

Canon Supplier Code of Conduct

The Canon Supplier Code of Conduct ("Code") is set up by Canon EMEA in order to build Canon's business with all of its suppliers based on trust, teamwork, honesty and mutual respect. Canon expects all of our suppliers to operate on the same principles.

Canon believes in and supports the principles as set forth in the International Bill of Human Rights¹, the Covenants of the International Labour Organization ("ILO") and other relevant international treaties and covenants. Canon seeks commitment from you ("Supplier") as its partner, to comply with the specific standards of conduct as set out below as a minimum.

Supplier acknowledges and agrees that it will comply with this Code and that any non-compliance with the Code (also) constitutes a material breach of the then current agreement, the Purchase Terms or other terms and conditions applicable between Canon and Supplier. In such case of non-compliance, without prejudice to Canon's other rights and remedies, Canon has the right to immediately terminate the partnership.

1. Elimination of Forced Labour

Supplier ensures not to use or facilitate any forced or compulsory labour. Forced labour can take different forms, including debt bondage, trafficking and other forms of modern slavery. As a minimum the following conventions apply:

- ILO C29 Forced labour; □ ILO C105 Abolition of forced labour.

2. Child Labour

Child labour, as defined by the ILO and UN Conventions, is not permitted. As a minimum the following conventions apply:

- ILO C138 Minimum age; □ ILO C182 Worst forms of child labour.

3. Elimination of discrimination

Canon upholds principles of no discrimination based on ethnicity, gender, religion, social background, disability, political opinion or sexual orientation and encourages Supplier to uphold the same principles.

As a minimum the following conventions apply:

- ILO C111 Discrimination;
- ILO C159 Vocational rehabilitation and employment (disabled persons);
- ILO C169 Indigenous and tribal peoples.

4. Fair compensation

Supplier provides each employed person² at least the minimum wage or the prevailing industry wage in the country of de facto employment, whichever is higher, provides each employee a clear, written account for every pay period, and does not deduct from worker pay for disciplinary infractions. Weekly working hours must not exceed the legal limits. Wages shall be paid directly to the employee on time and in full. The lowest acceptable

salary level is minimum wage according to national legislation. As a minimum the following conventions apply:

- ILO C100 Equal remuneration between men and women; □ ILO C106 Weekly rest; □ ILO C131 Minimum wage fixing.

5. Hours of work/Overtime

Supplier shall comply with legally mandated work hours and will use overtime only when each employee is fully compensated according to local law while informing each employee at the time of hiring if mandatory overtime is a condition of employment. As a minimum the following recommendation applies:

- ILO R116: Hours of work.

6. Benefits

Supplier provides each employee all legally mandated benefits. Benefits vary by country, but may include meals or meal subsidies; transportation or transportation subsidies; other cash allowances; health care; child care; emergency, pregnancy or sick leave; vacation, religious, bereavement or holiday leave; and contributions for social security and other insurance, including life, health and worker's compensation. As a minimum the following conventions apply:

- ILO C102 Social security (minimum standards);
- ILO C118 Equality of social security benefits; □ ILO C121 Employment benefits – injury; □ ILO C183 Maternity protection.

7. Freedom of association and collective bargaining

In countries where the freedom of association is limited or in development, Supplier will ensure that employees can meet with the company management to discuss salaries and working conditions without negative consequences. As a minimum the following conventions apply:

- ILO C87 Freedom of association; □ ILO C98 Right to organise and collective bargaining

8. Occupational Health and Safety

Supplier shall provide a safe working environment for its employees which complies with international standards and all applicable local environmental, safety and health regulations. Suppliers will freely provide appropriate controls, safe work procedures, training and necessary technical protective measures and equipment to mitigate health and safety risks in the workplace. All employees shall have access to and use the appropriate safety equipment. Any of Supplier's activities that have the potential to adversely impact human or environmental health will be appropriately managed, measured, controlled and treated prior to release of any substance into the environment. Supplier ensures to have systems in place to prevent or mitigate accidental spills and releases. As a minimum the following convention and recommendation apply:

¹ Consisting of the [Universal Declaration of Human Rights](#) (adopted in 1948), the [International Covenant on Civil and Political Rights](#) (1966) with its two Optional Protocols and the [International Covenant on Economic, Social and Cultural Rights](#) (1966).

² An employed person is any kind of wage earner including an employee, a temporary employed person, a contractor, or a freelancer.

- ILO C155 Occupational health and safety
- ILO R164 Occupational health and safety.

9. Environment

Supplier shall strive to reduce energy and resource consumption as well as waste and emissions to the atmosphere, ground and water. Chemicals shall be handled in a way that is safe for humans and Environment.

Supplier will have systems in place to ensure the safe handling, movement, storage, recycling, reuse of materials or management of waste, air emissions and wastewater discharges.

Supplier is expected to use natural resources (e.g. water, sources of energy, raw materials) in an economical way. Negative impacts on the environment and climate will be minimized or eliminated as far as possible at their source or by changing practices accordingly. This may include changing materials used, conservation of resources, recycling and reuse.

Where relevant, Supplier shall comply with Canon's Green Procurement approach and associated questionnaires and audits and implement this approach with its own supply chain. For more information on this approach see <http://www.canon.com/procurement/green.html>

10. Good governance

Canon has a zero tolerance policy on bribery and corruption and expects the same from its suppliers. This applies to all business dealings and transactions in all the countries in which Supplier or its subsidiaries and business partners operate.

Canon expects Supplier to abide by the consolidated code of advertising, communications and marketing practices (International Chamber of Commerce) and undertake only honest, ethical and responsible advertising.

Supplier should promote fair, honest and transparent business and have in place good practices such as whistleblowing policies and its own corporate policies on governance.

11. Management systems and documentation

Supplier ensures it has implemented management systems to facilitate adherence to all applicable laws and to promote continuous improvement in its operations, including the items listed in this Code. This includes the communication of the criteria to their supply chain, implementing mechanisms to identify, determine and manage risks in all areas addressed by this Code and legal requirements.

Supplier maintains all documentation needed to demonstrate that it shares the principles and values in this Code and to demonstrate compliance. It further agrees to make these documents available for Canon or its designated auditor to inspect upon request and agrees to submit to any required investigations, audits or inspections by Canon or the competent authorities.

12. Training and competency

Supplier ensures appropriate training is in place or established to allow managers and employees to gain an appropriate level of knowledge and understanding of the Code.

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The Canon Supplier Code of Conduct is also available on http://www.canon-europe.com/about_us/coc/cenv/en