



GENDER PAY GAP REPORTING 2023

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're constantly redefining the world of imaging for the greater good. Through our technology and spirit of innovation, we're 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. This guiding principle is embraced by all Canon employees, and it shapes our mission and our values, the way we treat our people and conduct our business.

We respect each other as individuals and don't discriminate against others based on race, religion, nationality, gender, age, sexual

orientation, or any similar characteristics. We're committed to equal opportunities and encourage a respectful and diverse workplace in which each individual's unique value is recognised, and all are treated with courtesy, honesty and dignity.

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're also educating and empowering the next generation of storytellers through our 'Imaging for Good' and 'Young People Programme', where we aim to equip the next generation to make change in society and their futures through the power of imaging.

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're enabled to thrive and contribute to achieving our business goals.**

In 2023, Canon UK&I moved up the list of Top 50 Inclusive Companies in the UK to 27th place, a rise from 42nd place in 2022, reflecting our consistent progress. As part of our Inclusive Culture programme, broadening our diversity and inclusion agenda is a key priority for us in 2024 and beyond.

Historically, there's 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.

GENDER PAY GAP REPORTING

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're sharing the median and mean (average) pay gaps between men and women's hourly ordinary pay and bonuses.

Under this legislation, we must 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 as per 5th April 2023 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 doesn't 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 isn't impacted by any outliers.

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.

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's 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 that there may be a number of issues to deal with, and the individual calculations may help to identify what those issues are.

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.

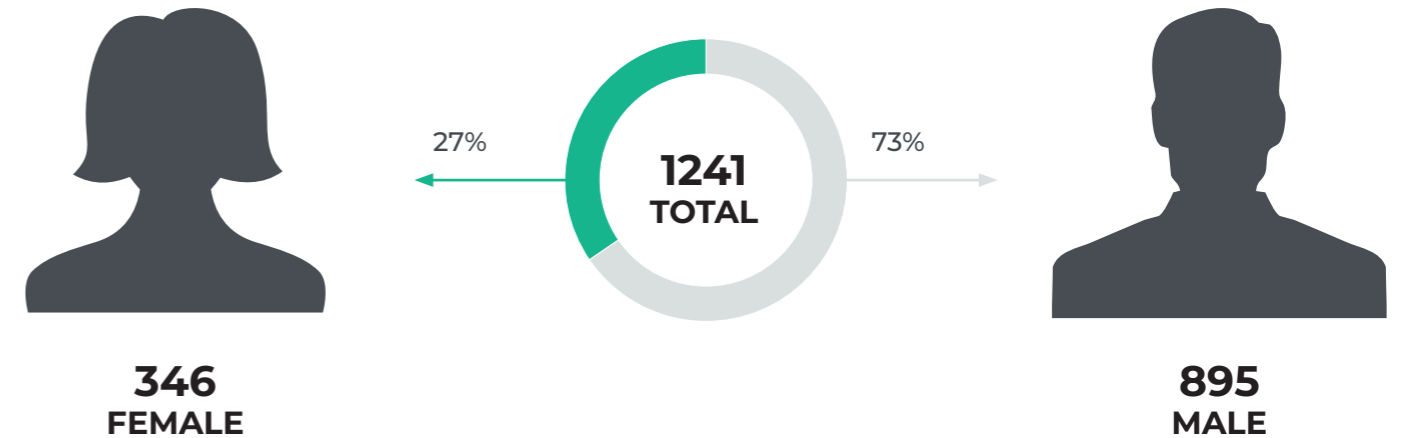
QUARTILES

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.

OUR WORKFORCE

We collated our snapshot data on 5th April 2023 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 2023



Our total included workforce consists of 27% women and 73% men. Whilst the diversity of our workforce is a key asset for us, this report provides further insights that help us to focus on key actions, enabling us to make improvements to achieve a more balanced workforce at all levels, which in turn would enable us to address the pay gap.

OUR GENDER PAY GAP STATISTICS

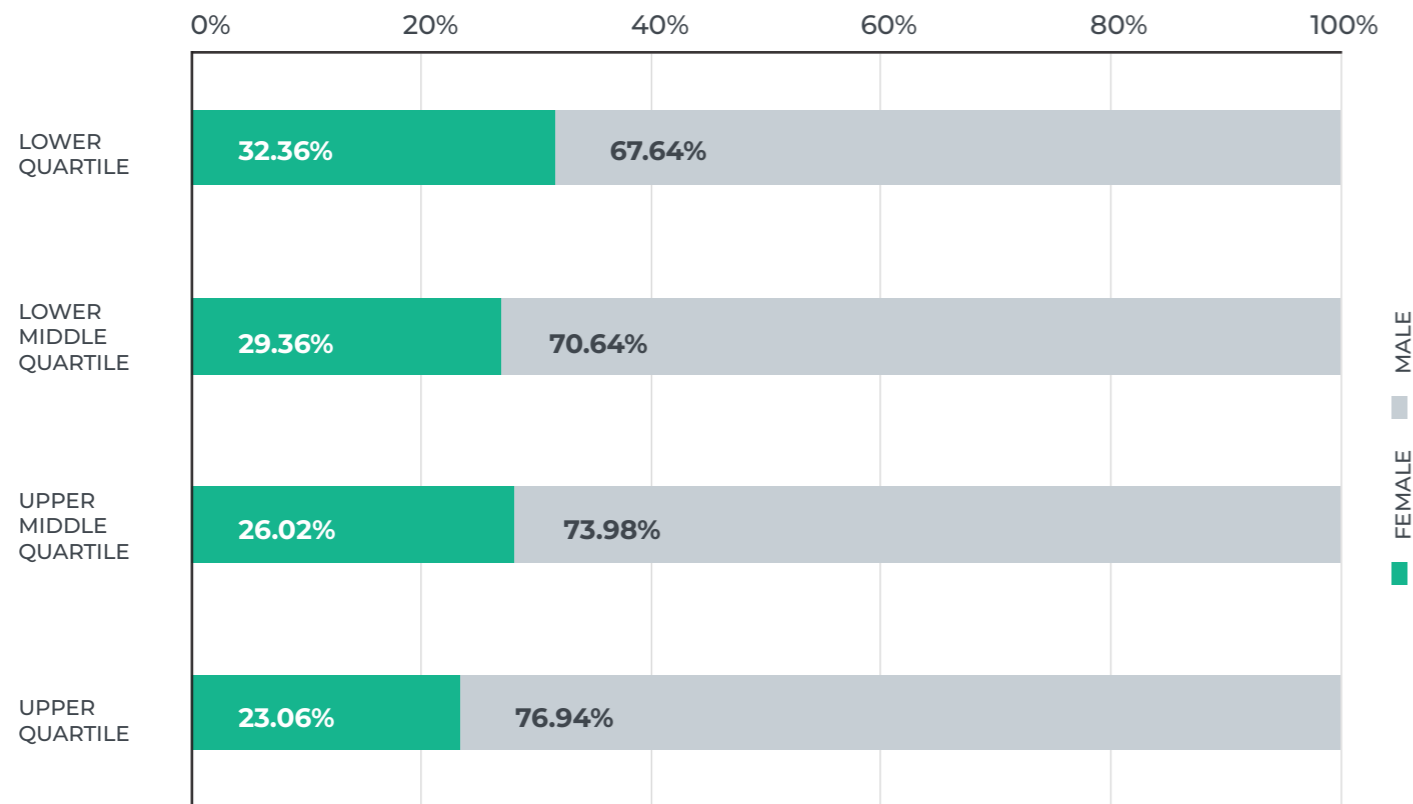
The Office for National Statistics has published (Nov 2023) provisional gender pay gap results for all employee jobs in the UK in 2023 which shows the Median GPG to be 14.3%. This gives a point of reference when reviewing our results.

GENDER PAY GAP – SNAPSHOT DATA

	2023	2022	2021
MEDIAN GENDER PAY GAP	7.36%	7.13%	12.05%
MEAN GENDER PAY GAP	7.31%	7.92%	15.19%

The above table shows our mean and median hourly ordinary pay gender pay gap. In 2023, our mean gender pay gap reduced to 7.31%. Although our median pay gap increased marginally by 0.23pts to 7.36% in 2023, the overall pay gap has continued to follow a downward trend since 2018.

PAY QUARTILES



The above 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 32.36% of the roles with lower hourly pay rates and 23.06% of the roles with higher hourly pay rate. In comparison to 2022 data there's been an increase in females at the lower middle quartile from 25% to 29.36%.

However, year on year data shows a continued trend of lower female representation in the lower quartile.

GENDER PAY GAP - BONUS

	2023	2022	2021
MEDIAN BONUS GENDER PAY GAP	21.21%	16.58%	25.54%
MEAN BONUS GENDER PAY GAP	29.62%	43.13%	37.29%

The above table shows our mean and median bonus gender pay gap. Whilst the median bonus gap has widened, the mean bonus gap has narrowed. This is due to the nature of and eligibility for bonuses that commonly have a higher payout. As these commission-based schemes would be determined by individual performance and the resulting outcomes, payments would vary year-on-year due to fluctuating performance.

BONUS PAY PROPORTION

Female: 96.85%

Male: 97.44%

The above statistics show that out of all included women, 96.85% received a bonus and 97.44% of all included men received a bonus.

UNDERSTANDING OUR PAY GAP

Men have traditionally dominated the workforce in our industry. This is reflected in the fact that the male/female composition for our UK organisation has followed a stable trend of 73% and 27% respectively over recent years. 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 Services roles, which make up a substantial proportion of our workforce, are predominately held by men.

Since the 2022 report, a greater number of males, with a higher mean and median rate of pay, left Canon UK. At the mid-level of the organisation, male leavers were more than double in comparison to female leavers between April 2022-2023.

The proportion of female employees being recruited to these mid-level and management roles during this period is significantly higher in comparison to the percentage of women already employed at these levels.

CLOSING THE GAP

Since joining in 2022, our membership with Inclusive Companies provides us with consultative feedback, to better understand how we're doing, and to help us plan for the future. In 2023 we achieved 27th place in the top 50 employers in the UK, rising from 42nd place in 2022.

'Canon sees the whole you' – our Diversity Equality & Inclusion film

In 2023 we launched our Diversity Equality and Inclusion film 'Canon sees the whole you'. This film has intersectionality at its heart and tells the story of four Canon colleagues and the challenges they've faced throughout their lives, relating to different aspects of DE&I. Shared internally with colleagues and on our website and social networks, 'Canon sees the whole you' ensures our customers, partners, existing employees and potential new recruits understand and can relate to our position on inclusion. We're so proud of everyone involved in the making of this film and humbled that it was a winner at the 2023 Cannes Corporate Media & TV Awards, winning in both the Human Resources and Corporate Social Responsibility categories.

Employee Led Networks

At Canon UK & Ireland, colleagues are empowered and supported to develop Employee Led Networks on any strand of our inclusive culture that they are passionate about. Each member of our Senior Leadership team is a sponsor for one of the eight focus areas of our inclusive culture, committed to developing and supporting the purpose of our Employee Led Networks.

Our Inclusive Culture Steering Committee (ICSC) governs all our initiatives and consists of three members of the Senior Leadership Team along with various representatives from across the business. The purpose of the committee is to provide support, advice, assurance and governance for Canon UK & Ireland's inclusive culture strategy, and the initiatives that contribute to our people vision of being a diverse organisation that not only reflects our customers' diversity, but also enhances belonging for all colleagues.

Our refreshed Code of Conduct

A refreshed Code of Conduct was launched in 2023 which emphasises Canon's corporate philosophy of Kyosei. Through this we commit to providing a healthy corporate culture and work environment where people are valued, respected, have a sense of belonging and can thrive personally and professionally. It is consistently referenced in our communications, Kick Off events and Town Hall meetings. The code also explains our guiding principles, the "San-ji (Three 'selves') Spirit" of self-motivation, self-management, and self-awareness, which provide a basis for all our actions as employees.

Focus on inclusive recruitment

In 2023 we invested in a dedicated resource focused on recruitment. A core initial focus has been to establish consistent job advert templates incorporating inclusive language and our diversity and inclusion statement, to ensure that our content attracts as diverse pool of candidates as possible. To further ensure we have a diverse pool of applicants to select from, we've created a company profile highlighting our commitment to DEI and colleagues' stories on Inclusive Companies' website, which links to our careers page. We're keen to attract women early into careers at Canon and in 2023, 45% of our apprentices and interns were women. To extend this further, we've also developed an interview skills workshop to support inclusive recruitment practices.

Developing our managers

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 2023, we offered managers:

- 'Coaching Skills for People Leaders' where 50% of the cohort were female
- A 'Welcome to Canon Management' programme in which 62% of the cohort were female.
- An opportunity for development and networking across departments through our mentoring scheme, of which 50% of employees receiving mentoring were female and 26% of the mentors were female.

Priorities for 2024

Any gender pay gap tells us that there's still work to do and in 2024 we will be continuing to build an inclusive culture. Priorities for this year include:

- Continuing to empower employees to initiate Employee Led Networks. In 2024, we'll be launching more Employee Led Networks, as well as further developing our newly launched Women's Network.
- A 'Conscious Inclusion for All' course has been developed following the 'Conscious Inclusion for Managers' training. The next steps of these learning journeys in 2024 include the creation and delivery of bite-sized modules that educate on different areas of diversity, namely neurodiversity, gender identity and menopause.

- We celebrate national events around DEI during the year that enable us to expand our knowledge and understanding and will continue to take an intersectional approach in fostering an inclusive environment. In 2023, we celebrated several events including International Women's Day, Pride Month, Black Inclusion Week, Black History Month, Race Equality Week, National Inclusion Week, Mental Health Awareness.

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