check that in addition to quality, pricing, and deadlines, they are conducting corporate activities in consideration of the environment, human rights, and other issues. Companies show their procurement and purchasing criteria to their suppliers and ask them to comply with the criteria on a continual basis.

D

■ Diversity

Refers to companies having a diversity of employees and accepting that diversity. The Japan Business Federation's study group on diversity defines the term as follows: Strategy to respond promptly and flexibly to changes in the business environment for the growth of the company and the happiness of individual employees by accepting a range of attributes (regarding gender, age, nationality, disabilities, etc.) as well as various values and ideas without bias from conventional corporate and social standards.

E

■ Eco-glass

The Nikon Group developed lead- and arsenic-free optical glass for use in the lenses and prisms of optical devices, and calls this type of glass "Eco-glass." The use rate of Eco-glass in optical systems has reached 100% in most Nikon products.

■ Energy efficiency

The Nikon Group defines energy efficiency as the degree of functionality of each product per unit of power consumption.

Energy efficiency of a product = Degree of functionality/Unit of power consumption
Functionality is defined separately for each product type. The Nikon Group is always committed to releasing new products with higher energy efficiency.

■ Environmental accounting

An accounting method used to clarify the costs spent in improving environmental performance.

■ Environmental Reporting Guidelines (2007)

Published by Japan's Ministry of the Environment to provide organizations creating and publishing environmental reports with practical guidance. The guidelines list the preferred reporting items and their details based on the latest domestic and international trends in environmental reporting.

F

■ FTSE4Good

An SRI index created and launched in 2001 by the FTSE Group, which creates and manages equity and bond indices based in London. Stocks to be included in the index are selected from the following three viewpoints: environmental and social aspects and human rights.

G

■ GHG (Greenhouse gases)

Atmospheric gases, such as carbon dioxide and methane, trap heat from the Sun in the Earth's atmosphere. Called greenhouse gases, they cause the Earth's surface to heat up. Under the Kyoto Protocol, carbon dioxide, methane, nitrous oxide, HFCs, PFCs, and SF₆ are defined as greenhouse gases, emissions of which should be reduced to prevent global warming.

■ Green Dot System

A collection and recycling system on packaging waste having been adopted by most of the participating countries in accordance with domestic laws under the European Directive 94/62/EC on packaging and packaging waste.

■ Green procurement/green purchasing

Refers to the procurement of more environmentally-friendly materials, parts, and products and gives preference to highly environmentally conscious suppliers. Purchasing of environmentally friendly office supplies is referred to as green purchasing.

■ GRI

Global Reporting Initiative, an international organization established in 1997 with the aim of creating and spreading the use of international guidelines on sustainability reporting for organizations. Companies and NPOs from countries all over the world participate in this organization, which is also designated as a collaborating centre of the UN Environment Programme (UNEP).

■ GRI Sustainability Reporting Guidelines

International guidelines on sustainability reporting by organizations. The guidelines, which encourage companies to report their corporate activities from the three aspects of economy, environment, and society, are referred to by a large number of organizations in creating CSR reports.

I

■ Internal control

A mechanism to prevent illegal and unfair acts to ensure efficient and sound business management based on in-house control rules and systems.

■ ISO

The International Organization for Standardization, a non-governmental organization that formulates international standards based in Geneva, Switzerland.

■ ISO 9001

An international standard for quality management systems set by the ISO. Systems that meet ISO 9001 are certified by qualified certification bodies. The ISO 9000 series targets systems established by organizations for quality maintenance and management.

■ ISO 14001

An international standard for environmental management systems set by the ISO. Systems that meet ISO 14001 are certified by qualified certification bodies. The ISO 14000 series is designed to help organizations manage their environmental impact.

■ ISO 26000

An international standard on corporate social responsibility issued by the ISO in November 2010. The standard provides guidance on the social responsibility criteria that can be applied to any organization, but is not designed for certification by third parties.

J

■ JBRC

The Japan Portable Rechargeable Battery Recycling Center, an incorporated association that promotes the recycling of small rechargeable batteries based on the Act on the Promotion of Effective Utilization of Resources.

K

■ Kurumin

The name of the Next-Generation Childcare Support Certification Mark. Japan's Ministry of Health, Labour and Welfare approves the use of this mark by companies and corporations that meet the predefined criteria for proactively engaging in childcare support.

L

■ LCA

Life cycle assessment, an objective method to quantitatively evaluate the environmental impact of products and services throughout their lifecycles, including the exploitation of resources and the manufacture, use, disposal, and transportation of the products.

M

■ MFCA

Material flow cost accounting. A method that measures the flow and stock of raw materials and energy in an organization in terms of weight, capacity, volume, etc., and evaluates them in monetary units. By visualizing the cost of waste materials, MFCA makes it possible to both improve productivity and reduce waste.

■ MS-SRI (Morningstar Socially Responsible Investment Index)

An index of socially responsible investments that was jointly developed by Morningstar Japan K.K. and the Center for Public Resources Development. Stock prices of 150 selected Japanese listed companies that are judged as having excellent social qualities are indexed.

N

■ NOx

Nitrogen oxide, one of the substances that cause air pollution and acid rain.

O

■ Ozone-depleting substances

Substances that cause depletion of the ozone layer, and especially those regulated under the Montreal Protocol, are often referred to as ozone-depleting substances. In Japan, substances regulated under the Act on the Protection of the Ozone Layer are deemed to be ozone-depleting substances. These substances include organochlorine compounds such as specified CFCs (11, 12, 113, 114, and 115), other CFCs (such as CFC 13), trichloroethane, and carbon tetrachloride, and organobromine compounds such as specified halons (1211, 1301, and 2402).

P

■ PrivacyMark

A registered trademark, usage of which is approved by the Japan Institute for Promotion of Digital Economy and Community (JIPDEC), for businesses that have met prescribed requirements regarding the protection of personal information.

■ PRTR

The "Pollutant Release and Transfer Register" system is a system used by governments to collect, tabulate, and disclose data on chemical substances that might have harmful effects on human health and ecosystems. They are identified and reported to governments once per year by companies.

R

■ REACH Regulation

A regulation on chemical substances issued by the European Union (EU) in 2007. "REACH" stands for the "Registration, Evaluation, Authorization, and restriction of Chemicals," and manufacturers and importers of chemical substances are mandated to register information on the safety and use of these substances under the regulation.

■ Risk management

Provides a method to minimize the impact and damage that might be caused by various risks by reducing or preventing the materialization of these risks.

■ RoHS Directive

"RoHS" stands for "Restriction of Hazardous Substances." This directive was adopted by the EU in 2003. It restricts the use of certain hazardous chemical substances in electrical and electronic equipment with a view to minimizing the risks that these substances pose to the environment and human health.

S

■ SAICM

The Strategic Approach to International Chemicals Management, an international agreement on the management of chemical substances made to achieve the target of the Johannesburg Plan of Implementation, which aims to achieve the following: that by 2020 chemicals are used and produced in ways that lead to the minimization of significant adverse effects on human health and the environment.

■ SOx

Sulfur oxide, one of the air pollutants that cause photochemical smog and acid rain.

■ SRI

Socially responsible investment, investing in companies that have been evaluated not only on their business performance, profitability, growth potential, and other financial data, but also on CSR-related aspects such as their social, ethical, and environmental commitments.

■ Stakeholders

For a company, the term stakeholder refers to all the people and organizations with which it has a relationship. Specifically, stakeholders include customers, shareholders, investors, employees, business partners, and local communities.

■ Stakeholder dialogue

Communication between a corporation and stakeholders in order to create awareness within the corporation of the expectations and requirements of stakeholders.

■ Supply chain

The flow of products and services to consumers, including the procurement of materials and the manufacture, sale, and transportation of products.

■ Sustainability

For an organization, sustainability refers to the ability to develop itself over generations in a sustainable manner from environmental, social, and economic aspects. The goal of "sustainable development" is to "meet the needs of the present without compromising the ability of future generations to meet their own needs."

Source: World Commission on Environment and Development, Our Common Future, Oxford University Press

T

■ Telematics

A system in which mobile objects, such as automobiles, are equipped with a communications system that share information including fuel consumption.

U

■ UN Global Compact

Proposed by then UN Secretary-General Kofi Annan at the World Economic Forum held in Davos in 1999 and officially launched at UN Headquarters in New York in 2000. The Global Compact comprises 10 principles on human rights, labor standards, the environment, and anti-corruption. Companies that ratify this initiative are required to comply with and implement the 10 principles.

W

■ WEEE Directive

This directive, which mandates manufacturers to recover and recycle "Waste Electrical and Electronic Equipment" in and after August 2005, was enacted by the EU.

Z

■ Zero emissions

A concept proposed by the United Nations University in 1994 with a view to reducing waste from the whole of society to zero by recycling waste from one industry for use as resources for other industries.