

Nikon Procurement Partners' CSR Guidelines

May 1, 2013 (Edition 1.3)

NIKON CORPORATION

[1] About CSR-oriented procurement in the Nikon Group

Companies have recently assumed greater responsibility for the sustainable development of society. In line with this trend, we at Nikon have established a corporate philosophy of “Trustworthiness & Creativity” and strive to contribute to society through our operational activities. We recently enacted the “Nikon Corporate Social Responsibility (CSR) Charter” to replace our former “Nikon’s Charter of Corporate Behavior,” reflecting how the Nikon Group’s renewed perspectives broaden our basic policy on social responsibility. Accordingly, the “Nikon Code of Conduct” has been updated to uphold the code for daily business activities. These guidelines, together with our vision known as “Our Aspirations” and our daily code of conduct known as “Our Commitments” form the fundamental central pillars supporting our philosophy—“Trustworthiness & Creativity.”

Based on the concept described above, we have revised our “Nikon Basic Procurement Policy” aiming to work closely with our Procurement Partners in building up a more desirable society and global environment, and to realize the sustainable evolution of our corporation, while asking our Procurement Partners to understand the philosophy behind the Nikon Group’s CSR. We have also compiled our basic policies with regard to promoting CSR in the Nikon Group’s supply chain into the “Nikon Procurement Partners’ CSR Guidelines.”

Accordingly, we kindly request all of our Procurement Partners to understand the items contained in these “Nikon Procurement Partners’ CSR Guidelines” and to further cooperate with us in promoting CSR throughout our supply chain.

Nikon Basic Procurement Policy

1. Sound corporate activities

Nikon shall conduct sound and fair corporate activities, while complying with applicable laws and prescriptive social norms.

Nikon shall also encourage socially responsible behavior within its supply chain.

2. Open-door procurement

Nikon procures goods and services from global suppliers in as transparent a fashion as possible.

3. Procurement based on the concept of fair competition

Based on the principles of fair, free competition, Nikon assigns top priority to suppliers that offer superior performance in terms of quality, cost, delivery, and corporate reliability.

4. Procurement based on the concept of partnership

Our approach is that Nikon and our suppliers are partners working together to make good products. Under this approach, we work to understand each other, to build a relationship of trust, and to prosper together.

5. Green procurement

For the protection of the global environment, Nikon assigns priority to suppliers that provide consideration for environmental issues and that are actively engaged in environmental preservation activities in the manufacturing process for the procured goods.

* "Nikon" refers to "Nikon Corporation and its domestic and overseas subsidiaries." Affiliates are encouraged to follow these Guidelines or to implement similar standards.

[2] Nikon Procurement Partners' CSR Guidelines

(Summary)

As the Nikon Group deploys its businesses, the individuals and corporations in our so-called supply chain, including our Procurement Partners, are strongly encouraged to fulfill their social responsibility. In responding to such requirement, our Procurement Partners, who are also our Business Partners, are kindly requested to comply with the following:

1. Sound Cooperate Activities

The Nikon Group request that you implement sound and fair business management, and properly disclose information about operational status in order to ensure that trouble-free transactions occur based upon a foundation of mutual cooperation and trust.

2. Product Quality and Safety, and Business Continuity

In order to provide our users (end consumers) with “the best products,” The Nikon Group request that you comply with the safety standards in each country and region, and provide us with materials that satisfy the quality standard required by the Nikon Group. As the Nikon Group is positively addressing its Business Continuity Plan for the purpose of a continuous, stable supply of products to our customers, we ask you to continue voluntarily addressing the Business Continuity Plan for the purpose of stable supply as well as ensuring delivery time.

3. Respect for Human Beings

The Nikon Group request that you comply with applicable legislation and prescriptive social norms related to human rights and labor (prohibition of child labor, forced labor, etc. behind the Conflict minerals issues) enforced in each country and region that form the basis of business activities. We also ask that you comply with legislation related to safety and health, and help improve the work environment to make it more appropriate.

4. Consideration for the Environment

The Nikon Group request that you implement environmental preservation, including biodiversity conservation, and environmental management, positively endeavor to conduct business activities and product development with consideration given to the global environment, and, at the same time, comply with the Nikon Green Procurement standards in your procurement activities for materials.

5. Contribution to Society

The Nikon Group recommend that you conduct voluntary activities contributing to the evolution of international society and local communities.

6. Information Security

Please take necessary defensive measures to counter threats to computer networks, properly control and protect personal information (of customers, third parties, and employees), and prevent the leakage of confidential information of customers and third parties.

[3] Nikon Procurement Partners' CSR Guidelines

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Nikon Procurement Partners' CSR Guidelines

As the Nikon Group deploys its businesses, the individuals and corporations in our so-called supply chain, including our Procurement Partners, are strongly encouraged to fulfill their social responsibility. In responding to such requirement, our Procurement Partners, who are also our Business Partners, are kindly requested to comply with the items described below.

For your reference, we have included a detailed description of contents under each item being requested.

I. Sound Corporate Activities

1. Prohibition of corruption and bribery

We request our Procurement Partners to maintain sound and normal relationships with political and government administration bodies, and NOT to engage in bribery or make illegal political donations.

Bribery refers to an act of offering money, entertainment, gifts, or other benefits or conveniences to public servants or equivalent persons (hereafter called 'Public Employees'), in return for some business advantage, such as approval or licenses, the acquisition or maintenance of trading, or access to nonpublic information.

Moreover, bribery also includes the offer of any entertainment or gift considered beyond social norms, even if unintended to solicit any business reward.

An illegal political donation refers to an act of contributing a political

donation in return for some business advantage, such as permits or licenses, the acquisition or maintenance of trading, or access to nonpublic information. This includes any political donation made not following proper legal procedures.

2. Prohibition of abusing a superior position

We request our Procurement Partners NOT to create any disadvantage for their suppliers by abusing a superior position.

Abusing a superior position refers to an act of unilaterally determining or changing trading conditions with suppliers, or imposing unreasonable claims or obligations on suppliers by taking advantage of one's superior position as a purchaser or outsourcer.

Procurement deals shall be fairly and faithfully conducted based on contracts without abusing a superior position. In countries with legislation relating to abuse of a superior position, such legislation shall be observed (e.g., the Law on the Prevention of Delay in the Payment for Subcontracting Charges and Related Matters in Japan).

3. Prohibition of offering and receiving inappropriate profit and advantage

We request our Procurement Partners NOT to offer inappropriate benefits to stakeholders nor to receive such benefits from stakeholders.

Typical examples of offering and receiving inappropriate benefits are as follows:

- Bribery activity such as offering or receiving a gift, award, prize money, or similar benefit beyond the bounds of law to or from a customer
- Providing or accepting money, valuables, or entertainment beyond social norms
- Act of supplying an inappropriate benefit to an antisocial force (e.g., criminal or terrorist organization) that adversely affects public order or sound activities
- Insider trading by which the stock of a company is traded based on critical nonpublic information about the operations of a customer, etc.

4. Prohibition of competition-restrictive activities

We request our Procurement Partners NOT to impede fair, transparent, and free market competition.

Competition-restrictive activities refer to acts of making prior agreements among companies in the same trade regarding the prices or quantities of products and services, sales areas (as pertaining to a cartel), etc., or prior arrangements with other bidders to predetermine a winning bid and successful tender price (collusive bidding).

Furthermore, obtaining and/or utilizing the trade secrets of other companies in an illegal manner, and showing false notations or such indications that may mislead customers about other companies' products also constitute acts of unfair competition.

5. Provision of accurate information about products and services

We request our Procurement Partners to provide accurate information about products and services to consumers and customers.

Typical examples of accurate information are as follows:

- The accurate reporting of specifications, quality, and handling procedures about products and services
- The provision of accurate information about the substances contained in materials and parts used in products
- With regard to notations in catalogs, etc. and advertisements related to

products and services, any untruthful or incorrect expressions or descriptions that may mislead consumers and customers shall not be made, or any content that backbites or defames other companies or individuals shall not be included.

6. Respect for intellectual property

We request our Procurement Partners NOT to infringe upon the intellectual property rights of others.

Intellectual property rights (IPR) include patent rights, utility model rights, design rights, trademark rights, copyrights, trade secrets, and other proprietary rights.

Prior to development, production, sale, and/or provision of a product or service, a preliminary IPR survey shall be conducted on the intellectual properties of third parties. The use of a third party's intellectual property without permission constitutes an infringement of IPR, except in cases where there is a valid reason for such use.

Furthermore, the illegal reproduction of computer software or other copyrighted works constitutes an infringement of IPR. Likewise, illegal procurement and utilization of a trade secret of a third party also constitutes an infringement of IPR.

7. Proper control of export procedures

We request our Procurement Partners to streamline a clear-cut control system and to follow proper export procedures regarding the exports of technologies and goods, as governed by applicable laws and regulations.

Technologies and goods restricted by applicable laws and regulations include parts, products, technologies, facilities, and software of which exports are restricted by an international treaty, agreement, or regulations (such as the Wassenaar Arrangement) and/or domestic laws. Exporting may require specific procedures such as acquiring permission from competent government authorities.

8. Disclosure of information

We request our Procurement Partners to positively provide or disclose company information to their stakeholders, regardless of whether legally obligated or not.

The information to be provided or disclosed to stakeholders includes business activity content, financial status, business performance, risk information (e.g., damage by a large-scale disaster, adverse effects on the environment and society, discovery of a serious violation of law), and other pertinent information.

As for information about a serious risk, disclosing and voluntarily communicating such information to customers at each relevant occasion are examples of positively providing information.

9. Early detection of improper acts

We request our Procurement Partners to conduct activities to prevent improper acts, and to have a system in place to detect and respond to improper acts at an early stage.

Activities to prevent improper acts refer to training and enlightening employees to that end, as well as creating an open and well-organized workplace.

An example of a system to detect and respond to improper acts at an early stage is described as follows:

Establish a function in and/or outside the company to receive information concerning any suspected improper acts in order to enable top management to identify improper acts at an early stage. In such a system, efforts must be made to conceal the identity and secrets of informants, and properly protect them. Any improper act detected must be handled quickly, with the results thereof properly reported to the informant.

II. Product Quality and Safety, and Business Continuity

1. Securing product safety

In designing their own products, our Procurement Partners are requested to ensure that such products comply with the safety standards provided by applicable laws and regulations of all related countries.

In performing design work for a product, a sufficient level of product safety must be secured, and in selling the product, consideration as its manufacturer must be given to product liability. Regarding product safety, consideration must also be given not only to compliance, but also to levels of safety normally required of the product.

The following are examples of laws on product safety in Japan:

- The Electrical Appliance and Material Safety Law
- The Consumer Products Safety Law
- The Household Goods Labeling Law

Safety standards are defined in relevant bylaws, JIS, etc. International safety standards include UL, BSI, CSA, and others.

Securing product safety includes the management of traceability (e.g., history of materials, parts, processes) and prompt responses for problem solving.

2. Quality management system

We request our Procurement Partners to establish and implement a quality management system.

The quality management system is part of the overall quality management program to promote quality assurance activities, including organizational structure, well-planned activities, sharing responsibility, business practices, procedures, processes, and management resources. Quality assurance activities here mean to develop, implement, achieve, review, and maintain the quality policy in order to promote a continual improvement program using the so-called PDCA (Plan Do Check Action) closed loop.

Typical quality management systems include the ISO9000 family, ISO/TS16949, and ISO13485.

3. Stable supply of products

In order to achieve a stable supply of products, we request our Procurement Partners to implement a Business Continuity Plan that enables a prompt restoration of core operations should any unexpected situation occur.

The Business Continuity Plan (BCP) is a plan to minimize damage that may arise from an unexpected situation by analyzing the possible impacts on business, establishing the targeted level of business continuity, preparing an appropriate work manual and conducting training programs to counter the occurrence of crisis, and continuing the core operations to be prioritized in preparing for an unexpected situation (including local fire, explosion disasters and acts of terrorism, and wide-ranging natural disasters like earthquakes).

III. Respect for Human Beings

III-1. Human Rights and Labor

1. Prohibition of forced labor

We request our Procurement Partners to employ all employees on a voluntary basis, and not to cause them to engage in forced labor.

Forced labor means any and all forms of non-voluntary labor.

Typical examples of forced labor are as follows:

- Labor against one's will
- Bonded labor that limits the freedom of job turnover due to unpaid debt, etc.
- Slave labor as a result of human trafficking
- Prison labor as non-humanitarian forced labor in a harsh environment, even for inmates

The following are also considered forms of forced labor:

- Lack of freedom to freely leave a job
- Obligation to leave the laborer's identification card, passport, or work permit certificate with the employer

2. Prohibition of non-humanitarian treatment of laborers

We request our Procurement Partners to respect the human rights of employees, and to prohibit any harsh or non-humanitarian treatment of employees, including abusive treatment and various types of harassment.

Typical non-humanitarian treatment refers to any abusive treatment, physical punishment, sexual harassment, power harassment (by verbal abuse or intimidating acts), and any similar form of demeaning treatment.

3. Prohibition of child labor

We request our Procurement Partners NOT to employ children under the minimum labor age or to assign such jobs that impair the development of children.

Child labor generally refers to employing children who are under the minimum labor age and neglecting to protect young laborers against the provisions as set forth in the treaty and/or recommendations of ILO (International Labor Organization).

In Japan for example, employing children less than fifteen years old and any violation of law to protect young laborers constitute committing acts of prohibited child labor. Examples of laws and regulations to protect young laborers from employment that may impair their health, security, and morality are regulations restricting night-shift work and dangerous work. In overseas countries as well, employing children under the minimum labor age and any violation of the obligation to protect young laborers in accordance with the laws of a given country constitute committing acts of said prohibition.

In countries where there are no such relevant laws, any act violating the minimum age treaty and/or recommendations of ILO constitutes committing an act of prohibited child labor. (The principle, minimum employment age is fifteen years old: ILO Treaty No.138.)

4. Prohibition of discrimination

We request our Procurement Partners to avoid any discrimination in the process of recruiting and employing personnel, and to afford equal opportunities and fairness in the treatment of all employees.

Discrimination means treating employees preferentially in opportunities for and/or dealing with them relative to recruitment, promotion, reward, and participation in training programs for any reason other than such rational elements as the employees' ability, competence, achievement, or similar measures of individual performance.

Typical elements that could cause discrimination are race, ethnicity, nationality, birthplace, color of skin, age, gender, sexual orientation, disability, religion, political affiliation, union membership, and marital status.

Moreover, if a health examination or pregnancy test impairs the fairness in equality of opportunity or fair treatment, such conduct is deemed an act of discrimination.

5. Proper wages

We request our Procurement Partners to pay employees wages at least equivalent to the legal minimum wage, and not to engage in any improper wage deductions.

The minimum wage refers to the lowest, basic wage prescribed by each country's wage-related laws. For the purpose of this provision, this wage includes the payment of other allowances including overtime compensation and legal benefits.

Improper wage reduction means deducting any amount from employee wages in violation of any labor-related laws or regulations.

6. Working hours

We request our Procurement Partners to properly manage the working hours, holidays, and vacations of employees so that said practices do not exceed the legal maximum or fall below the legal minimum.

Properly manage here means practices in which:

- The scheduled working days per year do not exceed the legal ceiling.
- Working hours per week including overtime hours (except in an emergency or crisis) do not exceed the legal ceiling.
- Employees are provided with at least one holiday per week.
- Employees are granted the right to take annual leave as mandated by law.

7. Employees' right of association

We request our Procurement Partners to respect employees' right of association as a means of affording employer-employee interaction to discuss such issues as the work environment, wage level, and other matters pertaining to work.

Respecting the employees' right of association means to give consideration for freedom of association, freedom to participate in labor unions in accordance with labor laws, freedom to stage protest rallies, freedom to participate in a workers' council, etc. without subjecting employees to any reprisal, threat, or harassment.

III-2. Occupational Health and Safety

1. Safety measures for equipment and instruments

We request our Procurement Partners to apply appropriate safety measures for equipment and instruments used in the company.

Appropriate safety measures refer to management activities to prevent accidents and health problems from occurring on the job, and include the following:

- Adoption of fail-safe, foolproof, and inter-lock safety mechanisms
- Installation of safety devices and protective barriers
- Implementation of periodic inspection and maintenance of machinery/equipment

2. Safety in the workplace

We request our Procurement Partners to evaluate their own safety risks and ensure safety in the workplace with appropriate designs, techniques, and control methods.

Safety risks in the workplace refer to the potential risks of accidents and health problems on the job arising from electric power and other sources of energy, an outbreak of fire, motor vehicles, a slippery floor, falling objects, and other sources of risk.

Typical examples of appropriate designs, techniques, and control methods are as follows:

- Using sensors to monitor places of potential risks
- Blocking off sources of power to machinery by locking it (Lock out)
- Displaying tags warning against manipulating an energy blocking device while the source of power is blocked (Tag out)
- Providing such protective equipment such as safety goggles, hard hats, and gloves.

3. Hygiene in the workplace

We request our Procurement Partners to grasp the conditions of the workplace with regard to noxious organisms, chemicals, noise, foul odors, and other elements that are harmful to the human body, and to take appropriate countermeasures.

Examples of chemicals harmful to the human body include smoke, soot, mist, dust, poisonous substances, nuclear radiation, and other toxic substances (e.g., lead, asbestos) that cause chronic diseases. Other elements subject to the provision in this section include noise and foul odors that exceed certain levels.

Typical examples of appropriate countermeasures are as follows:

- Identifying and assessing the chances of employees directly handling such harmful materials
- Establishing and implementing control criteria for said materials
- Providing employees with appropriate education/training and protective equipment

4. Industrial accidents and diseases

We request our Procurement Partners to track the occurrence status of industrial accidents and diseases, and to take appropriate countermeasures.

Appropriate countermeasures refer to such systems and measures that:

- Encourage employees to report such occurrences.
- Classify and record industrial accidents and diseases.
- Provide medical treatment as necessary.
- Investigate and take corrective action to eliminate the causes of industrial accidents and diseases.
- Assist in the return of affected employees to the workplace.

(Appropriate countermeasures also include the provision of workers' accident insurance.)

The necessary procedures with administrative agencies must also be followed in accordance with applicable legislation.

5. Responses to emergency

We request our Procurement Partners to prepare all necessary measures to adequately respond to an emergency, assuming the occurrence of possible disasters and accidents, in order to protect human safety and lives, and to thoroughly disseminate knowledge on such measures in the workplace.

Typical responses to emergency are as follows:

- Promptly reporting of the occurrence of an emergency
- Notifying all employees of the same
- Making clear the method of evacuation
- Having proper personal-protective equipment available for the safe evacuation of a facility
- Storing emergency first-aid medical kits
- Ensuring that proper building-safety equipment such as fire alarms, fire doors, emergency exits, or sprinkler systems are installed in all facilities
- Securing a means of external communications
- Developing and having a restoration plan in place

Examples of disseminating knowledge in the workplace are as follows:

- Implementation of emergency response education/training for employees (including evacuation drills)
- Keeping a document on emergency response procedures or similar document where easily accessible to employees, or posting the same in the workplace

6. Giving consideration to work imposing undue physical load on employees

We request our Procurement Partners to identify all types of work that impose undue physical load on employees, and to properly control such work in order to prevent accidents and injury from being caused by the same.

Work that imposes undue physical load on employees includes not only hard labor such carrying heavy objects manually, but also long-lasting, repetitive, and continuous work such as assembly work and data entry.

Examples of proper control are periodic breaks, the provision of work-supportive devices, and having multiple workers share and cooperate in performing above-mentioned types of work.

7. Safety and health in facilities

We request our Procurement Partners to properly maintain safety and health in all facilities that are provided for their employees (e.g., dormitory, canteen, restrooms).

The facilities that are provided for employees are those in the workplace intended for use by the employees (e.g., restrooms, drinking fountains, locker rooms, canteen) and the facilities provided for employees outside the workplace (such as a dormitory).

Examples of measures to secure safety and health include maintaining cleanliness and hygiene, as well as securing safe drinking water, fire-fighting equipment, air ventilation, temperature control, emergency evacuation routes

(emergency exits), and the secured storage of personal belongings.

8. Healthcare for employees

We request our Procurement Partners to implement proper healthcare for their employees.

Proper healthcare means making efforts to prevent diseases affecting employees and detect such diseases at an early stage by implementing medical checkups at least at the level mandated by applicable legislation. It is also necessary to give sufficient consideration to preventing health impairment due to excessively heavy labor, and care for mental health.

IV. Consideration of the Environment

1. Control of chemicals contained in products

We request our Procurement Partners to control the chemicals used in relation to all of their products as designated by applicable laws and regulations, and to comply with the Nikon Green Procurement Standards.

Control of chemicals used in relation to products means that the products must not contain any chemicals prohibited by law, and, in addition, that the manufacturers must comply with the required obligation of labeling/marketing their products, and conduct the required tests and evaluations.

2. Control of chemicals used in manufacturing processes

We request our Procurement Partners to control the chemicals designated by local laws and regulations, and to comply with the Nikon Green Procurement Standards.

Control of chemicals in manufacturing processes refers not only to controlled chemicals that may not be contained in the products, but also to grasping and reporting to competent administrative bodies the amounts of chemicals emitted into the external environment, and making efforts to reduce the emissions of such chemicals.

3. Environmental management system

We request our Procurement Partners to establish and implement an environmental management system, and to comply with the Nikon Green Procurement Standards.

Environmental management system here refers to a mechanism of overall management to promote environmental activities, including organizational structure, planning activities, sharing responsibility, practices, procedures, processes, and management resources. Environmental activities mentioned here refer to developing, implementing, achieving, reviewing, and maintaining environmental policies in order to implement continual improvement by applying the so-called PDCA (Plan Do Check Action) closed loop.

A typical example of an environmental management system is ISO14001, for which third-party certification can be received.

4. Minimizing environmental impact (wastewater, sludge, exhaust air, and other pollutants)

We request our Procurement Partners to comply with local laws and regulations related to wastewater, sludge, exhaust air, and other pollutants, and to achieve further improvement by using voluntary standards as needed.

Voluntary standards mean establishing goals for reducing environmental loads beyond the levels prescribed by laws and regulations. Examples of voluntary standards are those for improving the methods of monitoring, controlling, and disposing of wastewater, sludge, exhaust air, and other pollutants, and reducing the amounts of outflows, not only as a means of preventing environmental pollution, but also as an activity for further improvement.

5. Environmental permits/Administrative licenses

We request our Procurement Partners to obtain any and all required permits and licenses from administrative bodies in accordance with local laws and regulations, and to submit any required management reports to those administrative bodies as required.

In Japan, examples of special functions that must be established in applicable factories and performed by persons acquiring certain qualifications in accordance with the provisions of applicable laws and regulations are as follows:

- Management representative for industrial waste subject to special control, as required by the Waste Disposal and Public Cleaning Law
- Qualified person for energy management at factories consuming a certain

amount of energy or more, as required by the Law concerning the Rational Use of Energy

- Manager in charge of pollution control at factories emitting chemicals, dust, and/or soot, as required by the Clean Air Act

Depending on the chemicals used in an operation, obligations are also imposed on applicable factories to appoint persons responsible for controlling poisonous and deleterious materials, the “Specified Chemical Substances”, dangerous objects, and other hazardous materials.

Depending on the nature of business and location of a factory, a permit or license may also be required from administrative bodies for an evaluation of environmental impact, facilities handling dangerous objects, and relevant situations.

6. Effective use of resources and energy (3R)

We request our Procurement Partners to establish a voluntary goal of conducting resource and energy saving activities, and to strive to effectively use resources and energy on a continuous basis.

Resource saving means to effectively use resources. Examples of how to achieve this goal are reducing the volumes of materials used for products and resulting waste, and promoting the utilization of recycled resources and the recycled parts of products.

Energy saving means to rationalize the use of heat and electric energy. By saving energy, such fuel resources as petroleum, natural gas, coal, and coke can be used more effectively.

3R stands for Reduce, Reuse, and Recycle.

7. Reduction of the emissions of greenhouse gases

We request our Procurement Partners to establish a voluntary goal of reducing greenhouse gases, and to strive to continuously reduce the emissions of such gases.

Although there are various types of greenhouse gases, the description here denotes in particular the following six gases as designated by the Kyoto Protocol: carbon dioxide, methane, dinitrogen monoxide, HFC, PFC, and SF6. An example of an activity for achieving a continuous reduction would be establishing a voluntary goal of reduction, and then formulating and implementing plans to reduce the emissions of these six types of greenhouse gases.

8. Reduction of waste

We request our Procurement Partners to establish a voluntary goal of reducing the volume of absolute waste, and to strive to continuously reduce the generation of such waste.

Absolute waste here means all forms of waste that must be disposed of in a landfill or by incineration.

An example of an activity for achieving a continuous reduction would be establishing a voluntary goal of reduction, and then formulating and implementing plans to reduce the generation of absolute waste.

9. Disclosure of information on environmental preservation activities

We request our Procurement Partners to disclose information about the outcomes of environmental preservation activities as the need may arise.

The outcomes of environmental activities refer to the measures taken for environmental preservation, substances emitted into the atmosphere, wastewater, soil, the amount of resources used and volume of waste, and other results, and also include outcomes harmful to the environment caused by the relevant establishment described below.

In order to regularly sum up the outcomes, an organization is established to conduct environmental preservation activities together with the person responsible, and keep detailed records of the control goals of the activities, the extent of achieving those goals, and other important matters related to the environment.

An example of the method of disclosure would be the publication of an environmental report and reporting to stakeholders as required.

V. Contribution to Society

1. Contribution to society and local communities

Procurement Partners are encouraged to voluntarily conduct activities that may contribute to the evolution of international society and local communities.

Activities that may contribute to the evolution of international society and local communities refer to activities for supporting communities by utilizing the corporation's management resources, and generally indicate the following contributions:

- Contribution to society by utilizing the corporation's inherent management resources and technologies
- Contribution of a non-monetary nature by utilizing corporate facilities, human resources, etc.
- Contribution to society through monetary donations

Concrete examples of such activities are cooperation with the community in case of a disaster, voluntary activities undertaken by employees, support of NPO/NGO activities, donation-related activities, and the provision and introduction of various sorts of information. Each company should determine the scope of activities that it can conduct, and endeavor to make a positive contribution to society.

VI. Information Security

1. Defense against threats to computer networks

We request our Procurement Partners to take appropriate defensive measures against threats to their computer networks and to manage the networks in order not to cause any damage to their own or other companies.

Threats to computer networks refer to, for example, computer viruses, computer worms, spyware, and similar forms of malicious software.

Should a computer connected to the Internet become infected by a computer virus, for example, customer and confidential information stored on that computer are likely to be leaked out and the computers of other companies could be attacked, causing such serious damage as delays in operation and a collapse of credit.

Therefore, it is important to take effective measures against such threats to computer networks for preventing any negative impact either inside or outside the company.

2. Prevention of leakage of personal information

We request our Procurement Partners to properly control and protect the personal information of customers, third parties, and employees.

Personal information refers to information about existing individuals that can identify a specific person by name, date of birth, or other descriptions contained in such information (including information that can be easily cross-checked with other information, and thereby identify a specific person). Proper control here means structuring and operating an overall management scheme for personal information, including the preparation of regulations and policies to be observed by employees and others, formulating plans, implementing necessary measures, and conducting audits and reviews based on the management scheme.

Proper protection here means prevention against the illegal or improper acquisition, utilization, disclosure, or leakage of personal information.

3. Prevention of the leakage of customer and third-party confidential information

We request our Procurement Partners to properly control and protect confidential information received from customers and third parties.

Confidential information generally means information disclosed in writing or similar manner (including electromagnetically or optically recorded data information) that is agreed to be handled as confidential, or which is orally disclosed after or upon declaring its confidentiality.

Proper control here means structuring and operating an overall management scheme for confidential information, including the preparation of regulations and policies to be observed by employees and others, formulating plans, implementing necessary measures, and conducting audits and reviews based on the management scheme.

Proper protection here means prevention against the illegal or improper acquisition, utilization, disclosure, or leakage of confidential information.

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These Guidelines may be revised without prior notice.

Revision History		
Revision Date	Edition	Major Revisions
December 1, 2007	Ed. 1	Established
December 1, 2011	Ed. 1.1	- Wording changes in Basic Procurement Policy - Added “conflict minerals issues” to “3. Respect for Human Beings,” and - Added “biodiversity” to “4. Consideration for the Environment” in the Nikon Procurement Partners’ CSR Guidelines (Summary)
February 1, 2013	Ed. 1.2	Added wording in Basic Procurement Policy Added Policy on Conflict Minerals as supplement
May 1, 2013	Ed. 1.3	Added Paper Procurement Policy as supplement

<Supplement>

[Policy on Conflict Minerals]

◆ Policy on Conflict Minerals

In view of the situation that four minerals (conflict minerals: tantalum, tin, tungsten and gold) mined in the Democratic Republic of the Congo and its neighboring countries are used to finance armed groups, aggravating conflicts, human rights abuses and environmental destruction, Nikon shall not, with the cooperation of our Procurement Partners, use conflict minerals mined or intermediated by armed groups.

◆ Operation Policy

We request our Procurement Partners to understand and agree to cooperate with our Policy on Conflict Minerals. Our Procurement Partners are also encouraged to cooperate with the surveys and audits conducted by Nikon and to perform responsible procurement of mineral resources within its supply chain.

[Paper Procurement Policy]

◆ Paper Procurement Policy

Nikon shall procure paper with concern given to biodiversity conservation and sustainable use of forest resources.

◆ Operation Policy

- 1) In procuring paper, Nikon shall preferentially purchase paper made with concern for the environment based on the following principle:
We shall preferentially purchase FSC-certified paper or 100% recycled paper (R100).
- 2) In case the paper described in item 1 above is unavailable, we shall purchase the following as a second-best paper:
 - A) Paper certified by a reliable certification system other than the FSC or recycled paper other than R100.
Ensure that the paper is not obtained from a forest of high protective value, such as those defined as HCVFs or by the FSC;
or
 - B) Paper confirmed to be compliant with relevant laws and regulations.
Raw timber for the procured paper shall be trimmed following an appropriate procedure according to laws pertaining to forests in the country or region where the raw timber is produced.
- 3) We shall avoid purchasing paper materials made by a company deemed to have environmental or social problems in its material procurement and business activities.