

## **Canon Europa NV, Canon Europe Ltd, and Canon UK Ltd Modern Slavery Act Statement for Year Ended the 31st of December 2021**

Canon Europa NV, located in Amstelveen (The Netherlands), Canon Europe Ltd, located in Uxbridge (UK), together referred to as Canon Europe, and Canon (UK) Ltd, situated in Uxbridge (UK), make this statement pursuant to the United Kingdom Modern Slavery Act (2015). This statement aims to provide transparency on our policies and due diligence strategy to prevent the occurrence of modern slavery in our operations and supply chains for the fiscal year-end on the 31st of December 2021.

### **OUR BUSINESS**

Canon Inc. is a Japanese corporation established in 1937. Its headquarters is in Tokyo, Japan. Canon Inc. is the parent company of the Canon Group, which develops, manufactures, and sells office multifunction devices (MFDs), plain paper copying machines, laser printers, cameras, inkjet printers, diagnostic equipment, lithography equipment, and other products. Canon Europe is a subsidiary of Canon Inc, a world-leading innovator and provider of digital imaging technologies for people, businesses, and industry.

Canon Europe is one of Canon's regional headquarters looking after its strategy creation, marketing, service, and support for its markets in Europe, the Middle East, and Africa (EMEA region).

Canon UK is a UK marketing and sales operation subsidiary of Canon Europa NV. On the 31st of December 2021, Canon UK employed 1,403 people in various locations, including the head office in Uxbridge and offices in London, Elstree, Birmingham, and Romford.

As of the 31st of December 2021, Canon Inc. 's global consolidated net sales were 3,513.4 billion yen, and the Canon Group had approximately 184,000 employees. In Europe, Canon totalled sales of 894.9 billion yen and had a workforce of approximately 12843 employees over the same period. Further details about our corporate activities can be found on the Canon website: <https://global.canon/en/>

### **OUR SUPPLIERS**

Unlike many manufacturers, Canon does not fully outsource assembly operations or other production processes to outside contractors. Canon places great importance on manufacturing and carries out product assembly as well as manufacturing of certain components, parts and materials in the house at Canon Inc.'s operational sites or Group manufacturing companies.

Group manufacturing companies located in Japan, China, Taiwan, Malaysia, Thailand, the Philippines, Vietnam, the United States and Europe are responsible for supplying Canon products to Canon Inc. and Group marketing subsidiaries and affiliates. As the head of the Canon Group, Canon Inc. supervises Group manufacturing companies that directly employ large numbers of people.

Canon production sites also have partnerships with thousands of suppliers unaffiliated with the Canon Group, from whom they purchase considerable numbers of components, such as electronic parts, mechanical parts, units and materials.

#### Canon's Supply Chain

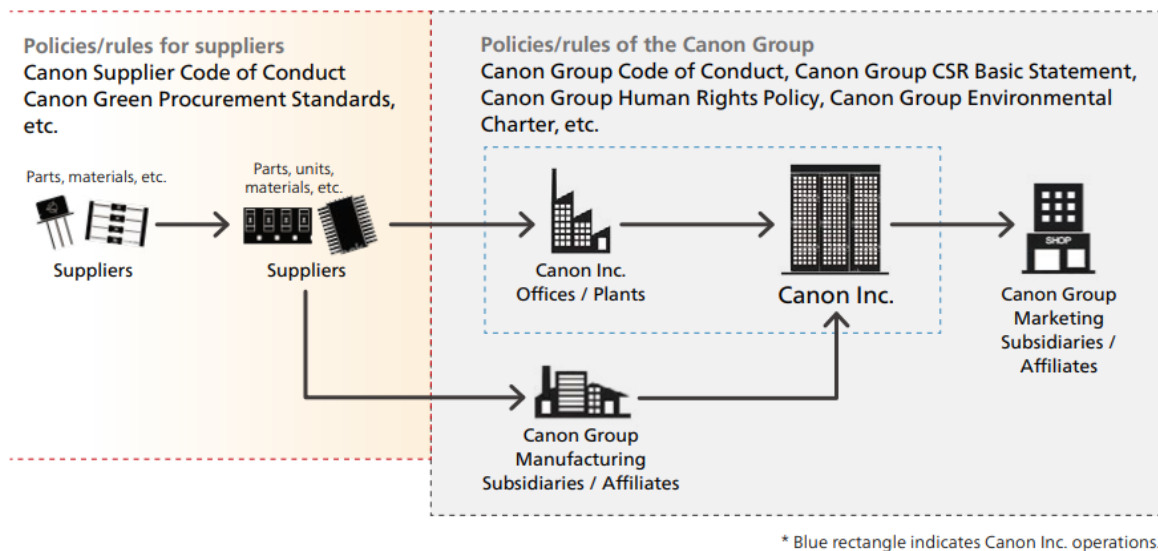


Figure 1: Canon Supply Chain

Canon Europe and Canon UK directly obtain almost all of their commercial products from Canon Inc. In Europe and UK, we source printing paper, packaging, and relatively small numbers of non-canon commercial products, mostly from regional suppliers. We also source various services from suppliers across the EMEA region and beyond, including warehousing and distribution, real estate and facility management, ICT, marketing and communication, finance, travel, etc.

## OUR POLICIES & OUR CODES OF CONDUCT

Canon's corporate philosophy is *kyosei*, which means "living and working together for the common good." *Kyosei* philosophy supports a society in which all people, regardless of race, language, or culture, harmoniously live and work together for the common good.

Canon believes that respect for human rights is fundamental to our business and corporate management.

Further details on: <https://global.canon/en/vision/philosophy.html>

### Canon Group Human Rights Policy

The Canon Group Human Rights Policy expresses Canon Group's commitment to respect human rights and take measures to protect human rights under the corporate philosophy stated above. This policy specifies that Canon commits to respect international initiatives such as the Universal Declaration of Human Rights, the United Nations' Guiding Principles on Business and Human Rights, the International Labour Organization (ILO) Declaration on

Fundamental Principles and Rights at Work, and the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises.

This policy was established in 2021 and signed by Canon Inc.'s Chairman and CEO.

A copy of the policy is available to the public via our website: [Canon Group Human Rights Policy \(bigcontent.io\)](https://www.bigcontent.io/canon-group-human-rights-policy)

### *Our CSR Statements*

Respect for human rights is fundamental to our CSR strategy. The Canon Group CSR Basic Statement issued in 2017 and reviewed in 2021 is available via [Canon Group CSR Basic Statement \(global. Canon\)](https://global.canon.com/CSR/BasicStatement)

### *Our Code of Conduct*

The Canon Group Code of Conduct, established in 2001, sets the standards to which executives and employees of the Canon Group are required to conduct their duties. Based on the Code of Conduct, the Group has formulated a range of policies, covering matters such as human rights, labour, the environment, legal compliance, procurement, and security, to govern its business activities.

The Canon Supplier Code of Conduct, reviewed and updated in 2021, adopts the Code of Conduct of the Responsible Business Alliance (RBA). This document acts as the basis for fulfilling social responsibilities in the supply chain.

For more details: [Canon Supplier Code of Conduct \(global. canon\)](https://global.canon.com/SupplierCodeofConduct)

Canon Europe and Canon UK introduced a Supplier Code of Conduct in 2013 that applies to all suppliers. It is embedded in General Purchase Terms and Conditions and procurement contracts. We expect all of our suppliers to operate according to this Code and follow the principles contained within the International Bill of Human Rights principles, the Covenants of the ILO, and other relevant international treaties and covenants. This Supplier Code of Conduct requires suppliers to “ensure not to use or facilitate any forced or compulsory labour, including debt bondage, trafficking and other forms of modern slavery.”

### *Our Procurement Policy*

Our Procurement Policy sets out the Canon Group's basic approach to procurement. We request all suppliers to ensure that they understand and cooperate with the policy. Canon holds business briefings for suppliers at each Canon Inc. operational site and each Group production site, seeking suppliers understanding of procurement policies. We aim to share information with suppliers, strengthen collaboration, and grow together through such communication.

## *Our Whistle-blower Policy*

Canon Europe and Canon UK have local grievance mechanisms in place for employees (permanent and temporary workers as well as contractors) to raise their concerns on any conduct or compliance issue, including modern slavery. We ensure that there is protection and non-retaliation in place for employees who have made disclosures.

In 2021 our local whistle-blower policy was reviewed, updated and rebranded as the “ Speak Up Policy”. In January 2022, the Speak Up Policy and the reporting tool went live following employee communication.

In addition, Canon Group has a hotline to allow reports of any concerns about the supply chain. The portal can be accessed by anyone inside or outside the company via the Canon global website. For more details: [Inquiries about CSR Activities | Canon Global](#)

The portal can be used to report any specific concerns or information relating to child labour, forced labour, or other problems in human rights and occupational health and safety. The confidentiality of reporters is strictly maintained, and they are guaranteed not to suffer any unfair treatment for using the system. This process is detailed in the Canon Supplier Code of Conduct and publicised.

The Responsible Business Alliance, of which Canon is a member, offers a grievance mechanism called the Worker Voice Platform, allowing Canon’s stakeholders to raise specific human rights concerns.

In response to risk associated with conflict minerals, Canon established “Procedure for submitting concerns regarding Mineral Risk” on its website in 2015.

[Procedure for the Submission of Concerns Regarding Minerals Risk \(global. Canon\)](#)

parties can contact Canon through this page with specific concerns and/or information regarding the circumstances of extraction, trade, handling and export of minerals (tantalum, tin, gold and tungsten) in conflict-affected and high-risk areas, as they pertain to Canon product supply chains (such as facts indicating that those minerals are the source of funds for armed groups in conflict-affected areas and human rights violations)

## **Industry Coalition**

### *Responsible Business Alliance*

Canon Inc. became a member of the RBA in December 2019. The RBA is a non-profit organisation which was founded in 2004. It supports the rights and well-being of workers and communities worldwide affected by the global supply chain. Canon conducts self-inspections using RBA’s Self-Assessment Questionnaire at its domestic and overseas production sites to confirm that there is no risk of forced labour or unreasonable restrictions on movement. Canon is committed to further improving its corporate social responsibility within the supply chain by supporting the RBA Code of Conduct and utilising a range of RBA training and assessment tools.

## Responsible Mineral Initiative

Since April 2015, Canon has supported the Responsible Mineral Initiative (RMI) activities and an international program focused on addressing the issue of conflict minerals.

## UN Global Compact

Canon Europe has been a signatory to the UN Global Compact since January 2014, thereby fully supporting the Compact's ten principles, including eliminating all forms of forced and compulsory labour (Principle 4). Canon Europe is committed to ensuring that the principles are consistently followed across our business operations and supply chains.

For more details and access to the 2021 "Communication on Progress" report, please visit <https://www.unglobalcompact.org/what-is-gc/participants/30671>.

## OUR SUPPLY CHAIN RISKS AND DUE DILIGENCE

### Suppliers

When beginning dealings with a new supplier, Canon Inc. and Canon Group manufacturing companies conduct an assessment to ascertain whether the supplier meets Canon's standards in areas such as corporate ethics, global environmental conservation, production structure and finance. Corporate ethics covers legal compliance, human rights, labour, Health & Safety and management of confidential information. Only suppliers who meet these standards are registered on the supplier list.

Canon conducts an annual survey of suppliers registered on the list and makes a comprehensive evaluation based on the survey result.

We conduct on-site audits of suppliers with low evaluation results and provide guidance and instruction for improvement. In particular, Canon may choose to terminate business with suppliers if they are not complying with laws and social norms covering areas such as human rights, labour and the environment.

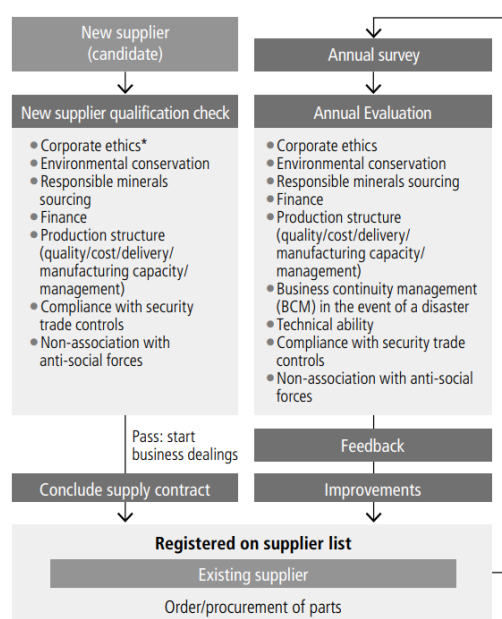


Figure 2: Supplier Evaluation System

In 2021, 326 major suppliers confirmed adherence to the RBA Code of Conduct via a letter of agreement. Canon also requests from second-tier suppliers understanding and adherence to the Canon Supplier Code of Conduct through the first-tier suppliers.

As a member of RBA, Canon Inc. continues to use the RBA questionnaire to assess major business suppliers. In 2020, 271 suppliers were surveyed, with 249 responses received. In 2021 this number was expanded to 346 major suppliers with 330 responses received. Canon provided suppliers assessed with feedback on the results, identifying points for improvement.

More details on Canon's supply chain management can be found on:

<https://global.canon/en/csr/management/supply-chain.html>

### *Entire Canon Group*

At Canon, the sustainability, legal, and human resources divisions of Canon Inc. serve as the promotion secretariats pursuing human rights measures.

In 2021, based on the UN Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidance for Responsible Business Conduct, Canon implemented human rights risk assessments throughout the entire Group. RBA's human rights country/region risk index has been used as the basis of the risk assessment program.

Each Canon division and Group company worked within the framework set by the Risk Management Committee to identify and evaluate the potential negative human rights impacts in their respective business activities, including the supply chain.

In order to have a more comprehensive risk assessment, Canon Inc. held dialogues with the Canon Workers' Union, which represents employees in Japan.

### *Conflict Minerals*

Canon investigates the countries of origin of minerals and exercises due diligence, following the 5-step framework recommended by the Organisation for Economic Co-operation and Development (OECD) in its Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD Guidance) (Third Edition). Canon undergoes audits by independent private sector experts to gain assurance on whether the Group's initiatives on conflict minerals investigation conform to international standards in the form of the OECD Guidance. An independent assurance report is attached to the Conflict Minerals Report filed with the U.S. SEC (Securities and Exchange Commission).

## *Canon Europe & Canon UK*

Canon Europe and Canon UK have also assessed modern slavery and human trafficking risks within their regional supply chains since 2016. In general, industries with a higher risk of modern slavery incidences include warehousing, distribution, facility management services, manufacturing, and forestry.

As a result of this ongoing assessment programme, supplier contracts in these industry segments contain strict requirements on modern slavery prevention. Adhering to Canon's policies and complying with our Code of Conduct has been fully embedded in Canon UK's procurement process.

Following the due diligence revision program that started in 2020, Canon UK and Canon Europe's supply chain assessment platform went under further improvement in 2021. We continue to work on a robust assessment process enabling us to drastically increase traceability, documentation management, mapping and reporting accuracy.

In addition to local improvements, in 2021, Canon UK and Canon Europe took part in the Canon Group Risk Assessment program.

Please refer to our latest official Sustainability Report via our website for further details on the Canon Group Risk Assessment program and its results.

## **TRAINING AND CAPACITY BUILDING**

To ensure Canon UK's new recruits have an adequate level of understanding of "Modern Slavery" as well as the possible risks in our operations, a bespoke and mandatory Modern Slavery training programme is assigned to new starters.

In 2020, Canon UK and Canon Europe developed and launched interactive refresher training accessible to all employees. We continued to run the refresher course in 2021. The course aims to refresh employees' understanding of this important subject and encourage and educate them on raising concerns or suspicions about modern slavery issues in any parts of our business or supply chain via our Speak Up portal.

In 2022 we aim to update the refresher training course content.

At Canon Inc., in conjunction with the establishment of the Canon Group Human Rights Policy in 2021, an e-learning program has been launched. The aim has been to instil basic knowledge about business and human rights and raise awareness of Canon's human rights initiatives. A total of 23,313 Canon Inc. employees completed the training in 2021 (92.5% participation rate).

## SIGNATURE

This statement is made pursuant to Section 54 of the Modern Slavery Act (2015) in respect of the financial year ended on the 31st of December 2021. The Boards of Directors of Canon Europa NV / Canon Europe Ltd/ Canon (UK) Ltd have reviewed and approved it on the 16<sup>th</sup> of June 2022.

Dated



Yuichi Ishizuka  
CEO & President Canon Europa NV and Canon Europe Ltd



Yusuke Mizoguchi  
Managing Director Canon UK Ltd