



GENDER PAY GAP REPORTING 2021

Canon



Founded in 1937, Canon is a leading technology company dedicated to helping people reimagine and push the boundaries of what is possible through imaging. Our continuous innovation has kept us at the forefront of imaging excellence throughout our 80-year history and has enabled us to develop industry-leading technology, supporting future demands of photographers, videographers, office workers, professional printers, medical imaging experts and more.

Canon UK was established in 1976 and provides Sales and Marketing functions across the UK & Ireland. With its head office in Uxbridge, operations are divided into two main units: Business solutions – providing printing and imaging equipment, supplies, and software for the office and professional markets; and Consumer imaging supplies – providing digital still and video cameras, printers, projectors and scanners.

We are constantly redefining the world of imaging for the greater good. Through our technology and spirit of innovation, we are helping to see our world in ways we never have before.

As we expand our expertise, invest in the right areas and capture growth opportunities, we offer total solutions for our customers' changing world – from image capture to ground-breaking 8K printed output, with a future focus on our smart world and frontline patient care. Our corporate philosophy of **Kyosei 'living and working together for the common good'** is at the heart of everything we do, and by constantly tackling new opportunities we continue to uphold this.

Sustainability is key to our mission of improving society and the lives of individuals. Our innovation in the Circular Economy, for example, aims to create a circular future for our products, business and the world around us. Canon has achieved global certification to ISO 14001, demonstrating a world-class environmental management standard.

We are also educating and empowering the next generation of storytellers through our **'Imaging for Good'** and **'Young People Programmes'**, where we aim to equip the next generation with the skills needed to really make a difference.

Canon's corporate philosophy of Kyosei is part of every area of our business. It helps us ensure we remain dedicated to seeing all people, regardless of culture, customs, language or race, harmoniously living and working together in happiness.

In 2020, we launched our people vision for Canon UK & Ireland: to be a diverse organisation that not only reflects our customers' diversity but ensures we're an inclusive place to work. The aim of this vision is to enable everyone to **bring their whole selves to work**; where they **are enabled to thrive and contribute to achieving our business goals**.

Historically, there has been a higher proportion of men than women working in our industry. We recognise we have work to do, and that consistent and continuous actions to push a greater balance of diversity are vital. As part of our 'Inclusive Culture' programme, broadening our diversity and inclusion agenda is a key priority for us in 2022 and beyond.



Under legislation that came into force in April 2017, UK employers with more than 250 employees are required to publish their gender pay gap.

In this report, we are sharing the median and mean (average) pay gaps between men and women's hourly ordinary pay and bonuses.

Under this legislation, we have to report six different pieces of information relating to the pay of the total included workforce population and these are:

PAY GAP, MEAN AND MEDIAN

This is the difference in hourly pay of male and female full-time relevant employees per 5th April 2021 snapshot date and this is expressed as a percentage of the hourly pay of male relevant employees. A positive number indicates men earn more than women; a negative number will mean the reverse. Pay is reported as both ordinary pay and bonus pay. The pay mean does not take into account the employees' position or job level so results can be misleading and can be skewed particularly if populations have a larger amount of male senior management employees. The median therefore provides a more representative measure of the pay gap since it's not impacted by any outliers.

BONUS PAY GAP, MEAN AND MEDIAN

This refers to the bonus pay paid to male and female relevant employees during the 12 months prior to the snapshot date, expressed as a percentage of the bonus pay paid to male relevant employees.

BONUS PAY PROPORTION

Bonus pay proportion refers to male relevant employees who received a bonus in the 12 months, expressed as a percentage of the male relevant employees; female relevant employees who received a bonus in the 12 months, expressed as a percentage of the female relevant employees.

QUARTILES

This organises the workforce into evenly sized quartiles based on ranking of all full-pay individuals from highest to lowest by hourly rate of pay. For each quartile, the number of full-pay male and females in each quartile is reported as a percentage of the total in the quartile.

It is important to remember that gender pay reporting is different to equal pay.

Equal pay deals with the pay differences between men and women who carry out the same jobs, similar jobs or work of equal value. It is unlawful to pay people unequally because they are a man or a woman.

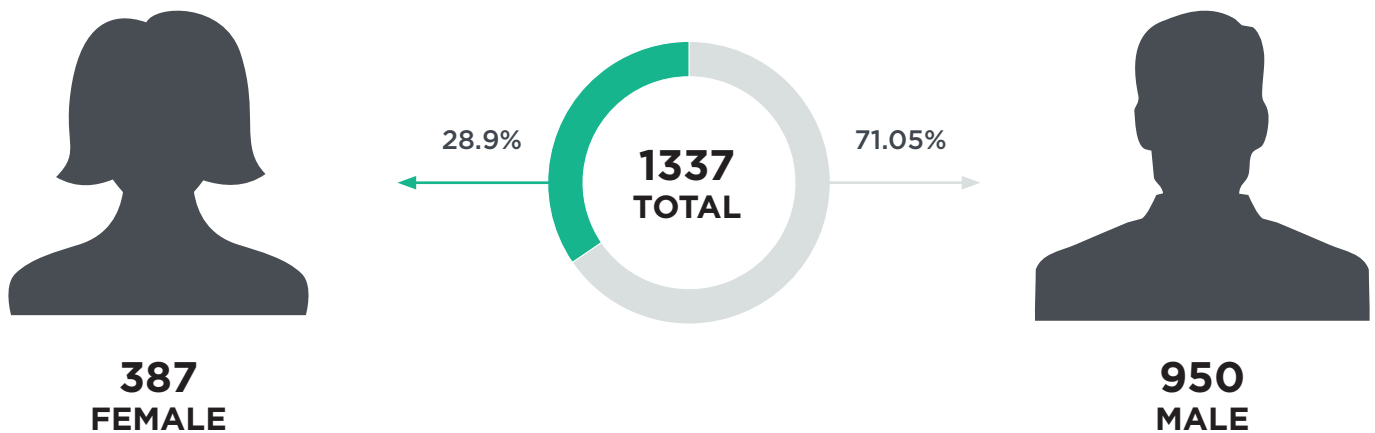
The gender pay gap shows the difference in the average pay between all men and women in a workforce. If a workforce has a particularly high gender pay gap, this can indicate there may be a number of issues to deal with, and the individual calculations may help to identify what those issues are.

OUR WORKFORCE

We collated our snapshot data on 5th April 2021 and from that, excluded non-relevant employees (those not receiving full-pay/those not employed by us on the snapshot date). This left us with an included workforce demographic for Hourly Rate as follows:

DEMOGRAPHICS - APRIL 2021

Our total included workforce, **28.94%** are women and **71.05%** are men.



OUR GENDER PAY GAP STATISTICS

The Office for National Statistics has published (Nov 2021) provisional gender pay gap results for all employee jobs in the UK in 2021 which shows the Median GPG to be 15.4%. This gives a point of reference when reviewing our results.

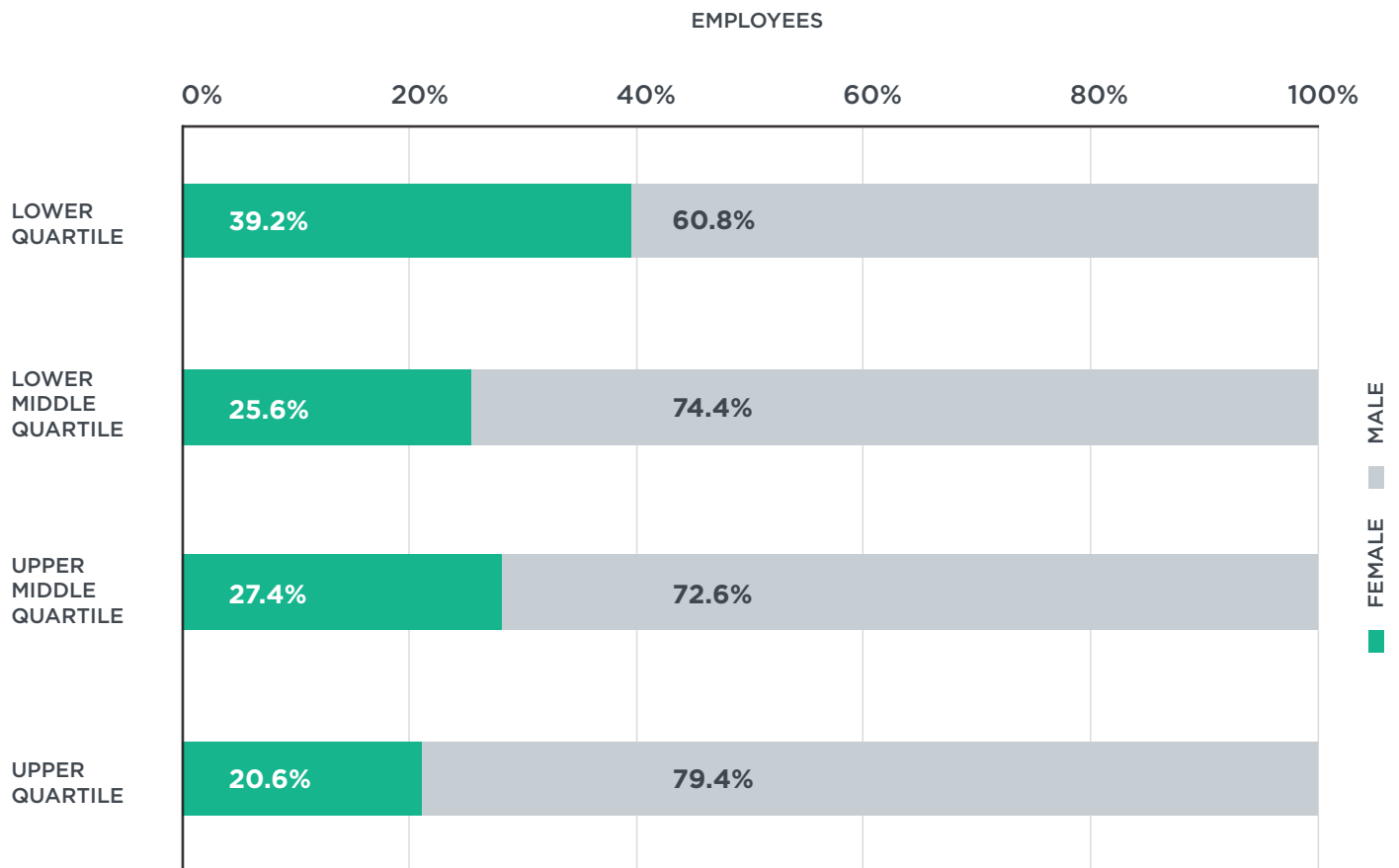
GENDER PAY GAP - SNAPSHOT DATA

The table below shows our mean and median hourly ordinary pay gender pay gap. Our gender pay gap mean has increased to 15.19%. Our median pay gap is 12.05%, which has continued to follow a downward trend since 2018.

	2020	2021
MEDIAN GENDER PAY GAP	14.12%	12.05%
MEAN GENDER PAY GAP	11.44%	15.19%

PAY QUARTILES

The below illustrates the gender distribution of all included employees for Canon UK across four equal quartiles. This chart gives an indication of the representation of women and men across different levels of the business based on their hourly pay. In our organisation, women occupy 39.2% of the roles with lower hourly pay rate and 20.6% of the roles with higher hourly pay rate. Year on year data shows a downward trend of the female proportion in the Lower Quartile which indicates that more females are moving upwards into the next higher quartile.

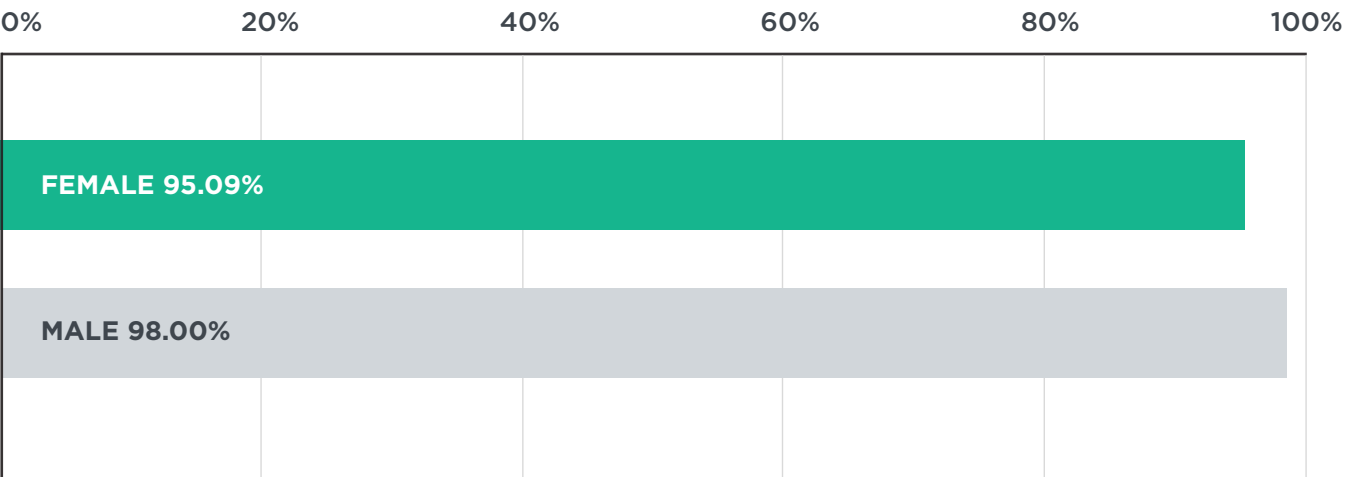


GENDER PAY GAP - BONUS

The below table shows our mean and median bonus gender pay gap.

	2020	2021
MEDIAN BONUS GENDER PAY GAP	33.17%	25.54%
MEAN BONUS GENDER PAY GAP	48.89%	37.29%

BONUS PAY PROPORTION



The above statistics show that out of all included women, **95.09%** received a bonus and **98.00%** of all included men received a bonus.

UNDERSTANDING OUR PAY GAP

Men have traditionally dominated the workforce in our industry, and this is reflected in our UK organisation where 71% of our employees are male and 29% are female. The make-up of our business – with more men at senior levels – means our average male salary is higher than our average female salary. Sales and service roles, which make up a substantial proportion of our workforce, are predominately held by men. In April 2021, all sales directors and the majority of sales managers were male, and these positions often attract a higher level of variable earnings, such as

commission which therefore impacts the hourly rate that we use to calculate the mean and median pay gap. In Canon UK, this was the case for our 2021 mean pay gap result which we understand has widened slightly compared to 2020. Despite this, our median pay gap result reflects our efforts and the progress that we are continuing to make in retaining and attracting women into higher paid positions. We are also pleased to see the mean and median bonus gap has decreased compared to 2020.



CLOSING THE GAP

We are putting a great deal of focus and commitment into building an inclusive culture at Canon UK and continuing our efforts to achieve gender diversity across our organisation, with an ambition to close the gap further. We are pleased to see this is already making a difference, with a reduction in the median pay gap and bonus pay gap in 2021 compared to 2020. As previously mentioned, this is largely due to the types of roles men and women in our industry and organisation fulfil.

Any gender pay gap tells us there is still work to do, and in 2022 we will be continuing to implement our action plans on building an inclusive culture. We have membership with Inclusive Companies with the aim of becoming an Inclusive Top 50 Employer by the end of 2023. Priorities for this year, some of which are a continuation from 2021, include:

- Working on building our Inclusion Employee Network and activities; in 2021 we celebrated several events including Pride, Black Inclusion Week, National Inclusion Week, Mental Health Awareness, International Women's Day. We will continue to take an intersectional approach in fostering an inclusive environment. 57% of our inclusion ambassadors are women;
- Mandating Conscious Inclusion training for all managers of which 80% in 2021 have already completed
- Running Safe Space conversations to help shape our inclusive culture strategy and action plans; there is a strong focus on women in Canon to better understand their experiences. Themes from the sessions were shared with our Executive Leadership team.
- Providing managers with training that increases awareness and offers practical advice on menopause and how they can best support their team. As part of our wellbeing offering, we're also providing 3 bitesize awareness sessions across the company and coaching women to help create their own blueprint for managing menopause;
- Reviewing our recruitment approach;
- Auditing our people and inclusion policies;
- And further developing our data and analytics to measure progress.

We believe we have the fundamentals of an inclusive culture and offer progressive and enhanced maternity, adoption and shared

parental leave policies to balance the demands of parenting between both parents. We review our maternity processes to ensure women are fully supported in their transition as they start maternity leave, and as they return to the workplace. We want to ensure women have a positive experience as we know this has the greatest impact on whether they choose to stay with us and, if they do, whether they make the progress they want or they should. We have Flexible Working and Family Friendly policies, and we aim to help employees successfully combine having a family whilst pursuing a career within Canon.

Our aim is to continue to enable more women to progress to senior management levels through mentoring, coaching and leadership and talent development programmes. In 2021, we offered managers

- A diploma programme for Psychological Approach to Coaching and 31% of the cohort were female.
- A Management Development programme in which 40% of the cohort were female.
- An opportunity for development, networking across departments and enhancing skills through our mentoring scheme, of which 41% of employees receiving mentoring were female.
- The Essential Leadership Conversations programme of which 42% of the employees were female.

We remain focused on improving the diversity within our development programmes.

We are keen to attract women early into careers at Canon and in 2021, 30% of our apprentices were women, and 50% of our interns were women. We are also seeing a positive transformation in our Senior Leadership team. Our female representation has increased in 2021 compared to 2020 from 36% to 46%. Since the 2021 data was taken, the first women in Canon EMEA has been appointed into a Business Unit Sales Leadership role in our UK organisation.

We believe that by creating a culture that values diversity and harnesses the unique ideas, opinions, perspectives and talents of all who work for and with us, we can enhance the organisation, our performance, our brand, and our ability to achieve our goals together.

DECLARATION

I confirm that the data reported is accurate and meets the requirements of the Regulations and methodology outlined in the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.



Yusuke Mizoguchi
Managing Director



Lyn Holmes
Finance Director