



GENDER PAY GAP REPORTING

Canon (UK) Ltd is the UK & Ireland marketing and sales operation which is part of the global corporation, Canon Inc.

Founded in 1937 with the specific goal of making the best quality camera available to customers, Canon's tireless passion for the Power of Image has since extended its technology into many other markets and has established it as a world leader in both consumer and business imaging solutions. Its solutions comprise products ranging from digital compact and SLR cameras, through broadcast lenses and portable X-ray machines, to multi-function and production printers, all supported by a range of value added services.

Canon invests heavily in R&D to deliver the most innovative products and services to satisfy customers' creative needs. From amateur photographers to professional print companies, Canon enables each customer to realise their own passion for image.

Canon's corporate philosophy is Kyosei - 'living and working together for the common good'. Canon pursues sustainable business growth, focusing on reducing its own environmental impact and supporting customers to reduce theirs using Canon's products, solutions and services. Canon has achieved global certification to ISO 14001, demonstrating a world-class environmental management standard.

Canon

Under new 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 (midpoint) and mean (average) pay gaps between men and women's hourly ordinary pay and bonuses.

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

PAY GAP, MEAN AND MEDIAN

This is the difference in hourly pay of male and female included employees per 5th April snapshot date and this is expressed as a percentage of the hourly pay of male included employees. This means that 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.

BONUS PAY PROPORTION

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

BONUS PAY GAP, MEAN AND MEDIAN

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

QUARTILES

Organise workforce into evenly sized quartiles based on ranking of all included employees from highest to lowest by hourly rate of pay. Report on each quartile the number of full-pay male and females in each quartile 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.

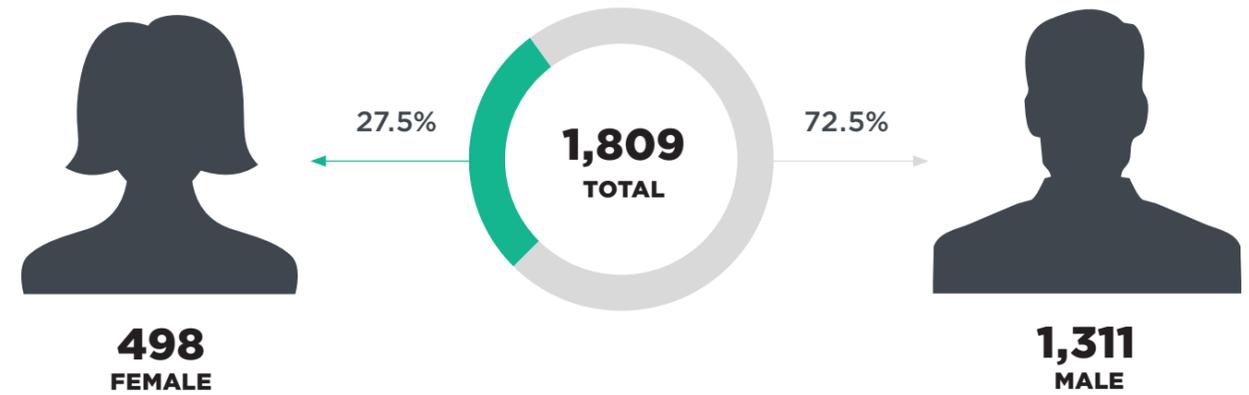
*Data excludes Ireland

OUR WORKFORCE

We collated our snapshot data on 5 April 2017 and from this, 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 as follows:

TOTAL INCLUDED EMPLOYEES CUK

Our total included employees, **27.5%** are women and **72.5%** are men.



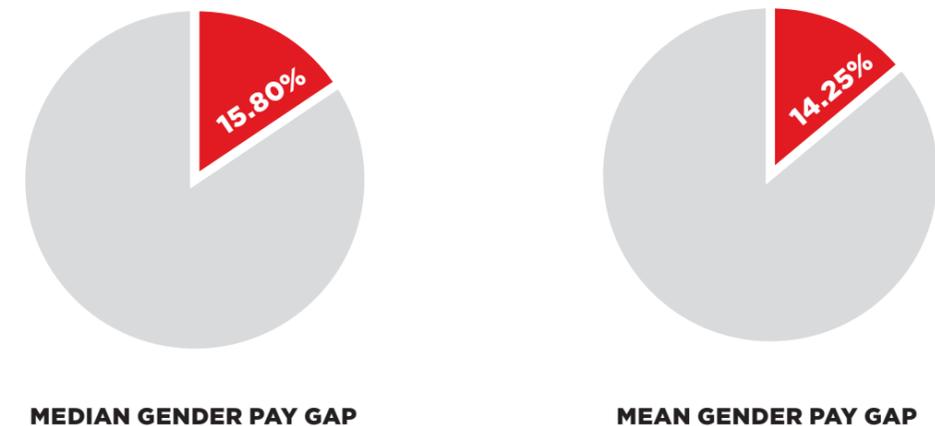
OUR GENDER PAY GAP STATISTICS

The Office for National Statistics has published (Oct 2017) the GPG for all employee jobs in the UK 2017 which shows the Median GPG to be **18.4%** and the Mean GPG to be **17.4%**.

Now you have a point of reference when reviewing our results.

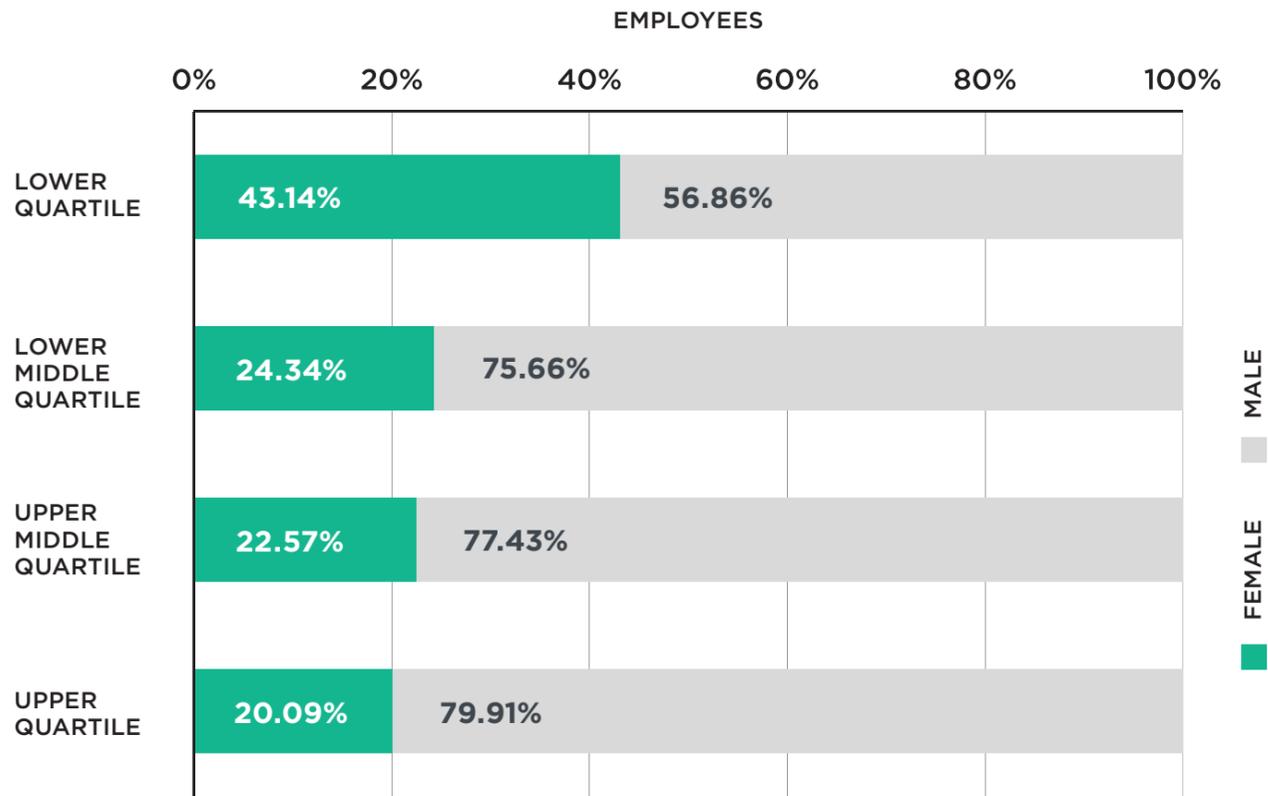
GENDER PAY GAP - SNAPSHOT DATA

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



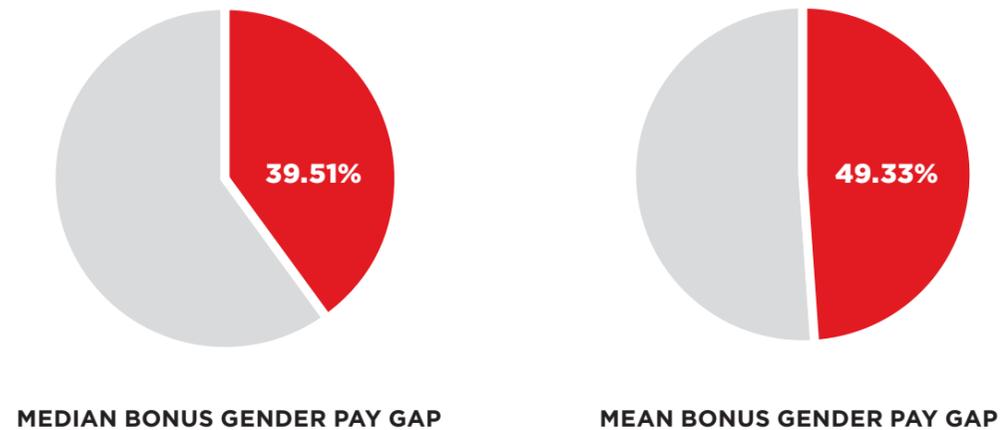
PAY QUARTILES

The below illustrates the gender distribution of all included employees for Canon UK across all four quartiles.



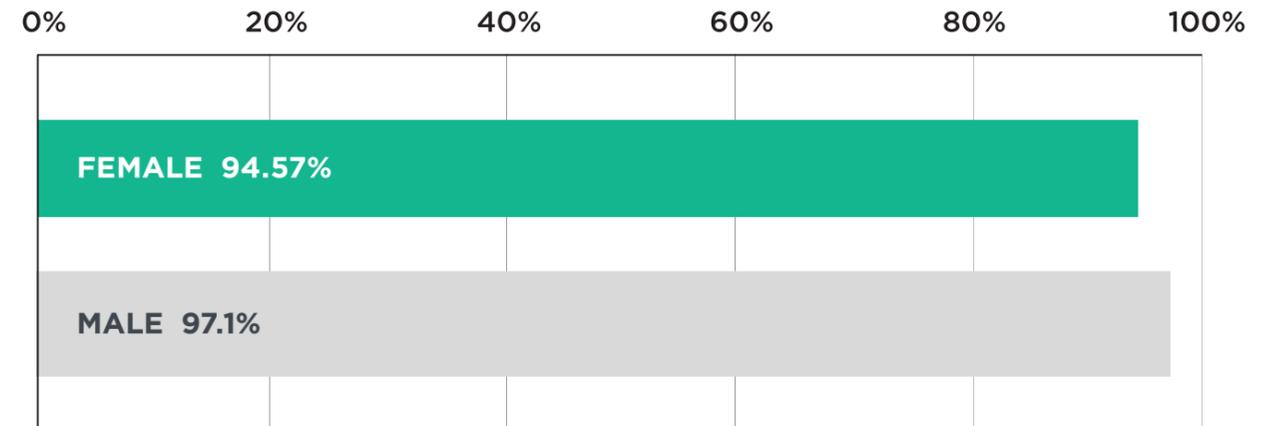
GENDER PAY GAP - BONUS

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



BONUS PAY PROPORTION

The below statistics shows that out of all included women, **94.57%** of them received a bonus and **97.1%** of all included men received a bonus.



UNDERSTANDING OUR PAY GAP

In our UK organisation, 72% of our employees are male and 28% are female. Our Executive Team is 64% male, 36% female.

The very nature of our industry and demographics has resulted in more men holding senior positions which, in turn, impacts our pay and bonus pay gap and means our average male salary is slightly higher than our average female salary.

Sales positions often attract a higher level of variable earnings, reflecting market practice, which, depending on individual performance, can be exceeded. This impacts our bonus pay gap.

This is our position now and our ambition is to keep the gap as low as possible and our commitment on how we intend to do this can be found in 'Next Steps'.



NEXT STEPS

Our ambition is to keep the gap as low as possible as is appropriate and practical to our business. To achieve this we are committed to delivering current and new initiatives to improve how we attract, engage and develop women.

We have an inclusive culture and offer progressive and enhanced maternity, adoption and shared parental leave policies to balance the demand of parenting between both parents.

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.

Attracting and hiring women into our business is important to us, especially in sales and service roles that are currently much less represented by women. We strive to do this through inclusive bias-free attraction and recruitment practices.

We aim to enable more women to progress to senior management levels through mentoring, coaching and leadership and talent development programmes.

In 2017 53% of our apprentices were women and 54% of our employees receiving mentoring were women.

In 2016 & 2017 we partnered with local colleges and invited students to apply for work experience with us. Attracting young people and talent for the future is important to us and over the 2 years, 50% of students who attended were female.

We regularly run Talent Network Initiative programmes for high potential development and ensure we have a diverse attendee group.

We believe by valuing the diversity and harnessing 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.

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.



Stephen Bates
Managing Director



Lyn Holmes
Finance Director