



Nikon Optical Canada Inc.

2024 | Forced Labour and Child Labour in Supply Chains Report

Nikon Optical Canada Inc.

Forced Labour and Child Labour in Supply Chains Report | 1

ABOUT THIS STATEMENT

This report has been prepared and submitted in accordance with the requirements of Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "**Act**"). It outlines the steps Nikon Optical Canada Inc. ("**Nikon Optical Canada**", the "**Company**", "**we**", "**us**", "**our**") has taken for the financial year ending December 31st, 2024 to prevent and reduce the risk of forced labour or child labour (also known as modern slavery) in its business and supply chains. This revised report supersedes the report dated May 31, 2025, previously filed by the Company.

1. INTRODUCTION

Nikon Optical Canada is committed to identifying and mitigating the inherent human, legal, financial, and reputational risks associated with forced labour and child labour within its operations and supply chains. We also recognize the importance of contributing to a sustainable and inclusive future.

Such values inspire the way we manage our procurement activities. During the last financial year, we have taken the following steps to prevent and reduce the risks that forced labour or child labour be used within our operations and supply chain:

- We maintained grievance mechanisms for our employees, ensuring that any violation of our policies is promptly reported and acted upon.
- We continued to apply thorough procedures to ensure that relevant information is gathered on worker recruitment, in compliance with applicable laws and regulations.
- We carried our business activities in accordance with principles of ethical conduct to prevent human rights abuses within our business activities, drawing inspiration from the best practices of leading entities within our corporate group.

Our safeguards against modern slavery risks are reinforced by the fact that our international sourcing practices are closely intertwined with the global supply chain of our affiliated entity and principal commercial partner, which maintains robust modern slavery policies and due diligence processes to ensure compliance with international labour standards and ethical sourcing practices.

Further recognizing our responsibility to uphold and safeguard human rights, we are actively engaged in the development and integration of additional practices and procedures in the near future, which will align with our own risk profile and the specific characteristics of our operational activities.

2. STRUCTURE AND ACTIVITIES

Nikon Optical Canada is a Canada-based corporation, owned by Nikon-Essilor Co, a Japanese company which is a joint-venture between two multinational companies, Nikon Corp. and Essilor International (the "**Joint Venture**"). The Company's headquarter is located in Montreal, Canada, and employs approximately 160 individuals across the country.

Nikon Optical Canada Inc.

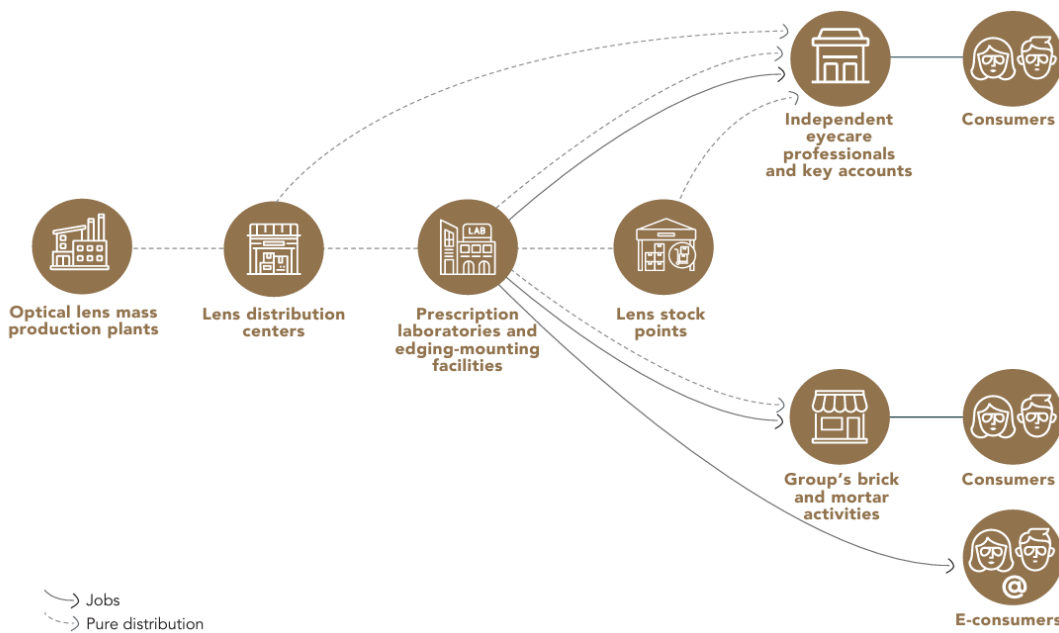
Nikon Optical Canada is dedicated to providing solutions for eye care professionals. Our operations include the importation, the production and distribution of ophthalmic lenses and related optical products into Canada. We operate three production facilities and laboratories situated in Québec, Ontario and British Columbia. These Canadian sites uphold our commitment to ensuring the highest standards of quality and service.

3. SUPPLY CHAINS

Nikon Optical Canada, through the Joint Venture, operates a vertically integrated business model, from product development and manufacturing to distribution to eyecare professionals.

Balancing speed, efficiency and proximity, we acquire our semi-finished and stock lenses through our Joint Venture’s global supply chain, which operates in the United States, Brazil, Western Europe and Asia-Pacific, while lens finishing is done in our Canadian facilities as well as through our Joint Venture. This facilitates business continuity and contributes to timely manufacture and delivery of products and services to our customers.

Nikon Optical Canada’s Supply Chain



4. POLICIES AND DUE DILIGENCE PROCESSES

Nikon Optical Canada strives to create and foster a positive work environment. Our values include respect for others and for the highest standards of ethics and integrity, including compliance with laws and policies, and we believe in the importance of continuing to embed responsible business conduct into our policies and management systems, including with regards to any risks related to forced labour and child labour.

4.1. Employee Handbook

Nikon Optical Canada Inc.

In our Employee Handbook, we recognize the importance of contributing to a sustainable and inclusive future both in our production methods, where we aim to reduce, reuse and recycle as much material as possible, and by hiring employees who share this commitment. The Employee Handbook also includes internal policies, recognizing our responsibility for fostering a positive, healthy and inclusive work environment:

Policy to Prevent and Counter Work Harassment – Nikon Optical Canada has zero tolerance for any form of harassment. The Company aims to establish and maintain a healthy work environment free from harassment, in any form whatsoever, and to ensure that all employees are treated with integrity, respect and dignity. We have put in place several mechanisms to deal diligently with harassment situations and oblige each employee to acknowledge and sign the policy, which enumerates their responsibilities in this respect.

Health and Safety Policy – Nikon Optical Canada is committed to providing and maintaining a safe work environment to all its employees by complying with applicable legislation with respect to occupational health and safety. Each employee is also required to acknowledge and sign such policy.

Grievance Mechanism - Nikon Optical Canada provides access to a confidential reporting email address, connected to the human resources department, for our employees to raise any ethical concerns, difficulties encountered, irregularities, general questions about our policies, and suggestions for our management team to their immediate supervisor or to another member of our management team on how we can improve our organization. Our policy is to give a response or follow-up to all cases, within a reasonable period of time depending on the nature of the alert. Following our review, appropriate corrective measures may be taken as well as disciplinary measures, in the event of proven misconduct by an employee. As long as the alert is made in good faith, even if it turns out to be moot, no sanction can be taken against its initiator, and Nikon Optical Canada does not tolerate any retaliatory measures.

Although we have not been providing training to our employees specifically on forced labour and child labour issues, we regularly train our employees on our internal policies and on health safety matters.

4.2. Worker Recruitment

The Company is committed to fair and unbiased recruitment, retention, and advancement practices. We have protocols in place to ensure that our employee hiring practices comply with relevant legal and regulatory standards and that we offer a secure work environment where our employees can work freely and fairly.

As part of our recruitment efforts, we have a preferred list of reputable recruitment agencies. We rigorously vet these agencies to ensure that they maintain high standards, which includes performing criminal background checks and verifying references, identity, and work permit. For the recruitment of certain key personnel, our human resources department takes on the responsibility of conducting these background checks.

4.3. Ethical Conduct

Nikon Optical Canada Inc.

Inspired by our Joint Venture's Code of Ethics, we promote ethical behaviour, to protect human rights and labour conditions and to ensure suppliers are supporting such commitments. We believe in the importance of protecting the mental and physical well-being of employees by creating an inclusive and respectful work environment free of any form of discrimination, intimidation or harassment and to apply high occupational, health and safety standards.

Our Ethics Program underlines the importance of fostering a positive culture, which is a shared responsibility between the Company and its employees, championing our core values such as respect for others and for the highest standards of ethics and integrity, including compliance with laws and Company policies.

4.4. Due Diligence Processes and Other Policies

Most of our international procurement activities are conducted under the umbrella of our Joint Venture's global supply chain which is operated in accordance with a Code of Ethics outlining the importance of identifying and monitoring risks. The Code of Ethics provides for three lines of defense to ensure the implementation and compliance with its provisions, which mechanisms include periodic audits conducted by the internal audit department. This allows to prevent and remediate material breaches of human rights and fundamental freedoms that could arise as a result of its activities and those of suppliers and subcontractors in the supply chain.

To ensure responsible sourcing, procurement divisions within the Joint Venture conduct several due diligence processes, including risk-based due diligence and background checks on its business partners, the completion of a self-assessment questionnaire, audits and on-site inspections. Similarly, business partners are expected to perform risk-based due diligence within their own operations and supply chain, which is crucial to preventing, monitoring and mitigating risks associated with human rights considerations.

Furthermore, the Joint Venture's Business Partners' Code of Conduct sets out expectations towards business partners in terms of business ethics, labour and human rights, fundamental freedom, health and safety, and environment, and provides for the right to request remedial actions or improvement plans, or to terminate the contractual relationship in the event of potential or confirmed violation of the Code of Conduct by a supplier.

Nikon Optical Canada remains committed to the development and integration of comparable practices and procedures in the near future, while tailoring them to align with its own risk profile and the specific characteristics of its operational activities.

5. RISK ASSESSMENT & REMEDIATION MEASURES

Nikon Optical Canada recognizes modern slavery as a severe violation of human rights, and it is committed to respecting and promoting human rights across its entire business and value chain.

Our direct operations are located in Canada, where we believe the risk of forced labour or child labour is limited, our operations being conducted in strict compliance with applicable laws and regulations.

As a large retailer sourcing goods globally from direct and indirect vendors, Nikon Optical Canada acknowledges that modern slavery practices are likely to be present somewhere within its supply chain, and that there may

Nikon Optical Canada Inc.

be a key source of complexity in identifying and managing some of these risks. Some of these risks are influenced by a range of factors, including geography, sector, and product specific factors. As such, we intend to conduct an assessment in the near future to identify any risks and to prevent or mitigate impacts.

To address any challenges and evolving conditions related to modern slavery risks within our supply chain and operations, Nikon Optical Canada continuously adapts from its Joint Venture's ethical sourcing programs and supporting governance practices, whose primary focus is on the identification, monitoring and prevention of risks, as well the resolution of human rights violations and includes an audit plan assessing the risks associated with vendors, identifying country risk and sustainability key risks and ensuring that business partners are in compliance with applicable requirements.

Given that the Company has not identified any instances of forced labour or child labour in both its activities and those of its supply chains during the last financial year, it has not taken any measures to remediate such occurrences or any loss of income in the most vulnerable families resulting from any such measures. If any instances are identified following our assessment, Nikon Optical Canada is committed to act and take appropriate measures to remediate such occurrences.

6. ASSESSING OUR EFFECTIVENESS

The Company believes in the importance of assessing its effectiveness in ensuring that forced labour and child labour are not being used in its activities and supply chains. As such, we remain committed to reviewing our relevant policies and practices regularly to ensure that they are adapted to our business and risk level, and to enhance our practices as necessary.

7. APPROVAL AND ATTESTATION

This report was approved by the board of directors of Nikon Optical Canada Inc. on May 26, 2025 pursuant to subparagraph 11(4)(a) of the Act and constitutes Nikon Optical Canada's report for the financial year ending December 31, 2024.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

I have the authority to bind Nikon Optical Canada Inc.

Disclosed by


058467142295487...

Name: Charlotte Louet

Title: VP Finance & RH

Date: 5/26/2025

Nikon Optical Canada Inc.