

CANON AUSTRALIA

MODERN SLAVERY STATEMENT

For the Reporting Period 1 January 2022 to 31 December 2022

Canon

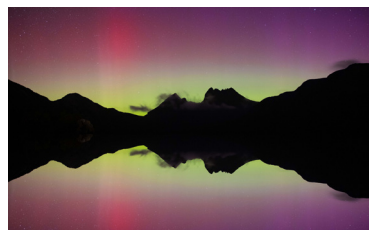


Image by Sharon Kavanagh,
Canon Oceania Employee.
Shot on a Canon EOS 5D Mark IV.

CONTENTS

01	REPORTING ENTITY	3
02	STRUCTURE	4
03	OPERATIONS	6
04	SUPPLY CHAIN	8
05	RISKS OF MODERN SLAVERY	11
06	ACTIONS TAKEN TO ASSESS AND ADDRESS RISKS	15
07	ASSESSING EFFECTIVENESS OF ACTIONS	23
08	CONSULTATION PROCESS	25
09	AUTHORISATION	25

01



Image by Heno Baldeviso,
Shot on Canon EOS M50.



REPORTING ENTITY

This is the Modern Slavery Statement of Canon Australia Pty Ltd (ABN 66 005 002 951) and its subsidiaries (refer to operating structure figure 1). Canon Australia is a wholly owned subsidiary of Canon Inc. Its registered office is at Building A, 5 Talavera Road, Macquarie Park NSW 2113.

STRUCTURE

CANON INC.

2.1 Canon Global Structure

Canon Inc. is a Japanese corporation established in 1937 and headquartered in Tokyo, Japan. Canon Inc. is the parent company of the Canon Group and operates four business segments: The Printing Business Unit, the Imaging Business Unit, the Medical Business Unit and the Industrial and Other Business Unit. The Canon Group develops, manufactures, and sells office multifunction printers (MFPs), photocopiers, laser printers, cameras, inkjet printers, diagnostic equipment, lithography equipment, and many other products.

As of 31 December 2022, Canon Inc.'s global consolidated net sales were JPY 4,031.4 billion and the Canon Group had approximately 181,000 employees. Further details about the Canon Inc. corporate activities can be found on the official Canon global website (<https://global.canon/en/>).

CANON OCEANIA

2.2 Canon Oceania Structure

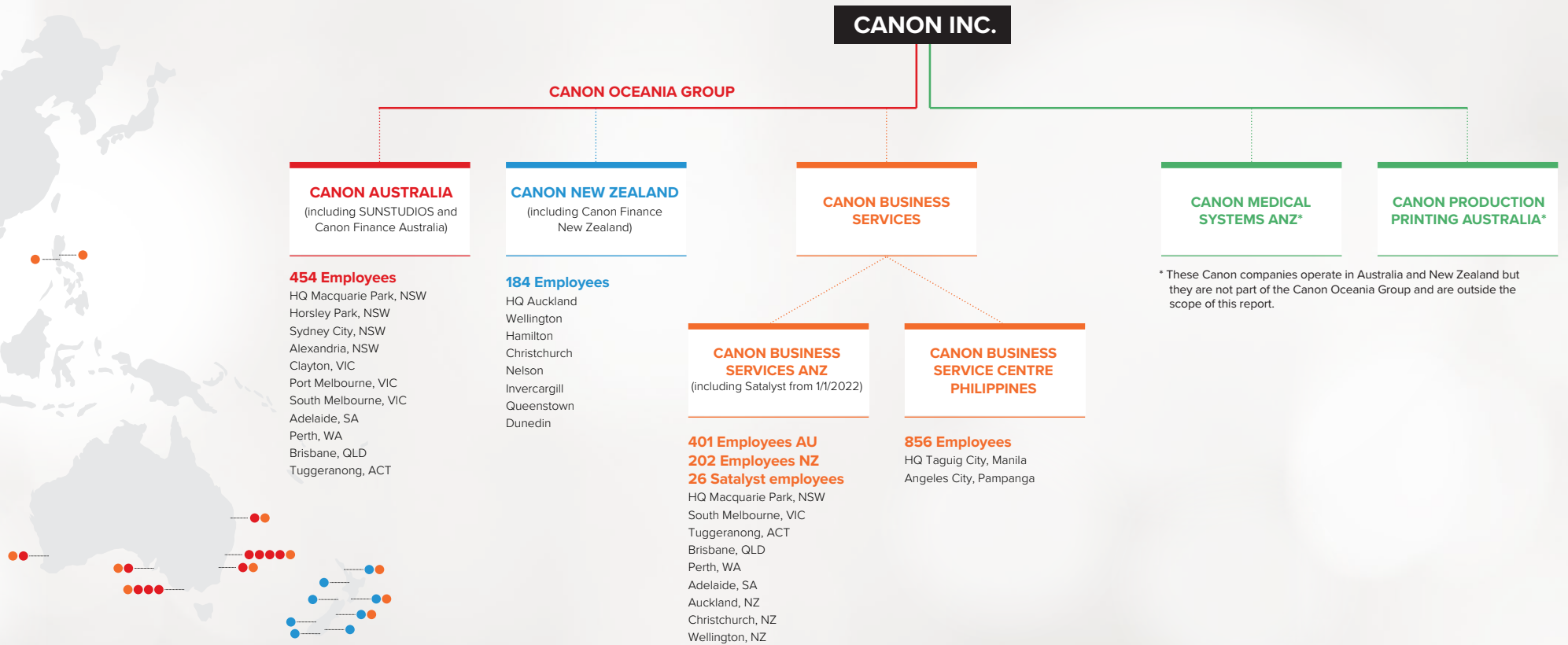
Canon Australia controls a number of subsidiary companies, and its operating structure is shown in figure 1. All of the business units shown under the Canon Oceania Group in Figure 1 are included within the scope of this report (except for Satalyst which was acquired in January 2022 and no data was included in this report). In 2022, the Canon Oceania Group reported consolidated revenue of AUD\$656,841 million and at the end of the year employed 2,160 people.

Some other Canon Group companies are located in Australia and New Zealand: Canon Medical Systems ANZ Pty Ltd, Canon Production Printing Australia Pty Ltd and Canon Production Printing New Zealand Ltd. These affiliate companies are not covered in the scope of this report as they operate independently and are not subsidiaries of Canon Australia.

02 STRUCTURE

Figure 1: Canon Oceania Group Operating Structure

ORGANISATION STRUCTURE



OPERATIONS

CANON INC.

3.1 Canon Inc. Operations

Canon's global operations are described in detail on its corporate website and in its [Sustainability Report](#). Canon Inc. joined the [Responsible Business Alliance \(RBA\)](#) in 2019. The RBA is a not-for-profit organisation supporting the rights and wellbeing of workers and communities worldwide affected by the global supply chain.

Within Australia and New Zealand over 77% of revenue in the reporting period came from the sale and servicing of Canon products and services. For this reason, we have included throughout this statement information about Canon Inc. operations and activities to address modern slavery risk.

CANON OCEANIA







3.2 Canon Oceania Group Operations

Canon Oceania is the local sales and marketing arm of Canon Inc. During the 1970s Canon products were distributed in Australia and New Zealand through other local businesses. Canon Australia was incorporated in 1978, Canon Finance Australia in 1988 and Canon New Zealand in 1991. Canon Australia acquired Harbour IT in 2017, Convergica in 2019 and Satalyst in January 2022. Together those three companies are operating as Canon Business Services ANZ.

Canon Oceania Group has continued to evolve to meet market needs. The Group is now a diverse imaging and information management organisation with operations in 22 sites across Australia, New Zealand, and the Philippines. Our products and services are distributed through direct and indirect channels including a large network of authorised business partners and resellers, authorised sales agents, and retailers. We also deliver business process outsourcing (BPO) and managed services on end-customers' sites. We do not manufacture any products in Australia or New Zealand apart from software.

CANON OCEANIA

Canon Oceania Group companies include the following operations:

COMPANY OR BUSINESS UNIT	BRANDS
<p>Canon Australia Sales and marketing of imaging technology including printers and cameras, support services and solutions for business and consumer markets. Canon Australia also operates SUNSTUDIOS in Australia.</p>	
<p>SUNSTUDIOS Professional photography, television and video creative hub, specialising in studio and professional imaging equipment hire.</p>	SUNSTUDIOS
<p>Canon New Zealand Sales and marketing of imaging technology including printers and cameras, support services and solutions for business and consumer markets.</p>	
<p>Canon Finance Provides finance for businesses in Australia and New Zealand buying primarily Canon products and services.</p>	 CANON FINANCE
<p>Canon Business Services Australia New Zealand (CBSANZ) Provides digital transformation, business process optimisation, cloud technologies, and secure IT managed services.</p>	 CANON BUSINESS SERVICES ANZ 
<p>Canon Business Service Centre (CBSC) Based in the Philippines, CBSC provides managed services, business process automation and outsourcing, and managed IT services and cloud-based IT solutions to customers primarily in Australia and New Zealand. CBSC also services a small number of customers in Europe, primarily other Canon Group companies.</p>	 CANON BUSINESS SERVICE CENTRE (PHL)

SUPPLY CHAIN

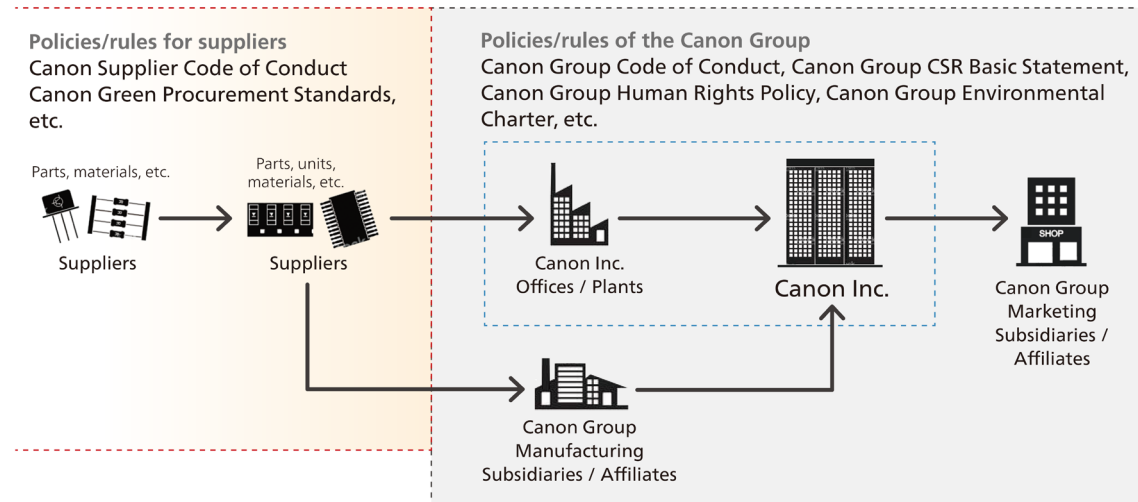
CANON INC.

4.1 Canon Inc. Supply Chain

Canon places great importance on manufacturing, engaging in product assembly as well as the production of certain components, parts and materials at its own plants, factories and Canon Group manufacturing companies that bear the Canon name and are owned by Canon Inc. directly or indirectly. Manufacturing companies in the Canon Group are located in such countries and regions as Japan, China, Taiwan, Malaysia, Thailand, the Philippines, Vietnam, the United States and Europe. They supply Canon products to Canon Inc. and companies including Canon Group marketing subsidiaries and affiliates. These manufacturing

companies directly employ considerable numbers of employees and are administered by Canon Inc., which acts as the head of the Canon Group. Canon Group offices, plants and manufacturing companies are engaged in partnerships with several thousand suppliers unaffiliated with the Canon Group, from whom they purchase considerable quantities of components such as electronic parts, mechanical parts, units and materials. Further information on Canon’s subsidiaries and affiliates, their locations, employee numbers and activities, is available in the [Canon Group Directory](#) on the Canon Inc. global website.

Figure 3: Canon Inc. Supply Chain



* Blue rectangle indicates Canon Inc. operations.

04 SUPPLY CHAIN

CANON OCEANIA

4.2 Canon Oceania Supply Chain

To support our business, Canon Oceania engages with suppliers across various industries in these broad categories:

Hardware

By far our largest supplier of products and services is Canon Inc. from whom we purchase imaging products, components, and consumables such as toner and ink for resale. We also buy non-Canon products for our internal business use and resale as part of our business process outsourcing and managed services operations. Information about Canon Inc.'s operations and modern slavery policies and processes is included in this document and on the [Canon Inc. website](#). Non-Canon IT products are purchased mainly from global suppliers, many of whom have strong public positions on modern slavery. However, we are presently still compiling information on this category and its suppliers including where the products are manufactured.

Logistics, warehouse and transport services

Our logistics functions including warehousing and distribution are outsourced to global and local companies.

IT software, networking and support services

Software for our use and resale is purchased from Canon Inc., and other major global brands, mainly through Australian distributors. Networking and support services are generally specialist skills purchased from Australia, New Zealand and the Philippines.

Real estate, property and facilities management services

Includes commercial management of our leased property portfolio and facilities management such as cleaning, security, facilities management, maintenance, repair and operations, utilities

and waste management. These services are outsourced and purchased from Australia, New Zealand and to a small degree the Philippines.

Professional services

These include all advisory services provided to Canon and by Canon to its customers. They are purchased mostly from Australia and New Zealand.

Corporate services

These include services to support the running of the business including recruitment, accounting, office supplies, travel, telecoms, catering and hospitality. They are purchased mostly from Australia and New Zealand.

Business process outsourcing

These include back-office services and call centre functions that are outsourced from Canon Australia to Canon Business Services Centre.

04 SUPPLY CHAIN

CANON OCEANIA

Advertising, marketing and promotions

These include advertising and marketing services as well as promotional items and marketing material. These products and services are mostly purchased from Australia and New Zealand but, at present, we do not have reliable information about the source of promotional products across the whole business/supply chain.

Business Partners and Agents

Canon has 73 authorised business partners and value-added resellers who sell and/or service Canon products throughout 62 different regions. These are small and medium enterprises that provide sales, marketing and technical services. We also appoint local sales agents to sell our business products and services. Our business partners and agents are classified as follows:

- **Canon Business Partner:** Wholesale hardware, Software, Parts and toner to our Business Partners and they on-sell and manage all services themselves. These include:
 - Regional Partners – 41 Partners covering 53 regions
 - Metro Partners – 12 partners covering all major metro centres across Brisbane, Melbourne, Sydney, Adelaide and Perth except Canberra
 - Pacific Island Partners – 4 Pacific Island partners covering 4 countries being PNG, Fiji, Vanuatu and Samoa

- **Alliance Partners:** These partners are focused on being managed service providers and can sell across all regions. Canon wholesales the hardware and either provides support for the hardware directly or through sub-contracting to a business partner.
 - 4 Alliance Partners
- **Value added Resellers (VAR):** Similar to Alliance Partners, Canon wholesales hardware to these businesses and also wholesales support service for the hardware, but VAR's do not sell any of their own services. (This enables small businesses an opportunity to set up and not have to incur costs for staff but still build their business on both hardware and service to develop into a full Business Partner).
 - 6 VAR located in Metro regions

Retailers

Canon consumer products and services are sold largely through Australian and New Zealand retail outlets including large chains and specialty photography outlets.

RISKS OF MODERN SLAVERY



Image by Stephen Lane,
Canon Oceania Employee.
Shot on Canon EOS 6D.

CANON INC.

5.1 Risks of Modern Slavery in Canon Global Supply Chain

5.1.1 Canon Group Manufacturing Companies

Most Canon branded products are assembled by Canon Group manufacturing companies, including Canon Inc., instead of outsourcing their production. Canon Group manufacturing companies manage their affairs and conduct training in the areas of recruitment and employment in accordance with local laws and regulations and the Canon Group Code of Conduct. Furthermore, since Canon Inc. began surveying Canon Group manufacturing companies in 2013, no issues relating to human trafficking or forced labour, which are synonymous with modern slave labour, have been found. Accordingly, Canon Inc. concludes that there is virtually no risk of modern slave labour occurring.

Regarding suppliers of production materials to Canon Group manufacturing companies, Canon Inc. manufacturing companies ascertain the conditions at suppliers through supplier inspections and operational exchanges. Therefore, the risks are low of human trafficking or forced labour occurring at our suppliers. On the other hand, it is recognised that attention should be paid to suppliers located in areas of high country-risk.

05 RISKS OF MODERN SLAVERY

CANON INC.

5.1.2 Human Rights Due Diligence

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 due diligence throughout the entire Group.

To implement human rights due diligence, each Canon Inc. division and Group company worked within the framework of the Risk Management Committee to first identify and evaluate the potential adverse human rights impacts in their respective business activities, including the supply chain, and identified the salient human rights risks. Subsequently, the promotion secretariat aggregated, analysed and evaluated those risks, and through stakeholder engagement, identified salient human rights risks for Canon. In assessing human rights risk, we also referred to the human rights risk country/region index provided by the Responsible Business Alliance (RBA). The salient risks related to modern slavery that were identified through this process related to Canon suppliers and contractors and included risks of the occurrence of child labour, forced labour and unpaid wages/ low wages. The full list of human rights risks identified across the supply chain is shown in the 2022 Canon Inc. Sustainability report on page 79 and updated in the 2023 Canon Inc. Sustainability report on page 41.

5.1.3 Canon Inc. Suppliers

5.1.3.1 Due Diligence on Human Rights

In response to Canon's commitment to membership of the RBA, Canon Inc. started a detailed survey of Canon Inc.'s plants and Canon Group manufacturing companies in 2019 using the RBA's self-assessment questionnaire (SAQ) that includes confirmations related to human rights and labour practices, in addition to the survey to Canon Group manufacturing companies starting in 2013.

In 2022, SAQ was conducted at 57 production sites in major business areas and no significant CSR risks were identified.

In 2022, 16 sites in Japan and abroad also underwent external audits by the RBA. The audit found "nonconformances" mainly due to differences between the requirements of the RBA Code of Conduct, local laws and company policies. "Nonconformances" were corrected by revising policies and procedures.

05 RISKS OF MODERN SLAVERY

CANON INC.

When starting business with a new supplier, Canon Inc. conducts a review, based on the Canon Supplier Code of Conduct and other reference standards, to ascertain whether suppliers meet standards in such areas as corporate ethics (legal compliance, product safety, management of confidential information, human rights, labour, health and safety, intellectual property rights protection, etc.), environmental conservation, (chemical substance management, prevention of air pollution and water pollution, proper disposal of waste, initiatives aimed at conserving energy and resources, reduction of GHG, and biodiversity conservation), finance, and production structure (quality, cost, delivery, manufacturing capacity, and management). Only those suppliers who meet these criteria are accepted onto the Supplier List. Canon Inc. conducts an annual survey of suppliers registered on the list (see figure below, Supplier Evaluation System) and makes a comprehensive evaluation based on the survey results, performance as a supplier, and other factors. The results are then reflected in the supplier list, enabling us to preferentially deal with suppliers with high evaluations. Canon Inc. also provides guidance and education, through on-site audits for example, to low-scoring suppliers to aid improvement. In particular, Canon may choose to terminate business with suppliers if they fail to abide by laws and the terms of international agreements covering such areas as human rights and labour, and the environment.

With the aim of further improving CSR in the supply chain, Canon asks suppliers of its main businesses (major suppliers) to sign an agreement requesting their understanding of the RBA Code of Conduct and their cooperation in promoting sustainable business activities. In 2022, requests

were made to 340 major suppliers, and 328 suppliers (96.5%) agreed.

Canon is also working to identify supplier risks using RBA's SAQ. In 2022, a survey using SAQ was conducted with 340 production material suppliers in the main business, and 331 companies (491 sites) responded. As a result, none of the major suppliers were identified as "high risk", but the results of each of the work, health and safety, environment and ethics items were fed back to the major suppliers to identify weaknesses and apply them to future improvements. In 2022, SAQ responses were verified, and field visits were conducted for several major suppliers in Japan and Asia. In addition, beginning in 2022, risk assessments were conducted at the production sites of the main business on premises contractors such as security, cleaning, and cafeteria operators, facilities and dormitory management companies, and staffing agencies. None of the business partners were identified as "high risk" in the risk assessment, but Canon requested them to monitor regulations and risks and to submit a corrective plan.

5.1.3.2 Results of Risk Assessments

During the 2022 financial year, no incidents of forced labour, human trafficking, or similar issues occurred at the Canon Group, including Canon Inc.

Furthermore, a recent survey on forced labour and human trafficking to Canon's suppliers for the 2022 financial year found no incidents of forced labour, human trafficking, or similar issues within the scope of the responses collected.

05 RISKS OF MODERN SLAVERY

CANON OCEANIA

5.2 Risks of Modern Slavery in Canon Oceania Operations and Supply Chain

Canon Oceania's people are mostly directly employed. They are employed by each company under conditions complying with applicable Australian, New Zealand and Philippines law and Canon's global human rights policies and codes. A large part of the workforce constitutes professional employees and contractors. Canon Business Services Australia New Zealand employs some unskilled or temporary labour. However, these people are generally directly employed by Canon under the conditions described above. During labour shortages we utilise recruitment agencies however they do provide the minimum standards in line with local employment legislation and are subject to the same contractual obligations regarding modern slavery and human rights as our other suppliers.

Similarly, the products and services delivered through our business partners and agents are delivered by skilled people working under Australian and New Zealand labour laws. Canon has worked with most of these partners over a long period of time and is very familiar with their operations through day-to-day commercial activities and periodic audits. For these reasons, we consider that the risk of modern slavery occurring in our operations is low. However, Canon Oceania recognises it is possible that we contribute to or are linked with modern slavery practices in our

supply chain. We understand that we are exposed to risk through the fact that we purchase significant quantities of electronic equipment that is rated as high risk by most modern slavery experts. Risks in this industry occur across the supply chain including raw material sourcing, manufacturing and also the disposal of the equipment if it is not managed in accordance with global hazardous waste regulations.

As our major supplier of electronic equipment is Canon Inc., we rely on its processes to manage the risk, and these are described throughout this statement. For non-Canon products, we are in the process of finding out more about their source. We also appreciate that we have some product and service risk through services that we purchase including logistics, cleaning, catering, and promotional items. We have some geographic risk in that we do not yet know the origin of many of the non-Canon products that we buy. Finally, we consider that we have low risk in our Philippines operations but do not have complete information yet about the products and services we buy locally there. Improving the quality of information that we have about our suppliers and the products and services that they provide is a key point in our action plan described in Clause 6.1.

06



Image by David Field,
Canon Oceania Employee.
Shot on Canon EOS 1DX Mark II.



ACTIONS TAKEN TO ASSESS AND ADDRESS RISKS

CANON INC.

6.1 Canon Inc. Policies and Code of Conduct

6.1.1 Basic Approach

Canon's corporate philosophy is *Kyosei*, which means 'living and working together for the common good'. This philosophy aims to support the development of a society in which all people, regardless of culture, customs, language, or race, harmoniously live and work together in happiness into the future. As such, 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>

06 ACTIONS TAKEN TO ASSESS AND ADDRESS RISKS

CANON INC.

6.1.2 Canon Group Human Rights Policy

The Canon Group Human Rights Policy, established in 2021, expresses Canon's commitment to respect human rights and take measures to protect human rights under the corporate philosophy *Kyosei*, which we embed in our operational policies and procedures.

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.

It stipulates that Canon will conduct human rights due diligence, establish and operate a grievance mechanism, conduct awareness training, and engage in dialogue with stakeholders in addition to respecting internationally recognized human rights, including the prevention of

child labour, forced labour, unreasonable restrictions on movement and excessive overtime work, and also the respect for freedom of association and the right to collective bargaining.

The Human Rights Policy is published in Japanese and English and is communicated to employees and stakeholders in each country and region via our website. Reference: Canon Group Human Rights Policy <https://global.canon/en/csr/people-and-society/pdf/hr-policy-e.pdf>

In conjunction with the establishment of the Canon Group Human Rights Policy, we carried out an e-learning program for employees to instil basic knowledge about business and human rights and widely inform Canon's human rights initiatives. Since 2021, Canon Inc. continued to carry out an online human rights awareness training program and in 2022 this was extended to Canon Group companies in Japan. A total of 33,100 people completed the course, for a participation rate of 98.2%.

06 ACTIONS TAKEN TO ASSESS AND ADDRESS RISKS

CANON INC.

6.1.3 Canon Group CSR Statements

The Canon Group issued the Canon Group CSR Basic Statement in May 2017 and it was reviewed in 2021. This Basic Statement reiterates the Canon Group's stance on fulfilling the fundamental and universal corporate social responsibility. Article 14 of the Basic Statement specifies that Canon Group "prohibit on child labor and forced labor (including human trafficking)," and Article 19 stipulates "request that business partners take steps to address basic social responsibility for such issues as the environment, human rights, labor and compliance within the supply chain, and confirm the implementation of said steps." The CSR Basic Statement also states that the Canon Group respects 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 Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises and complies with them in line with the statement. It is available via Canon Group CSR Basic Statement (global. Canon) <https://global.canon/en/csr/policy/pdf/statement-e.pdf>

6.1.4 Canon Group 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/en/procurement/pdf/coc-e.pdf>

6.1.5 Canon Group Whistle-blower Policy

Canon Inc. has established whistle-blowing routes at almost all group companies in Japan and overseas. In addition, Canon Group has a hotline to allow reports of any specific concerns or information relating to child labour, forced labour, or other problems in human rights and occupational health and safety. The portal can be accessed by anyone inside or outside the company via the Canon global website. For more details: Responsible Business Conduct Hotline | Canon Global

The confidentiality of reporters is strictly maintained, and users are guaranteed not to suffer any unfair treatment. This process is detailed in the Canon Supplier Code of Conduct and publicised.

In 2022, the number of reports received in relation to human right was 110. This number is not limited to Canon Global online portal (link above), it is a combined figure from all available routes for raising concerns. Reports ranged from discrimination, harassment, wages and working hours. All reports received have been investigated by Canon Inc. In 21 out of the 110 cases it was determined that action was required to rectify and prevent recurrence. The investigations on corrective actions for these 21 cases were completed by the end of 2022.

06 ACTIONS TAKEN TO ASSESS AND ADDRESS RISKS

CANON INC.

Apart from routes established by Canon, an industry association of which Canon is a member (RBA – the Responsible Business Alliance) also provides grievance mechanisms through which Canon stakeholders can also report their specific human rights concerns.

In response to the risks associated with conflict minerals, Canon established a “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).

6.1.6 Canon Inc. Member of Responsible Business Alliance (RBA)

In December 2019, Canon Inc. joined the Responsible Business Alliance (RBA), a non-profit organization supporting the rights and well-being of workers and communities worldwide affected by the global supply chain. Canon promotes its business activities that consider the global environment, people, and society by respecting the vision and mission, and complying with the Code of Conduct of the RBA.

- Vision: A global electronics industry that creates sustainable value for workers, the environment and business.

- Mission: Members, suppliers and stakeholders collaborate to improve working and environmental conditions through leading standards and practices.

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.

6.1.7 Responsible Mineral Sourcing

Products manufactured and sold by the Canon Group and numerous other corporations contain materials that originate from a variety of minerals. These materials are sourced through diverse supply chains from their places of origin throughout the world. Mineral mining sites, smelters or other processing sites for some of those materials have been shown to have links to armed groups, serious human rights violations or environmental destruction.

Canon Inc. has a comprehensive due diligence program to identify conflict/high-risk regions and avoid the use of materials supplied from business operators disrespecting human rights or environmental conservation in those regions. Under the system, 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). Further information about the program is available in the Canon Inc. 2023 Sustainability Report pg. 87.

06 ACTIONS TAKEN TO ASSESS AND ADDRESS RISKS

CANON INC.

6.1.8 Due Diligence and Risk Management

At Canon, the sustainability, legal, and human resources divisions of Canon Inc. serve as the promotion secretariat pursuing human rights measures with the cooperation of procurement departments. From 2022, on the basis of the risk assessment described in section 5.1, potential human rights violation risks have been identified as a significant risk by the Risk Management Committee established by resolution of the Board of Directors.

This means that from 2022 the heads of Canon Inc. divisions and presidents of Group companies will each formulate an annual risk management plan for their own division or Group company and assume responsibility for promoting risk management activities related to human rights risks (as well as other risks). The risk management plan identifies specific actions the organisation will take during the year to meet Canon Inc. global standards and any improvement activities. Performance against the plan is reported at the end of each year and the results are evaluated by the Risk Management Committee and reported to the CEO and Board of Directors.



Image by Sharon Kavanagh,
Canon Oceania Employee.
Shot on a Canon EOS 5D Mark IV.

06 ACTIONS TAKEN TO ASSESS AND ADDRESS RISKS

CANON OCEANIA

6.2 Canon Oceania

6.2.1 Risk Assessment

Within Canon Oceania, the process for understanding our modern slavery risks and developing mitigation strategies is managed by representatives from Sustainability, Legal, Procurement, Risk Management, and Logistics teams for all Canon Oceania companies. For the purposes of managing modern slavery risks, the team reports to the Director for Legal, Risk Management and Sustainability Services, a member of the Senior Leadership Team.

COVID-19 continued to impact the business throughout 2020/21/22 and the people involved in the business continuity management of the COVID-19 response were also the same people involved in the business management around modern slavery. This meant the Canon Oceania Group hasn't progressed as far as expected in the risk assessment process due to the impact of COVID-19 on internal resources.

In 2020/21 we undertook a high-level risk assessment of about 1200 direct suppliers to Canon Oceania excluding products and services purchased from Canon Inc., and also CBSC suppliers. The assessment was based on spend and industry risk. The assessment identified that, overall, our potential risk of having modern slavery in our supply chain is moderate. The categories identified as higher risk included ICT electronic equipment, components and suppliers, and business process outsourcing. Medium risk categories included logistics, warehouse and transport services,

software, networking and support services, and real estate and property management services. The risks were spread fairly evenly between the Canon Oceania group companies.

In 2022 our risk assessment program continued with internal stakeholder workshops to review the top 100 high or medium-risk suppliers based on the initial risk assessment criteria which was based on industry and spending data. The workshops were facilitated by external experts and covered suppliers in the following categories:

- Logistics (26 suppliers)
- Facilities (12 suppliers)
- Information and Communication Technology (29 suppliers)
- Marketing and Human Resources (12 suppliers)

The workshops also provided education for these internal stakeholders about the particular modern slavery risks related to the suppliers in their category and how to identify areas of concern.

Further awareness training to leadership teams, and the production of a short video aimed at heightening the awareness of all employees across Canon Oceania.

06 ACTIONS TAKEN TO ASSESS AND ADDRESS RISKS

CANON OCEANIA

6.2.2 Implementation

During the year we also:

- Issued to new suppliers as part of their contracts the Canon Oceania Supplier Code of Conduct which is based on the Canon Inc./RBA Code and includes a broad range of human rights and ethical supply requirements as well as requirements for managing and reporting on modern slavery risks through whistle-blower hotlines for each country.
- Included an assessment of modern slavery and other human rights risks in all new high-value procurement tenders and requests for quote.
- Revised the Standard Master Service Agreement (MSA) to include Modern slavery and other human rights obligations.
- Started the move to the new Microsoft Dynamics 365 ERP replacement system which will help streamline procurement and help with future data accuracy and management which allows for a more complete assessment. Note – this project is planned to be completed by 1 December 2026 and includes the whole Canon Oceania business.
- Developed a human rights risk matrix for Canon Oceania in accordance with the Canon Inc. risk management plan (see section 6.1).
- Prepared data from the top 100 suppliers analysed during the risk workshops to determine who has a Modern Slavery statement and which suppliers we will send questionnaires to in 2023.

We did not receive any reports during the year of potential modern slavery occurrences in our operations or in the operations of our suppliers.

06 ACTIONS TAKEN TO ASSESS AND ADDRESS RISKS

CANON OCEANIA

6.2.3 Canon Oceania Whistleblowing line

Canon Oceania has its own hotline where anyone can confidentially report issues related to modern slavery or other ethical concerns in relation to the actions of Canon or its suppliers. Contact details for the hotline are published on the Canon Australia website and in the Canon Oceania Supplier Code of Conduct. To date we have not received any reports of modern slavery or other human rights concerns.

6.2.4 Action Plan

Identification of modern slavery risks is an ongoing journey, and our plan for the next twelve months is to:

1. Undertake in- depth reviews with a sample of suppliers in the higher risk categories who have reported that they have few modern slavery controls in place. The aim is to understand in more detail the potential risks, and to develop questionnaires and other controls such as corrective action processes that we can use as part of our ongoing due diligence processes.
2. Conduct training for all Canon Oceania employees based on human rights and modern slavery training developed by Canon Inc and Canon Europe. The training will focus on risks specific to our region and our activities, including how to recognise and report areas of concern.
3. Continue to rationalise and re-evaluate our supplier data across the Canon Oceania Group to ensure that we have a current understanding of the risks in our supply chain and to ensure that we are correctly targeting our risk management activities.



07

ASSESSING EFFECTIVENESS OF ACTIONS

CANON INC.

7.1 Canon Inc. Monitoring and Reporting System

Canon Inc. continuously monitors compliance with the content set out in the Canon Group Human Rights Policy through its risk management and governance structures which are described in its annual Sustainability Report. The company also pursues ongoing efforts to improve its identification and assessment methods for human rights due diligence and periodically reviews them throughout the Group. It continues to review the Group's human rights initiatives in accordance with social demand, dialogue with stakeholders, and Canon's business operations.

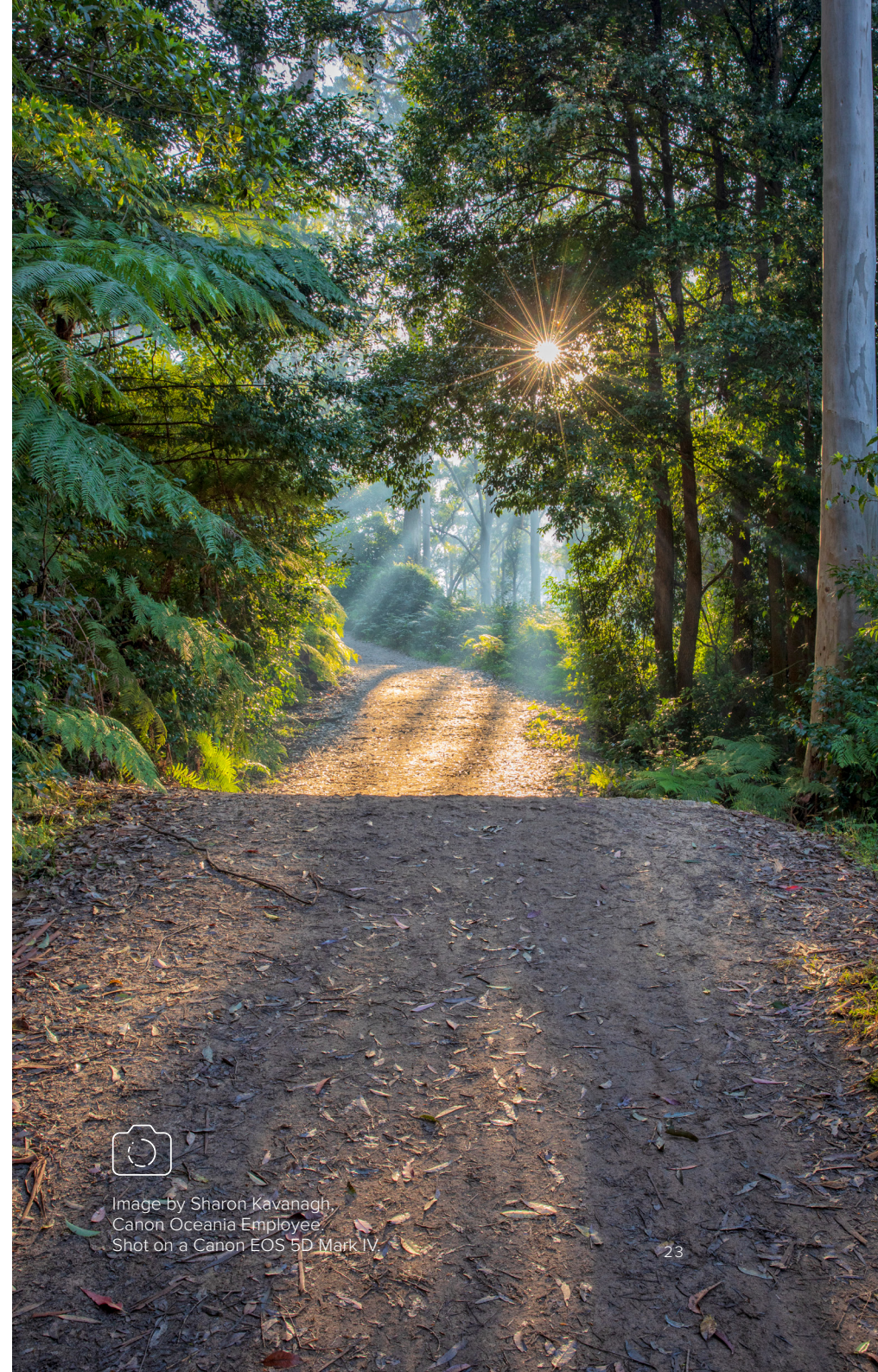


Image by Sharon Kavanagh,
Canon Oceania Employee.
Shot on a Canon EOS 5D Mark IV.

07 ASSESSING EFFECTIVENESS OF ACTIONS

CANON OCEANIA

7.2 Canon Oceania Monitoring Process

Within Canon Oceania the effectiveness of actions to identify and address risks of modern slavery is being monitored through our existing governance structures including the Audit and Risk Committee that reports to the Canon Australia Board and also by the Canon Australia Senior Leadership Team which receives regular updates on progress.



Image by Stephen Lane,
Canon Oceania Employee.
Shot on Canon EOS 6D.



08

CONSULTATION PROCESS

Representatives from each of the companies in the Canon Oceania Group were included in the team responsible for preparing the statement. The team also consulted with other Canon companies and Canon Inc as well as local industry groups.

09

AUTHORISATION

This report has been approved by the Senior Leadership team and the Canon Australia Board.

A handwritten signature in black ink, reading 'Kotaro Fukushima', written in a cursive style.

Kotaro Fukushima
Managing Director
Canon Australia Pty Ltd

Canon