

Seen in a new light

This report is structured and informed by our Canon Oceania material issues for 2022. The report is not independently assured although our carbon data is included in the Canon Global independent verification process, with details available in the Canon Inc. Sustainability Report.

This summary report is supported by the following documents that contain more detailed information:

- [Economic and Governance Fact Book](#)
- [Environmental Fact Book](#)
- [Social Fact Book](#)

Canon Oceania Headquarters
 Canon Australia Pty Ltd
 5 Talavera Road, Macquarie Park
 NSW 2113, Australia.
 Telephone 13 13 83

Canon welcomes feedback on the report at sustainability@canon.com.au



COVER STORY

The cover photograph was taken by Tania Niwa, Canon Master, Grand Master of Photography and child of Mount Taranaki. “This is Māunga Taranaki, our sacred Mountain located on the west coast of New Zealand’s North Island.

“Recently a deed of agreement was initialled by the eight Māori tribes of our region and the Crown. If ratified our ancestor will be the first Mountain in history to be acknowledged as a legal person and not be owned by anyone, however will be cared for by us in partnership with the government,” Tania said. This image is used with permission from Te Atiawa Iwi, the tribe of the area the photo was taken in. Image taken on a Canon EOS 5DS.

Inside front cover image is of Tania capturing the magical radiance of Māunga Taranaki. This image was captured within the tribal homelands of Taranaki Iwi. Image taken on a Canon EOS 5D Mark III.

... and with a fresh perspective

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Managing Director's Message

Canon Oceania Group is a uniquely diverse Group within Canon globally.

In addition to delivering world class products and services, Canon aspires to be a company that people around the world respect for the way we contribute to society using technology. As a part of that goal, we see it as our responsibility to help build a sustainable world. Each step we take towards this is in line with Canon's long-standing corporate philosophy, *Kyosei*.

Kyosei is a Japanese word that describes the idea of harmonious coexistence. *Kyosei* expresses our shared aspiration to create a society in which all people live and work together harmoniously for the common good into the future, regardless of race, language, or culture.

Kyosei is at the heart of everything we do and it's about more than the here and now. It's about building a sustainable world for future generations.

In that spirit, Canon is at the forefront of initiatives to protect the environment. Since 2008, we have been working to achieve an annual average improvement of 3% in lifecycle CO₂ emissions per product. We have achieved a cumulative improvement of 43% in the life cycle of products from development to recycling through energy and resource conservation and streamlining of distribution. By 2030, we aim to reduce emissions by 50% from the 2008 baseline, and, by 2050, we aim to cut our CO₂ emissions across product lifecycles to net zero.

Here in Canon Oceania, Canon New Zealand was the first Canon business globally to become carbon neutral in 2018 and it has maintained this certification since that time. Looking to the future, we are in the final stages of developing a Net Zero Roadmap to bring the rest of the Group in line with New Zealand.

As an organisation, we want to grow alongside our communities – when they thrive, we do too – so we are committed to helping realise a better society by engaging in dialogue with our stakeholders to address the issues they face.

I feel privileged to lead a company that has a proud history in our region. In 2023 we will celebrate 50 years of Canon in Australia. Building on the hard work of our predecessors we are determined to focus our efforts to create a bright future in our unique market and contribute to Canon's global goal of creating new value and solving social issues.

I sincerely thank you for your ongoing support and humbly ask for you to continue on our journey with us.

Regards,



Kotaro Fukushima
Managing Director – Canon Oceania



Kotaro Fukushima, Managing Director – Canon Oceania Group

“Our global philosophy *Kyosei*, which means living and working together for the common good, is at the core of everything we do. It also brings with it a moral imperative to contribute to society in a way that ensures future generations can thrive.”

Kotaro Fukushima



Image by Jonathan Pratt, Canon Oceania Employee. Taken on a Canon EOS 5D Mark IV.

2022 Highlights

50% of our electricity needs at four of our largest corporate facilities now met using renewable energy.

Achieved an Employee Engagement score of 72%.

Canon New Zealand maintained its Toitū carbonzero certification.

Refreshed Leadership Framework launched to upskill our leaders across the business.

Progressed our Reconciliation Action Plan in Australia and committed to supporting Aboriginal and Torres Strait Islander peoples and businesses through our membership with Supply Nation.

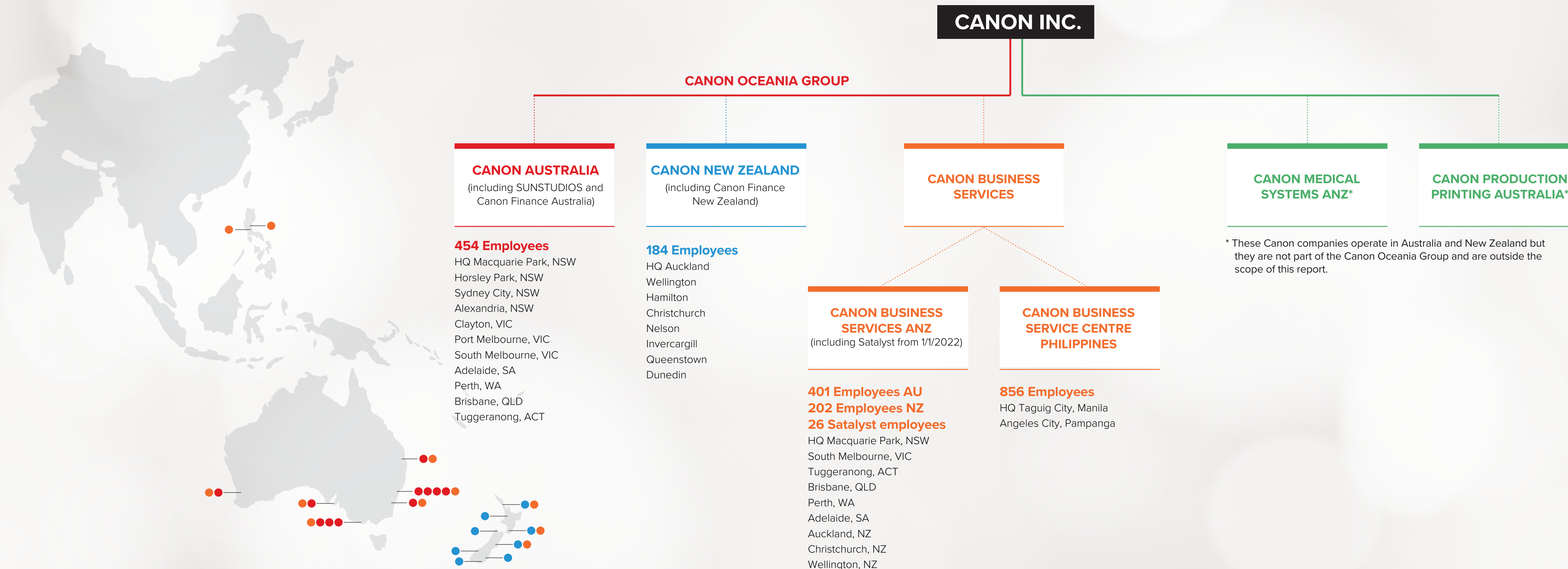
Launched our refreshed Digital Transformation Framework to guide business improvement efforts.

Voted the most trusted camera brand in Australia and New Zealand by consumers in the YouGov consumer survey and NZ Reader's Digest survey.

Successful transition of Canon Australia's customer service account from Concentrix (a third-party BPO) to become an in-house Canon Business Service Centre operation, increasing operational efficiency and customer experience.

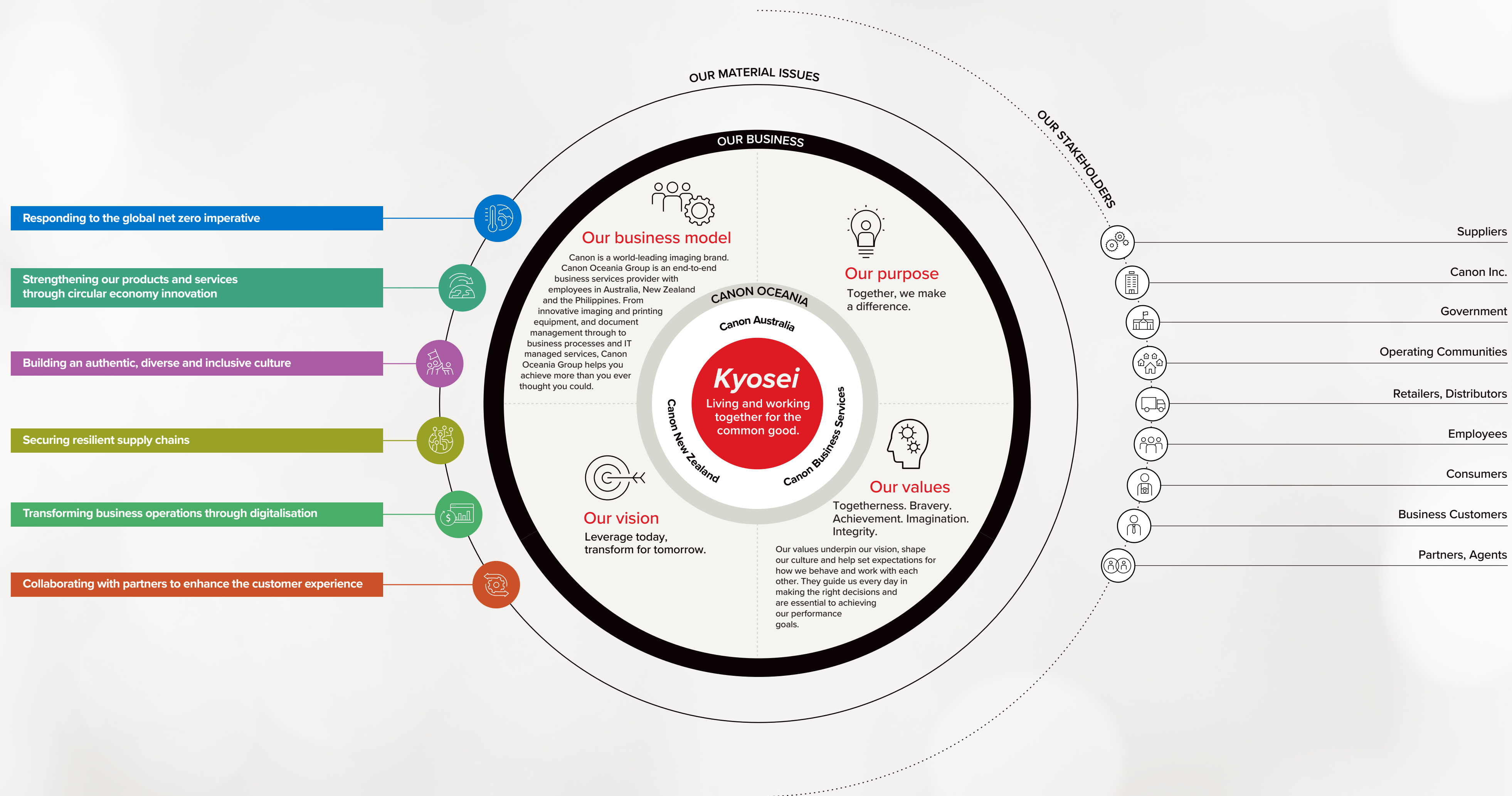
Canon's Operations in Oceania

ORGANISATION STRUCTURE



* These Canon companies operate in Australia and New Zealand but they are not part of the Canon Oceania Group and are outside the scope of this report.

Building a sustainable business



OUR MATERIAL ISSUES

Materiality

Materiality is central to corporate sustainability as it enables organisations to determine and prioritise the Environmental, Sustainability and Governance (ESG) issues most important to their business models. Importantly, it also informs stakeholders about how these issues impact the organisation's ability to create value, and their impacts on society and the broader environment.

In 2022, in partnership with BWD Strategic, Canon Oceania undertook a detailed materiality assessment to inform our approach to ESG and reporting. The process combined both internal and external stakeholder views with extensive research to determine the most important ESG issues to our business and stakeholders. A range of commitments were made to drive impact on each material issue and performance against these commitments is detailed in this report.

To further integrate sustainability into our business strategy Canon Oceania has initiated work on the development of a refreshed ESG strategy. This strategy will focus our efforts on key sustainability objectives and activities and serve as a blueprint to further embed a sustainability mindset across the business. The ESG strategy is in its final phase of development and will be launched in early FY2024.

Materiality assessment process

Megatrends analysis

Horizon scanning exercise undertaken to identify megatrends relevant to Canon Oceania.

Shortlisted megatrends:

1. Decarbonisation
2. Circular economy
3. Future of work
4. Purpose-led business
5. Supply chain disruption
6. Digitalisation
7. Transformative technologies

List of megatrends based on deep analysis of large-scale changes and developments in the environmental, social, governance and technology areas that affect Canon Oceania's business operations.

Stakeholder engagement and SWOT analyses

Sixteen deep-dive interviews conducted with internal (11) and external (five) stakeholders.

Participants answered a series of questions pertaining to Canon Oceania's strategic positioning on the two megatrends which most directly related to their area of subject matter expertise.

Interview findings used as input into analyses of the organisation's strengths, weaknesses, opportunities, and threats.

Identifying the material issues

Development of a comprehensive data table to understand the significance of all potentially material issues.

Seventeen issues identified from the SWOT interviews.

Each issue mapped against every source reviewed and relevant sustainability strategy and reporting standards.

An additional alignment exercise undertaken for the Sustainable Development Goals (SDGs).

Five priority goals identified - SDGs 5, 8, 9, 12 and 13.

Issues comparison with the ESG priorities of Canon Oceania's peers.

Survey conducted with 83 stakeholders (56 employees, 12 suppliers and 15 customers) to shortlist issues the business should prioritise.

Finalising the material issues

Workshop conducted with 23 Canon Oceania leaders to evaluate the shortlist, peer review and survey results.

Workshop participants selected and ranked the three topics they believe have the biggest impact on the environment, the economy, and people, including impacts on their human rights.

Stakeholder impact materiality process based on Global Reporting Initiative guidance.

Six sustainability issues identified as material to Canon Oceania.

First published in last year's report and form the basis of this year's report.

MATERIAL ISSUE 01

Responding To The Net Zero Imperative

Customers, business partners, suppliers and policy makers all expect Canon Oceania to implement a credible decarbonisation agenda with ambitious Scope 1, 2 and 3 emissions reduction targets.

Why this is important to Canon and its stakeholders

Acting fast and with focus, we have an opportunity to leverage supply chain partnerships and capitalise on opportunities for green innovation. A collaborative approach to decarbonisation will help support broader societal progress towards a low-carbon economy, strengthen our brand and social license, and ensure we stay ahead of regulatory developments. Our efforts will contribute to Canon Inc.'s publicised reduction targets.

How are we managing this issue?

We have developed an updated baseline of our emissions footprint from which we will set science-based emissions reduction targets in 2023. We are continuing to develop and implement our Net Zero Roadmap to support the achievement of our emission reduction commitments in a cost-effective way that meets the needs of the climate science, and the expectations of our stakeholders.

Progress against 2022 objectives

Objectives	Achieved	Progress
Launch Canon Oceania's carbon zero plan in line with Canon Inc.'s global targets.	●	As part of our Net Zero Pathway project we updated our baseline with 2021 and included a significant number of Scope 3 emissions. From June 2022 we began purchasing 50% GreenPower for four of our biggest sites. We have further work to do on materiality of those emissions and boundary scope. Globally, Canon Inc. is planning to announce new science-based targets initiatives (SBTi) and we will align with those.
Convert 100% of Canon New Zealand's fleet vehicles to hybrid.	●	All vehicles in our NZ fleet are hybrid (except for one that is not up for replacement yet).

2023 Objectives

- Set new emission reduction targets that are credible and transparent.
- Develop a Climate Transition Action Plan.
- Continue with existing plans to increase use of renewable energy, transition Australia's fleet to hybrid or electric vehicles, understand material Scope 3 emissions.

● Objective achieved ● Partially achieved ● Objective was not achieved ● Ongoing

12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Target 12.7

13 CLIMATE ACTION
Target 13.2



Image by Neil Banek, Canon Oceania Group Employee.

Operational site targets

Canon Inc. has had in place operational targets for energy use for sales companies; to improve the energy intensity of premises and company vehicles by an average of 1.2 percent per annum. Canon Oceania has consistently achieved this target each year, including in 2022, by investing in solar power for our Macquarie Park HQ, ongoing reductions in office space across the region, purchasing of renewable energy, offsetting our emissions in New Zealand and introducing hybrid vehicles.

For 2023, Canon Inc. has increased the operational energy target to a required 2.4 percent reduction in energy intensity of operations. Canon Oceania plans to achieve this target through the continued consolidation of our office footprint, increasing the use of hybrid fleet vehicles in Australia, and the purchase of more renewable energy.

Re-establishing a baseline for emissions reduction

Canon Oceania has been monitoring its emissions since 2009 when we established our first baseline for Scope 1, Scope 2 and some significant Scope 3 emissions. We have achieved reductions in those emissions by consolidating our corporate offices including relocating our head office to an energy efficient 5 Star Green Star (Interiors) rated building, outsourcing our warehousing and data centres to more efficient third party operations (now included in Scope 3 emissions), installing solar power at our head office at Macquarie Park, offsetting emissions from our New Zealand operations, and purchasing renewable energy.

In 2022, we increased our purchase of GreenPower at our Macquarie Park, South Melbourne, SUNSTUDIOS, and Melbourne Unipark premises. Our program of replacing our internal combustion engine vehicle fleet with hybrid vehicles in New Zealand continued, and our office footprint was reduced through further consolidation of corporate premises.

However, despite our ongoing reduction activities, our net direct emissions have remained relatively stable since 2019 at around 2,400 tonnes due to increased activity in 2022 as we re-emerged from the pandemic. Detailed information about our carbon emissions and trends across the business is contained in the [Environmental Fact Book](#).

Due to the significant changes in the business since we established the initial baseline, and also changes in the monitoring and reporting frameworks, we are working, with the support of the NSW Government Sustainability Advantage Program, to establish a new baseline and set new targets and an implementation plan in line with Canon's global commitments.

Total Oceania GHG Emissions (tonnes CO₂e)*

	2022	2021	2020	2019
Scope 1	459	393	432	461
Scope 2	1,977	1,817	1,845	1,983
Scope 3	1,573	1,331	938	1,864

*These net emissions take into account the carbon offsets purchased as part of our Toitū net carbonzero certification.

Canon's Global Targets

2050
We aim to achieve net-zero CO₂ emissions for entire product lifecycles* by 2050.

2030
By consistently achieving our target of an average annual improvement of 3% for the index of lifecycle CO₂ emissions per product unit, including Scope 3 as well as Scope 1 and 2 emissions, we aim to realise a 50% emissions reduction in 2030 compared to 2008 levels.

Canon Oceania made a submission on its 2030 CO₂ emissions reduction targets to the Science Based Targets initiative (SBTi), an organisation certifying scientifically based targets. Canon is making steady progress on achieving these reductions.

Approach
To reach net zero CO₂ emissions, we will rigorously improve efficiency throughout product lifecycles, further promoting energy efficiency in design, production, and distribution. Since 2008, Canon has consistently met its target of an average

annual improvement of 3% for the index of lifecycle CO₂ emissions per product unit. We will continue to build on this record of achievement going forward. We have moved ahead with the introduction of renewable energy mainly in Europe and Asia, and will continue to promote the strategic utilisation of renewable energy in consideration of its availability and economic viability in each region. We will also seek to reduce CO₂ emissions through advances in the recycling of resources. In addition to our own efforts, we will collaborate on initiatives with stakeholders throughout the value chain. Over the long term, we aim to incorporate the products of innovation to reduce CO₂ emissions using various approaches, including the achievement of our SBT milestones. At the same time, by making a wide range of technologies and IT solutions available, Canon will not only reduce CO₂ emissions in our own operations but also help lower CO₂ emissions across society.

* Scope 1: Direct emissions (city gas, LPG, light oil, kerosene, non-energy-related greenhouse gases, etc.).
Scope 2: Indirect emissions (from use of electricity, steam, etc.).
Scope 3: Supply chain-related emissions (emissions from purchased goods and services, upstream transportation and distribution, and utilisation of sold products).

CASE STUDY

Rainforest Rescue

Rainforest Rescue is a not-for-profit organisation based in Queensland, Australia, that's been saving, planting, and protecting rainforests since 1999. As a silver partner with Rainforest Rescue, we regularly have trees planted in our forest in the Daintree National Park in Mossman, Queensland. We do this on behalf of our employees on their one year anniversary, in celebration of National Tree Day, or to contribute to mitigating the environmental impacts of internal events. This initiative contributes to Canon Oceania's commitment to decarbonisation and helps restore precious biodiversity in the region.

Rainforests are considered our planet's lungs. Nothing absorbs CO₂ from our atmosphere more effectively than our rainforests. Yet deforestation remains one of the biggest threats to our environment at a time when Australia is seeking to pursue both emissions reductions and the restoration of natural ecosystems.

The benefits of reforestation go beyond what happens on land. Water tests show that the replanted rainforests in the Daintree have significantly helped reduce sedimentation and turbidity levels that previously flowed through the rivers to the Great Barrier Reef resulting in coral and species destruction.

In 2022 alone, we had 957 trees planted in our forest, taking the total number of trees we've planted through our relationship with Rainforest Rescue to 5,100. We look forward to continuing this relationship into the future.



Image by Jasmine Carey. Taken on a Canon EOS 5D Mark IV.

Product Lifecycle Emissions

Canon globally has a target of an average annual improvement rate of 3 percent in the index of lifecycle CO₂ emissions per product unit. To measure our progress against these goals, we conduct annual assessments to understand the impact of our products throughout their lifecycle. From sourcing raw material to disposal or recycling at the end-of-life of a product, impact for all product lifecycle stages is considered. All activities across the product value chain, including energy, water, transportation, and others, are converted to a carbon dioxide (CO₂) equivalent to calculate the index of lifecycle CO₂ emissions per product unit. Canon Oceania's Scope 1 and 2 emissions as well as our local freight emissions are reported regularly to Canon Inc. and considered when determining the index of lifecycle CO₂ emissions per product unit.

As of 2022 we have achieved an improvement of 43 percent against the index compared to our 2008 levels. This represents an average improvement of 4.1 percent annually which exceeded the target. The total life cycle CO₂ was 8,342,000 t-CO₂ (Scope 1, 2 and 3). This greenhouse gas emissions data is independently verified. For further information, refer to the [Canon Inc. Sustainability Report](#).

To further show our commitment to being accountable for lifecycle emissions, Canon Inc. has participated in the Japanese Carbon Footprint program for some time. During 2022 Canon Inc. significantly increased the number of models certified by this program, specifically for the Australian and New Zealand market.

Further information about the program can be found [here](#).

Toitū net carbonzero certification

Canon NZ maintained its carbon neutral certification in 2022 through the Toitū net carbonzero program. Reductions were achieved from vehicle fleet emissions and flights compared to the base year of 2019, however overall emissions for Canon NZ were slightly up compared to 2021 due to the post pandemic increase in activity (note: audited 2022 results are not available at the time of this report). Under the Toitū net carbonzero program, emissions that cannot be reduced during the year are offset by the purchase of verified carbon credits. Toitū Envirocare sources a portfolio of credits from a range of compliance and voluntary standards including Gold Standard (and Fairtrade Gold Standard), Clean Development Mechanism (CDM), and New Zealand's Permanent Forest Sink Initiative (PFSI).

Net Zero Roadmap

In 2021 Canon Oceania developed a draft Net Zero Roadmap as part of a Sustainability Advantage pilot program. The roadmap set out an emissions baseline to develop short- and long-term emissions, reduction targets and identify key activities and initiatives that would drive our decarbonisation efforts.

Due to ongoing uncertainty around our future working arrangements as the world established a new normal after the COVID-19 pandemic, the decision was made to postpone the launch of our Net Zero Pathway. We have now settled on a hybrid working model which has enabled us to update our previous 2019 emissions baseline to a 2021 baseline which is more reflective of our emissions footprint.

The new 2021 emissions baseline was developed using the Science Based Targets initiative (SBTi) framework. The baseline is inclusive of all Canon Oceania's Scope 1 and Scope 2 emissions and a broader cross-section of Scope 3 emissions including base building electricity, employees working from home, employee commuting, offsite data centres, more comprehensive freight data and other procured goods and services.

Our updated Net Zero Roadmap will use the 2021 baseline to set new 2030 emissions reduction targets for Scope 1 and 2 emissions aligned with Canon Inc. targets, and a 2030 Scope 3 target covering a net reduction in emissions, as well as a supplier engagement target.

A set of prioritised initiatives and activities to drive emissions reductions aligned with the new targets is currently being developed for implementation upon final management approval in early 2024.

Index of lifecycle CO₂ emissions per product unit

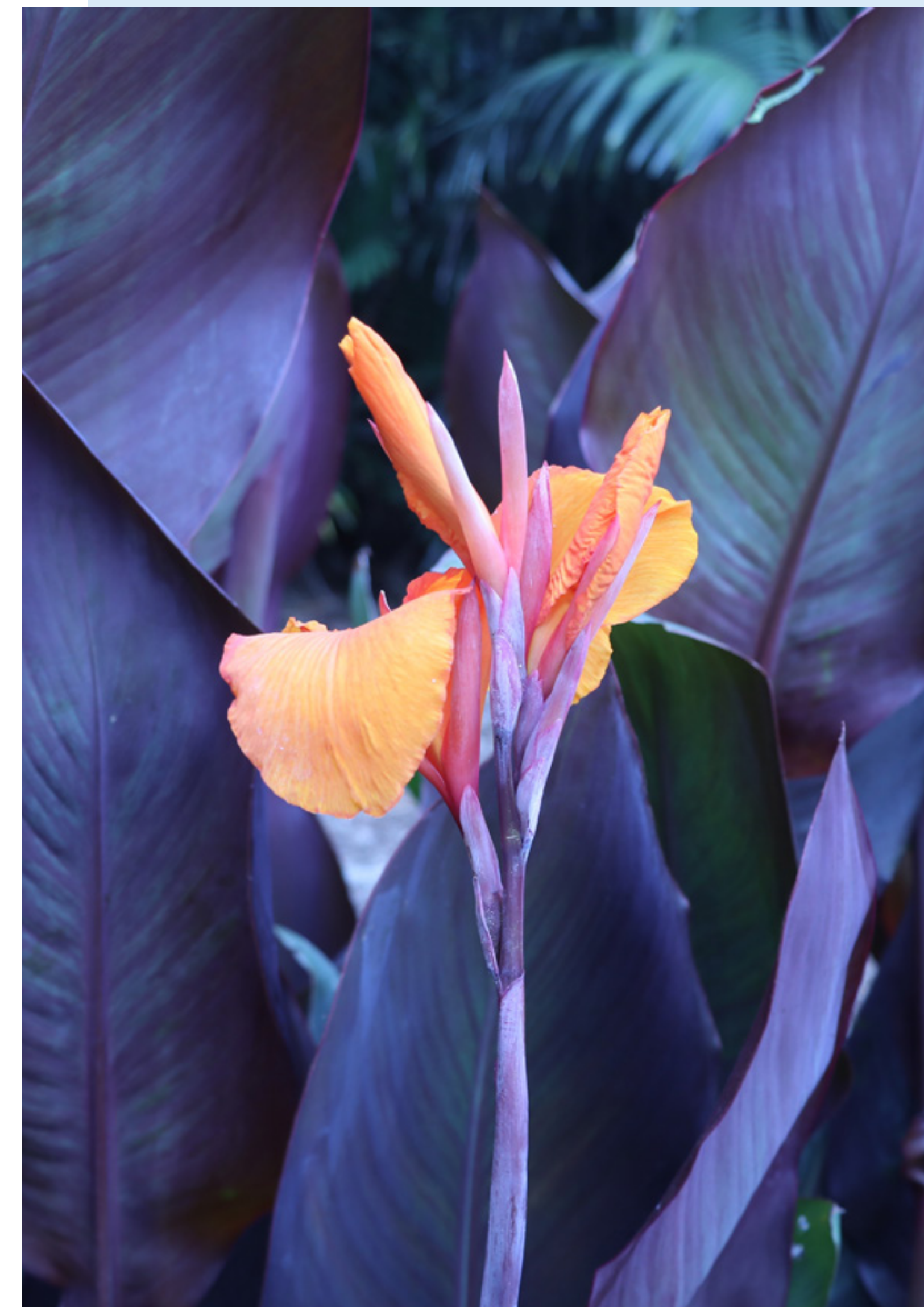
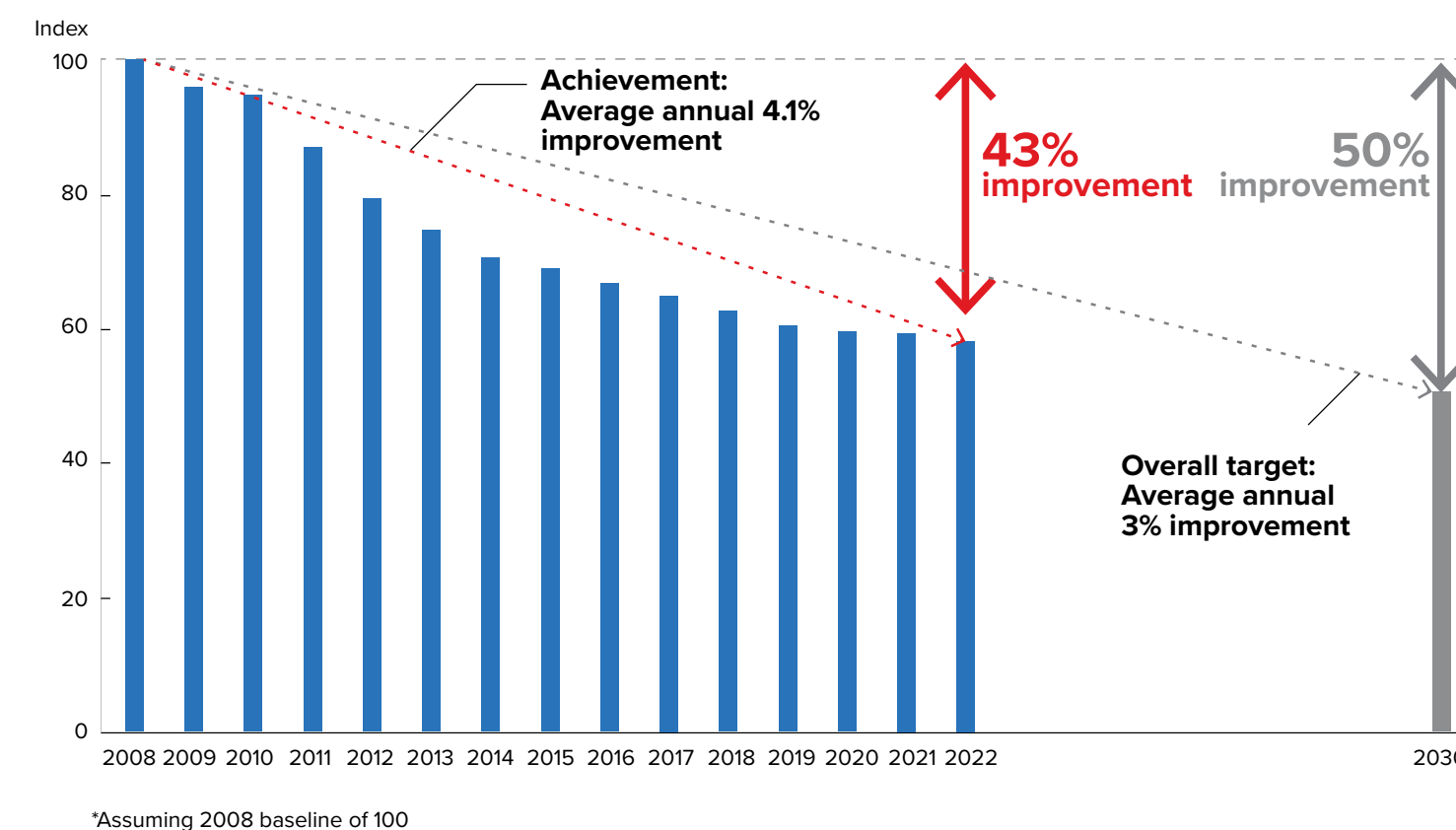


Image by Matt Brook, member of our Canon community. Taken on a Canon 80D.

MATERIAL ISSUE 02

Strengthening our products and services through circular economy innovation

A new generation of Canon Oceania customers is increasingly aware of the costs of business-as-usual. They view waste and pollution as flaws in our current economic model, rather than inevitable by-products of economic output.

Why this is important to Canon and its stakeholders

The demands humans place on nature today are equivalent to the sustainable output of 1.6 Earths. Finding ways to reuse, repurpose and recycle the products we provide to customers locally will help reduce costs, create new revenue streams, maximise the efficient use of resources and restore planetary health. Our service offerings – by improving efficiency and productivity – can also support the adoption of circular business models, both internally and for customers. Adopting circularity principles requires Canon Oceania to work with upstream and downstream partners in its value chain; including its parent company, Canon Inc.

How are we managing this issue?

Canon Oceania is working with Canon Inc., local industry bodies, and suppliers to develop innovative solutions to improve resource utilisation and embed circular solutions in the supply chain to meet consumer expectations and evolving regulatory requirements.

Progress against 2022 objectives

Objectives	Status	Progress
Manage the phase-out of Expanded Polystyrene (EPS) packaging in all consumer inkjet printers and scanners by 2023.	●	By the end of 2022, 25 out of 39 models or 64 percent of models no longer contained EPS. We have signed up to the APCO roadmap to phase out business-to-consumer EPS packaging wherever possible by 2025.

2023 Objectives

- Consolidate circularity initiatives to develop a Canon Oceania circularity roadmap.
- Deliver on commitments under the APCO roadmap to implement the national phase-out of business-to-consumer EPS packaging.
- Pilot recycling schemes for cameras in Australia and New Zealand.

● Objective achieved ● Partially achieved ● Objective was not achieved ● Ongoing



SDG 8: Decent work and economic growth
Target 8.4



SDG 12: Responsible consumption and production
Target 12.1
Target 12.5



Image by Stephen Lane, Canon Oceania Group employee. Taken on a Canon EOS 7D.

Canon Inc.'s Approach to Circular Economy

Resource Recovery and Recycling

Canon Inc. is working to improve resource recovery and recycling at the product manufacturing and end-of-life stages. To fully integrate the principles of circularity into our thinking, Canon has two ongoing projects: (1) closed-loop recycling of toner cartridges where toner waste is used as a raw material for other products, and (2) remanufacturing office multifunction devices. These programs are run in Japan, Europe, the United States, and China, limiting our environmental footprint by reducing the need for virgin materials. Efforts are also made to keep the resources and recycling efforts in the same region to reduce carbon emissions associated with logistics. For more information, please visit Canon Inc.'s [Circular Economy site](#).

Designing for the Environment

Canon Inc. designs all its products using Environmentally Conscious Design Guidance to reduce environmental impact. The guidelines cover multiple aspects of product design including materials, maintenance, durability, product dismantling, and product information for disclosure purposes.

To further identify and minimise impact, Canon applies life cycle assessment (LCA) methodology and management systems to the end-to-end product journey. The LCA process quantitatively evaluates impacts at all stages of the value chain from the sourcing of raw materials, manufacturing, packaging, storage and logistics to product use and end treatment. To find out more about Canon's design thinking, please visit the [Design for Environment site](#).

Canon Oceania's Commitment to Circular Economy Innovation

Canon Inc. has a global policy of keeping resources in circulation within the same regions where they are consumed. To support this policy locally, Canon Oceania is actively engaged in national industry-led product stewardship schemes in Australia and New Zealand. In the Philippines product stewardship activities are handled by the local Canon marketing company. Canon Oceania's presence in the Philippines is as a service provider and as such it does not sell products in the region.

E-waste (Australia and New Zealand)	Techcollect (Australia and New Zealand)
Printing consumables (ink and toner cartridges)	Cartridges for Planet Ark (Australia) The Recycling Group (New Zealand)
Packaging	Australian Packaging Covenant
Batteries	B-cycle (Australia)

E-waste in Oceania

TechCollect NZ Pilot Program

The TechCollect NZ pilot program continues to grow in New Zealand providing free, safe, and responsible collection and recycling services for end-of-life technology equipment. The program is supported by Canon NZ, other responsible brands, and a major retailer. The pilot has received grant funding from the Waste Minimisation Fund (WMF) administered by the Ministry for the Environment (MfE) to understand what systems work best in New Zealand and inform recommendations for a mandatory product stewardship scheme that covers electrical and electronic products.

During 2022, the TechCollect NZ pilot program collected and recycled 85.6 tonnes of e-waste from their national network of 38 drop-off locations. All accepted items recovered by the program are recycled by the Recycling Group Limited (RGL) in Auckland where they have been able to achieve a material recovery rate of over 95 percent (as measured by weight). Plans are in place to expand the program in 2023 to attract greater industry support.

TechCollect Australian Program

Initially established as a not-for-profit company by Canon and other responsible brands to acquit its obligations under the National TV and Computer Recycling Scheme (NCRS), Australia New Zealand Recycling Platform (ANZRP) has demonstrated its capability to effectively manage a sustainable and responsible end-of-life electronics recycling program. It is also recognised across industry and in government as a thought leader, and a reputable source of knowledge on the NCRS.

Recovered Material 2021-2022

ANZRP recovered a total of 80.4 percent of the material collected for recycling, which was lower than the target set by the government for the scheme at 90 percent. This gap in achieving the target was primarily the result of a lack of recycling capability in Australia for the kind of mixed plastics that arise from e-waste recycling. China's ban on the importing of mixed plastic wastes in 2017, and the Australian Government's ban on the export of this material in July 2021, has placed pressure on local recycling capabilities. State and Federal governments are investing in state-of-the-art advanced recycling solutions for mixed and hard-to-recycle plastics to address the issue.

Downstream material is then sent by the recyclers to downstream processors who refine the materials so that they can be used in the manufacture of new products.

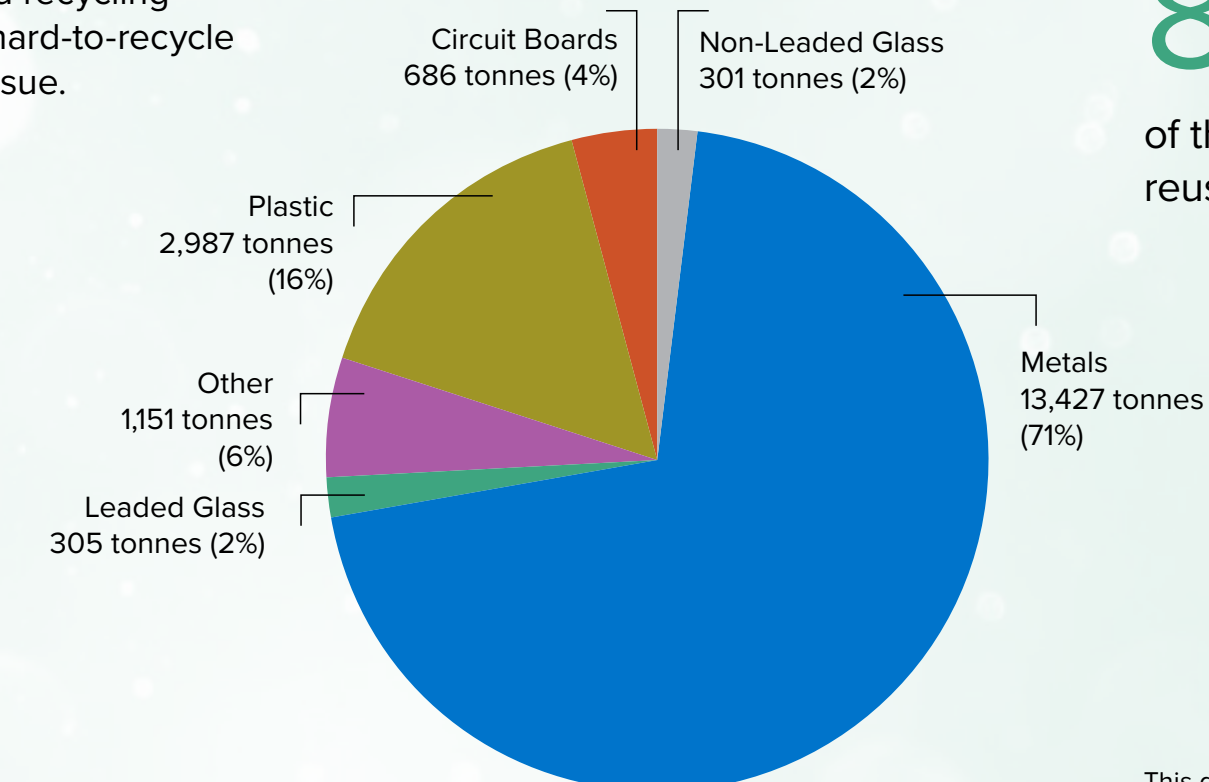
In 2021/22 18,857 tonnes of material was sent from recyclers to downstream processors for material recovery processing:

- 13,920 tonnes of usable material was recovered domestically
- 3,194 tonnes of usable material was recovered overseas
- 1,208 tonnes of non-usable material was disposed of domestically
- 536 tonnes of non-usable material was disposed of overseas.

Recycling Volume Channels (tonnes)

A range of material is recovered through the recycling process and returned to the economy as illustrated in the chart below.

3,717 tonnes of recycled fraction was exported for downstream processing to a range of countries including India, Japan, Malaysia, Pakistan, Philippines, Singapore and Thailand.



Recycled

21,460

tonnes of e-waste;

Surpassed

220,000

tonnes recycled since the program began in 2011;

Collected from

278

TechCollect sites spanning Australia; and

Recovered

80.4%

of the recycled material for reuse in other products.

This data is from the [ANZRP Annual Report 2021/2022](#).

Mobile E-waste Factory

In last year's report we shared the announcement of ANZRP's first recycling project – the mobile e-waste factory (MEWF). Supported by Victorian government funding, the MEWF was expected to be fully operational in 2022; however due to challenges arising from the pandemic, the move to full operation has been delayed. Nevertheless, the pilot has proven useful in building capability within the MEWF team, and the pilot will be extended into 2023 with the recycling facility moving to a site under the control of ANZRP. During the pilot phase, the MEWF has proven its capability to efficiently recycle e-waste, as well as other products such as sporting shoes, tennis balls, wheely bins and vehicle parts. The MEWF is designed to meet the needs of regional and rural communities where recycling is challenging due to the high cost of transportation. Once fully functional, this model will serve as a business case for other States to invest in similar projects.

RESIN8™

ANZRP has partnered with the Centre for Regenerative Design & Collaboration (CRDC) to build a plastics recycling plant using RESIN8™ technology. The technology takes mixed plastic waste from many different sources and produces an advanced eco-aggregate called RESIN8™ that can be used in structural or non-structural concrete applications. A key benefit of the technology is that it effectively deals with residual brominated flame retardants, present in e-waste, which otherwise would need to be landfilled.

Adding RESIN8™ to the process has been shown to improve the performance of concrete. It has been tested to demonstrate an increase in compression strength, flexibility, fire resistance, thermal resistance, and acoustic properties. The recycling plant being built using RESIN8™ is supported by Sustainability Victoria through the Resource Recovery Infrastructure Fund, and it is expected that the new factory will be in operation by the end of 2023.

CASE STUDY

Understanding the Environmental Impact of E-waste Recycling in Australia and New Zealand

Canon Australia engaged the services of the consultancy firm Lifecycles to conduct a life cycle assessment of the benefits of our e-waste recycling efforts. The assessment included data from e-waste recycled by TechCollect on our behalf from the public, and from products we collected directly from our customers and warehouses.

In assessing the environmental benefits associated with the e-waste recycling program, four key indicators were considered: climate change, fossil energy use, particulate matter, and water scarcity.

The total volume of e-waste collected by or on behalf of Canon throughout financial year 2022 was 490 tonnes. Additionally, Canon funded ANZRP to collect an amount of e-waste equivalent to the rest of its total liability for the year, which was 1,903 tonnes in FY22.



ANZRP's Mobile E-waste Factory.

Recycling (one tonne) of mixed e-waste collected by Canon and TechCollect in Australia ...

Recycling (one tonne) of information and communication technology (ICT) e-waste collected by the TechCollect pilot program in New Zealand ...



Avoids **1,423 kilograms** CO₂e from being emitted into the atmosphere.

Saves **2,052 kilograms** CO₂e from being emitted to the atmosphere. This is equivalent to planting 30 trees.



Avoids the consumption of **18,184 megajoules** of fossil fuel.

Saves **28,347 megajoules** of fossil energy. This energy is equivalent to the electricity consumed by one average New Zealand household for 410 days.



Saves **2,549 grams** of particulate matter.

Saves **3,026 grams** of particulate matter. This is equivalent to removing over 3,050 kilometres of truck travel.



Saves **3.9 metres³** equivalent of water.

Saves **7.4 metres³** equivalent of water. This is equivalent to 26 days of water consumption for one person.

Note: This data is based on reports prepared for Canon and ANZRP by a company called Lifecycles. The 2022 reports for Australia and New Zealand are available on our websites as follows:

Potential environmental benefits of e-waste recycling in Australia – 2022 Canon Summary Report, November 2022

Potential environmental benefits of ICT e-waste recycling in Aotearoa New Zealand July 2022

The reasons for the variation between the per kilogram potential environmental benefits between Australia and New Zealand relate to the fact that the NZ pilot program includes only ICT equipment and not TVs and other equipment collected in Australia, the relative sample sizes and the recycling processes and local energy mix in each country.



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

Consumables

Canon recycles ink and toner cartridges through the well-known Cartridges for Planet Ark (C4PA) program in Australia and through The Recycling Group in New Zealand. The C4PA program suffered a setback in mid-2022 with a fire at the Close the Loop facility. The fire damaged the toner recycling lines and impacted the production of TonerPlas®, an asphalt additive used in making roads. It is expected that the recycling lines for bottles and toner cartridges will be re-established in first half 2023 with the TonerPlas® line scheduled for re-commissioning in second half of 2023. This operational disruption did not impact on our customers as the C4PA program continued throughout the year with consumables being collected from customers, data captured, and bottles and cartridges sorted by plastic type. The material has been safely stockpiled until the recycling plant is operating again, and inkjet cartridges were recycled by another Close the Loop facility in the USA.



Meeting Australian Packaging Targets

Last year we reported that Canon Australia was participating in an industry working group under the Australian Packaging Covenant Organisation (APCO) to produce a practical national plan towards achieving the Australian Government's goals. These goals include the development of a National Plastics Plan to phase out expanded polystyrene (EPS) in consumer loose fill and moulded packaging, and the phase-out of problematic and unnecessary single-use plastic packaging by 2025 under the National Packaging Target.

In November 2022, APCO published its *Roadmap To Implement The National Phase Out of Business-To-Consumer EPS Packaging*. The plan proposes a phasing out of point-of-sale consumer moulded EPS packaging for small to medium sized electrical and electronic products over the next three years with all EPS packaging removed by 2025. Canon has committed to meeting this target for all Australian and New Zealand consumer products.

The plan also caters for products where there is no current suitable alternative to EPS. Canon has a small number of these products in the consumer market, mainly heavy products over 45kg or fragile precision printing products. In this case while Canon Inc. works on alternative types of packaging, we have committed to support the establishment of a product stewardship scheme for the recycling of polystyrene.

Batteries

Canon Australia is a small importer and seller of batteries and has been a long-standing supporter of Australian Battery Recycling Initiative (ABRI) in its drive to improve product stewardship in Australia. We are also a founding member of the B-cycle program which had its first full year of operation in Australia in 2022. B-cycle is Australia's national, government-backed independent stewardship initiative. The scheme recycled 900 tonnes of household batteries collected from 3,200 drop-off points in the first six months of its operation from January 2022. The scheme is supported by the Commonwealth and all State and Territory governments and authorised by the Australian Competition and Consumer Commission (ACCC).



Future Product Stewardship Requirements

The Australian Federal Government has proposed new product stewardship legislation for small electrical and electronic items. As well as catering for recycling at end-of-life, the legislation is being designed to encourage repair and reuse by customers. The proposed legislation is expected to be finalised by July 2024 and implementation is planned to start by July 2025.

Canon Australia is actively participating in the development of the proposed legislation through our industry associations, Australian Information Industry Association (AIIA) and Consumer Electronics Suppliers Association (CESA), and through ANZRP. Likewise, in New Zealand, the government is proposing a mandatory scheme covering TVs, computers, printers, and small tech equipment, likely commencing in 2025.

We are also expecting stricter requirements around repairability, recyclability and percentage of recycled content in products and packaging. In addition to the APCO roadmap on packaging and 2025 packaging targets, the Federal Government has revised its Sustainable Procurement Guide to use 30 percent average recycled content across all goods and infrastructure procurement by 2030. Canon Australia is working towards cost-effective solutions and meeting the targets laid out by industry bodies.

MATERIAL ISSUE 03

Building an authentic, diverse and inclusive culture

Canon Oceania is strongest when its operations reflect and celebrate the culture and values of the local communities it serves. *Kyosei* provides our people with a philosophy they can believe in, and remains a powerful tool for attracting, retaining, and promoting diverse talent. The *San-ji* (pronounced 'sun-jee') *Spirit* is also part of our global DNA, meaning Three Selves': Self-motivation, Self-management, and Self-awareness. It's an ethos that ensures that we are accountable for being proactive, responsible for our own actions and collaborating with each other in achieving our vision and purpose.

Why this is important to Canon and its stakeholders

The flexibility to tailor Canon's global philosophy, *Kyosei*, to cultural contexts in Australia, New Zealand and the Philippines builds trust within our communities and enhances our social license to operate.

How are we managing this issue?

Our diversity, equity, and inclusion policies apply across Oceania. Each country's diversity, equity, and inclusion working group is responsible for overseeing the development, implementation, and measurement of activities and initiatives that address the D&I issues most relevant to their region. Outcomes and feedback are consistently communicated both internally, and externally via the Sustainability Report.

In 2022 and the preceding two years since the onset of the pandemic our primary wellbeing focus has been the wellbeing and mental health of our people. In support of Canon Oceania's soon to be implemented ESG strategy and plan, a refreshed diversity, equity, and inclusion strategy is also being developed.

Progress against 2022 objectives

Objectives

Invest in the development of our leaders across Oceania in line with the Leadership Framework.

Status **Progress**



Canon Oceania launched its Leadership Framework and leadership training programs.

Continue to embed our purpose-driven culture through the development of our people.



Leadership development program includes a focus on Canon's purpose and vision. *Kyosei* etc.

2023 Objectives

Commit to enhancing gender equality outcomes within Canon Oceania.

Accelerate action on Indigenous reconciliation and empowerment including preparing to escalate to an Innovate Reconciliation Action Plan for the 2024-2025 RAP.

● Objective achieved ● Partially achieved ● Objective was not achieved ● Ongoing



SDG5: Gender equality
Target 5.5



Image by Heñio Beldevieso, Canon Oceania Group employee. Taken on a Canon EOS M50.



Image by Don Tiongkiao, member of the Canon Community. Taken on a Canon EOS M6 Mark II.

Employee engagement

We believe that maintaining a high performing organisation depends on fostering an inclusive and open culture and a commitment to continuously improving the employee experience.

We consistently ask our people about their employee experience through employee engagement surveys. The overall employee engagement score in April 2022 was 72%. The survey was conducted across all Canon businesses in Australia, New Zealand, and the Philippines with 1,529 survey responses, a minor drop from the previous survey. Strong positive results were seen across the board, specifically around the level of pride employees feel towards Canon (81 percent), and a sense of personal accomplishment people had in their work (79 percent).

Supporting the health and wellbeing of our people

Canon Oceania is committed to prioritising the physical, mental, and financial wellbeing of all its people.

R U OK? Day

Mental wellbeing is key to how an individual feels, performs and engages at their workplace which is why we promote a culture where employees are encouraged and supported to give their mental wellbeing the attention it requires. We run a range of initiatives to help our people better deal with the stressors of everyday life including an event offered across the Oceania Group to mark R U OK? Day. The session titled *'The Mindful High Performer'* was run by Chelsea Pottenger, an international wellbeing speaker and R U OK? Day ambassador.

The session included tips and tools on mental health wellbeing, how to start conversations around mental health, and an interactive Q&A addressing questions from employees.

Health initiatives at Canon Australia and Canon New Zealand

On Canon's wellbeing days, Canon Australia organised free health checks for employees. On top of a standard health check and a seated massage, employees had the opportunity to book a free heart health check and a skin cancer check across all office locations in Australia. In 2022, Canon Australia and Canon New Zealand businesses also offered all employees a free flu vaccination either by booking an appointment or signing up for a vaccination voucher to use at a local pharmacy. Additionally, Canon also organised online sessions on meditation and how one can benefit from practising it to reduce stress and improve overall mental and physical health.

Health and Safety

Canon's commitment to the health and safety of its employees, customers, partners and visitors is a further reflection of its *Kyosei* philosophy. In 2022, our key health and safety focus continued to be managing the impact of the COVID-19 pandemic on our people and business as well as standardising health and safety management systems across the Canon Oceania Group.

We hold independent certification to the global benchmark ISO 45001 Health and Safety Management Systems for most business units and locations with plans to extend the certification to CBSC in the Philippines and Satalyst operations in 2024.

The effectiveness of these systems and the importance we place on them is reflected in the fact that health and safety is a key component of our employee engagement score measurement and we consistently score over 80 percent agreement with statements such as 'Canon Oceania is committed to employee safety' and 'My direct supervisor / manager cares about my wellbeing'.

All employees have access to our reporting system for health, safety and environmental hazards and incidents and reports received through the system are reviewed weekly at Senior Leadership Team meetings to ensure that managers are aware of potential risks in the business and to ensure that reports are followed up seriously in a timely manner. Further information about Canon's health and safety management systems and reporting trends can be found in the Social Fact Book.

Employee Assistance Program

Our Employee Assistance Program (EAP) makes it easy for employees to access wellbeing services with an intuitive and dynamic app. The app allows employees to manage their own mental health and wellbeing. They can confidentially book counsellor appointments, read tips and strategies and access wellbeing tools and resources based on their preferences, goals and interests.

Learning and Development

Launch of Canon Oceania's Leadership Framework

In 2021 Canon Oceania launched its Leadership Framework. The leadership development programs that are based on the Framework began to roll out to all employees in 2022.

The Leadership Framework was constructed to establish what 'great' looks like at Canon amidst our unique environments, as well as future needs and priorities. The Framework is for everyone in the business and provides support and structure around professional development. It also highlights our commitment to providing an environment for continued growth across the organisation and across all levels.

The Framework has five behaviours and 15 competencies below them. The five behaviours are:

1. Visionary
2. Caring
3. Curious
4. Dedicated
5. Adaptive

The Framework consists of behavioral guidance across four levels of leadership: Leading Self, Leading Others, Leading Function and Leading Business – and is designed to support current and emerging leaders to understand and improve on their leadership at Canon. The Framework is also designed to support professional development and growth for employees, by providing a structured framework on which they can make development choices.

The Framework will continue to be rolled out across the business during 2023.

“Leadership is fundamental to the success of our business so it’s very important to me and Canon. I’m really pleased to have been able to offer this opportunity to our leaders to further develop their skills.”

Kotaro Fukushima, Managing Director

Leadership Training

Canon Oceania has designed a series of leadership programs as part of ongoing efforts to support the leadership team in improving their skills. The Leadership Development Program was started in 2021, and in 2022 the focus was on 'Leading Others', an extensive program to improve essential skills for new leaders in the business. In 2023, the focus of the program will shift to 'Leading Self' for individual contributors, and 'Leading Function' for General Managers in the business. These bespoke training programs targeted at different levels and types of leaders across the business support the Leadership Framework launched by Canon Oceania in 2022, providing a valuable development pathway for leaders and employees at Canon.

Employee engagement through learning in 2022:

- 1,738 learning attendances (excluding e-learning engagement numbers),
- 634 recordings of virtual workshops watched, and
- 77 unique pieces of learning content delivered.

'Leading Others' Training at Canon

In 2022, Canon Oceania hosted its first leadership program designed to enable our leaders to live and breathe our Leadership Framework behaviors. Four cohorts of Canon Oceania's senior leaders went through an eight-month leadership program. The program included five full days of training, a rigorous 360° feedback report, and creation of a personal development plan to practice new skills for 45 participants. Some of the topics covered in the training included innovation, diversity and inclusion, resilience, and emotional intelligence.



Members of Canon's Leading Others @ Canon cohort were from across Australia, New Zealand and the Philippines so their graduation 'ceremony' was held online.

Building Awareness

Cultural Awareness Training

Canon Australia is in the early stages of its RAP journey and made the decision in 2022 to retain a Reflect RAP. As an organisation we have recognised there is still work to do to create a culturally safe workplace that will encourage First Nations people to see Canon as an employer of choice. To progress towards this goal, in 2022, Canon Australia ran two First Nations Cultural Awareness sessions hosted by Shared Knowledge, an Aboriginal-owned educational business. The sessions were run virtually and helped employees across Australia build a better understanding of First Nations peoples' experiences.

Canon also recognises and celebrates the significant contributions Māori and Pasifika communities make towards New Zealand's culture and economy. To confirm our commitment to represent Aotearoa New Zealand as a whole, and to reflect the foundations cemented in the partnership of Te Tiriti o Waitangi, Canon has developed a Māori and Pasifika People Inclusion Plan. This plan outlines our commitment to creating and celebrating real cultural change in our organisation.



'Min Min' by Michael Jalaru Torres on a Canon EOS 5D Mark III. Michael Jalaru Torres was the featured photographer in our 2022-2023 Reconciliation Action Plan.

NAIDOC Week

Canon and CBS Australia celebrated NAIDOC week by featuring work of First Nations artists and photographers on their social channels.

Amber Hamer [@wayilacreative](#)

Amber Hamer is a proud Bundjalung and Biripi Woman based on Gumbaynggirr Country (Coffs Coast). Amber is passionate about working in the community and having an opportunity to have stories and traditions respectfully captured through photography and videography.

“I feel so privileged to be able to see, hear and capture so many important stories and traditions from around our country.”

Marley Morgan [@marleymorganphotography](#)

Marley is a proud Wiradjuri and Gamilaraay woman who grew up on Wiradjuri and Gamilaraay/Yuwaalaraay country and is currently based on Gumbaynggirr Country, Coffs Harbour.

“With this year's NAIDOC theme get up, stand up, show up. I wanted to honour the First Nations women in our communities that are making change. The women who are the backbones of our families, the voices of our communities who always stand up and show up for our people.”

Canon Business Service Centre Philippines celebrates Pride month

Canon Business Service Centre (CBCS) in 2022 formed the Pride Posse group, which hosted two major social events during Pride Month to celebrate the LGBTQIA+ community. The events included a three-day bazaar called 'CREATE' that showcased employees' creative side-hustles, and a two-part event 'Pride Starts with You' featuring a jamming session by CBCS musicians and dancers, along with a fabulous drag show starring guest performers and CBCS's own drag legend, Astrid.

To further enhance the social impact of these events, CBCS partnered with a community charity partner that supports caring for orphan children, Kanlungan sa Er-Ma (KSEM), and raised a total of Php 26,570 from event proceeds.

CBCS People & Culture Head Carissa de Jesus-Driz said that celebrating Pride Month is crucial to nurturing an inclusive culture.

“As an ally, I believe in creating channels for the voices of our LGBTQIA+ friends. It isn't just about self-expression – it's also about raising awareness on social issues that impact this community to this day.”

Carissa de Jesus-Driz, Head of People and Culture, Canon Business Service Centre Philippines



Clement joined Steve from OzHarvest (pictured above) to rescue food from ALDI and Woolworths supermarkets, and redistribute it to vulnerable communities including Jewish House, Rough Edges, Care Takers Cottage, Russell King Charity, and PCYC.



Sorting through the food for rescue.

“Collecting 1,200 kilograms of food for the day was incredible, but I also saw the other side of it – how much food we're still throwing out. And it goes to show how much more we all could be doing to make it that bit better.”

Racquel Dux, Operations Manager at CBS Australia and member of the OzHarvest committee



Community Partnership – OzHarvest

In 2021, Canon and CBS Australia initiated a community partnership with OzHarvest by joining the 'yellow family' mission to tackle food waste and empower vulnerable communities in Australia. This partnership speaks to our *Kyosei* philosophy, living and working together for the common good. In 2022, some Canon Australia and CBS employees got the opportunity to understand the OzHarvest operations from behind the scenes by joining them on a day of food rescue and redistribution.

“The OzHarvest team truly care, it is evident in the way they approach their work, the people around them, and how they care for the goods. I have even more respect for the OzHarvest team and the amazing culture they have built.”

Clement Woo, Senior Business Process Analyst, CBS Australia



Packing the van with rescued food.

CASE STUDY

Harnessing the *Kyosei* spirit to create positive social impact

Canon Oceania Grants

Since its launch in 2007, the Canon Oceania Grants program has supported a variety of community and social initiatives aimed at creating positive impact. We are proud to say that over the life of the program we have provided \$450,000 in monetary support and Canon products to more than 80 schools, not-for-profits, and community groups.

The following winners received a total of \$2,500 in cash and Canon products worth \$2,500 in 2022.

AUSTRALIA:

Community Grant:
GingerSnap

Environmental Grant:
Remember The Wild

Flood Relief*:
Australian Seabird and Turtle Rescue

Education Grant:
Kamaruka School

Runner Up Grant:
Little Wings

NEW ZEALAND:

Education Grant:
Kia Kotahi Ako

Community Grant:
Hearing Dogs NZ

Environment Grant:
Sustainability Trust

Canon Ambassador Program

The Canon Ambassador program, launched in 2021, continues to expand our imaging community across Australia and New Zealand through inspiring and supporting industry professionals and the next generation of content creators. The tiered advocacy program encompasses Masters, Ambassadors and Creators. These individuals are talented image-makers chosen to represent the brand, who stand by Canon's products to help bring their creative vision to life.

At the commencement of the program Canon selected 15 Masters from across the region. Masters are deemed world-class image creators who have perfected their craft and offer vision, insight, and experience. The five Ambassadors are innovative creatives who Canon believes will encourage upcoming image-makers to hone their skills. Canon also works closely with Canon Creators, skilled content makers who borrow Canon products through our outreach program and embrace the versatility of the equipment to champion creativity and engage diverse online audiences.

To frame the program, we conducted extensive research to understand what mattered and was on the minds of people across Australia and New Zealand. Four key subject areas were identified – connection, personal growth, wellbeing, and sustainability. With the use of Canon products, our five Canon Ambassadors were chosen to tell their stories using one of these topics. In 2021, Jarrad Seng produced the 'Story of Scars'. Last year, we unveiled three new stories from our Ambassadors:

Dykes on Bikes by Kate Cornish

An inspiring and heartfelt video about the important role 'Dykes on Bikes' play in the safety of the LGBTQIA+ community.

Coastal – If not here, then where? by James Simmons

A thought-provoking landscape portrait photography series showcasing the human-nature connection and relationship set in the remote islands of Western Australia.

On my way by Bonnie Cee

A personal story told through a narrative-based documentary-style short film on how artists in this space can adapt, create opportunities, and build their own dream careers.

Kate and James also developed learning content based on their creative specialty to help consumers get the most out of their photography experiences and Canon products:

- [Wedding photography tips by James Simmons](#)
- [Fears, fails and facts of filmmaking by Kate Cornish](#)

Dykes on Bikes by Kate Cornish

Kate collaborated with Steph Jowett and Tilly Robba from Studio Antics to produce this documentary-style film that tells the unique and untold story of the group *Dykes on Bikes*. The *Dykes on Bikes* first rode in the 1988 Mardi Gras parade, and Kate's project is the first of its kind to capture and share insight into the group's rich history and positive contribution to the LGBTQIA+ community in Australia. Kate feels that her camera has enabled the telling of this story.

Kate has wanted to share this story with the LGBTQIA+ community and the larger Australian audience for a long time but was unable due to lack of funding. Through her ambassadorship with Canon Oceania, Kate was offered the support she needed, including funds, Canon gear, and production support, to tell her hero story. Canon Oceania is proud to have played a part in making this project possible and amplifying this story across all its channels to ensure wide reach and visibility. Such stories tell the powerful message of inclusivity, diversity, and acceptance that Canon Oceania strongly supports for both our internal people culture and all our external stakeholders and audience.



Shot on the Canon EOS C500 Mark II and Canon EOS C70.

“This project is one that myself, Steph and Tilly are very proud of. As members of the LGBTQIA+ community, and a member of *Dykes on Bikes*, it's important to showcase the group's history outside of its presence within Mardi Gras, and the impact they've had over their 30+ year history.”

Kate Cornish, Canon Ambassador

Celebrating Māori language and culture

Canon NZ engaged the services of CultureFlow, an education company that brings gamification to te reo Māori learning, to deliver a learning program for NZ employees. The program provided a high-level overview of key concepts and useful phrases in te reo Māori.

Participants learnt:

Basic greetings

Concepts of whanau

Introductory phrases

How to count in Māori

Email etiquette and sign offs, and much more!

Ko Matariki kei runga, ko te tohu tēnā o te tau!

Celebrating Matariki (Māori New Year)

The Canon NZ team celebrated Matariki, Māori New Year on 2 July 2022. The Canon NZ employees had the opportunity to learn more about the Māori traditions and culture through activities and food. The celebrations begin with the rising of the Matariki star cluster which is seen as a time of renewal. Matariki festivities highlight the tangata whenua 'local people' view of the world. They remind us of the cycle of life and natural ways of marking the passing of time. Māori Kai (food) was arranged for the Auckland office to gather together and share. The special meal Kai Maori is made up of kaiwhenua - food from the land, and kaimoana - food from the sea. A key component to Matariki is the coming together of people.

* The Flood Relief category was included in 2022 specifically to support an organisation impacted by the floods.

MATERIAL ISSUE 04

Securing resilient supply chains

Canon Oceania is subject to the challenges that resource constraints and extreme weather events impose on global supply chains. As a result, investment is needed to manage physical climate risks and other forms of supply chain disruption. At the same time expectations are increasing for companies to be accountable for and to manage environment, social and governance risks within their supply chains.

Why this is important to Canon and its stakeholders

Effectively managing the increasing risks in complex global supply chains presents an opportunity to unlock value by enhancing our reputation among customers for reliability and convenience. Transparency and accountability in our supply chains also increases the likelihood of detecting human rights violations, which helps secure our position as a trusted partner for government and others.

How are we managing this issue?

Canon Oceania is investing in addressing high-risk exposure areas in our supply chain. We're working to create secure, efficient, resilient, and ethical end-to-end supply chains through strengthening partnerships, insourcing business services, and diversifying warehousing and suppliers.

The Audit and Risk Committee is responsible for taking effective actions to identify and manage risks of modern slavery. This work is reported back to the Canon Australia Board overseeing the governance, and to the Canon Australia Senior Leadership Team through regular updates on progress.

Progress against 2022 objectives

Objectives	Status	Progress
Canon Australia to join Supply Nation in line with our RAP commitment.	●	Canon is now a member of Supply Nation in Australia and the Ākina Impact Buyer program in New Zealand.
Refine our understanding of human rights risks in our supply chain across Canon Oceania.	●	Efforts to understand the risks of modern slavery and other potential human rights abuses in our supply chain are ongoing.

2023 Objectives

- Undertake a climate risk assessment for the Oceania region.
- Continue to build transparency and accountability in our supply chain in relation to human rights, ethics, and environmental impacts.
- Improve Business Continuity Plan Governance.

● Objective achieved ● Partially achieved ● Objective was not achieved ● Ongoing

-  **SDG 8: Decent work and economic growth**
Target 8.8
-  **SDG 9: Industry Innovation and Infrastructure**
Target 9.1
-  **SDG 13: Climate Action**
Target 13.1



Image by Sharon Kavanagh. Taken on a Canon EOS 5D Mark IV.



Image by Hiromi Kobayashi, Canon Oceania Group Employee.
Taken on a Canon EOS 90D.

Global Supply Chain Disruption

With a complex regional supply chain including business and consumer products shipped from 10 countries in the Asian and South East Asian region, Canon Oceania continued to experience product shortages and delays, and increased costs due to issues caused by global supply chain network challenges. Reliability of global shipping schedules remained low, impacted by COVID-19 lockdowns, port congestion, increase in freight volume, lack of containers at origin ports and extreme weather events. Other factors included increases due the effects of inflation, energy shortages and the impacts of Russia's war on Ukraine and other geopolitical tensions.

Locally our operations were affected by strikes and local port congestion as well as issues in managing loading in our own warehouses.

Globally Canon has set a goal to establish a robust supply network that tolerates unexpected incidents, minimising the impact to production, procurement and logistics. Part of the plan includes reorganising the Company's production bases to avoid geopolitical risks and give due consideration to rising wages resulting from higher living standards, as well as the current turbulent political and social changes. Canon's core competence in automated production will assist the reorganisation.

Locally we have transformed our processes from just-in-time to just-in-case and have increased our stock holdings to make sure we have products available for customers. We have also increased our warehouse capacity and have the option of working flexibly with our logistics partners to create 'pop-up' warehouses in different locations to reduce travel time and distance. Working with Canon Inc. we have also introduced flexibility by receiving semi-completed products via sea and then completing the manufacturing at our local Eco-centre with parts such as circuit boards shipped by air when they become available.

Business Continuity Plans

Because Canon is an important part of our customers' supply chains, it is critical that we have business continuity plans (BCP) in place to ensure continuity in the face of disruptions such as the COVID-19 pandemic. These plans are particularly significant for Canon Business Services whose key promise to its customers is that it will optimise their business processes and embed enabling technologies, taking care of operational capacity and capability so that they can focus on their core strengths. Our plans continued to be put to the test during 2022 due to COVID-19 and other local disasters including flooding in Australia and New Zealand, and typhoons in the Philippines. We have an Oceania BCP in place that is supported by regional and local plans. The plans are regularly tested and, during 2022, as a result of those tests we embarked on a plan to improve our capability, including updating our communication technology in times of crisis, further integrating our approach across the business and conducting regular training for BCP managers.

Modern Slavery and Supply Chain Risks

Canon Oceania has a global supply chain and engages multiple suppliers for a variety of products and services. With such complexity comes the need for visibility and accountability to minimise risks for our business and people throughout our value chain.

Canon Oceania published its first Modern Slavery Statement in 2021, detailing potential risks of modern slavery in our operations and supply chain, and the actions we're taking to assess and address them. Our Modern Slavery Statement was based on the findings of an assessment conducted using procurement data from 1,200 of our tier-one suppliers (excluding Canon Inc.) and analysis of our policies, procedures, and governance in relation to labour and procurement practices.

The assessment identified that the potential risk of modern slavery in our supply chain is moderate, and while this continues to be the case, there are some areas that present potential risks, particularly in CBS which has higher third-party dependencies.

- Higher-risk categories: Information and Communication Technology (ICT), components, and business process outsourcing (BPO).
- Medium-risk categories: Logistics, warehouse and transport services, software, networking and support services, and real estate and property management services.

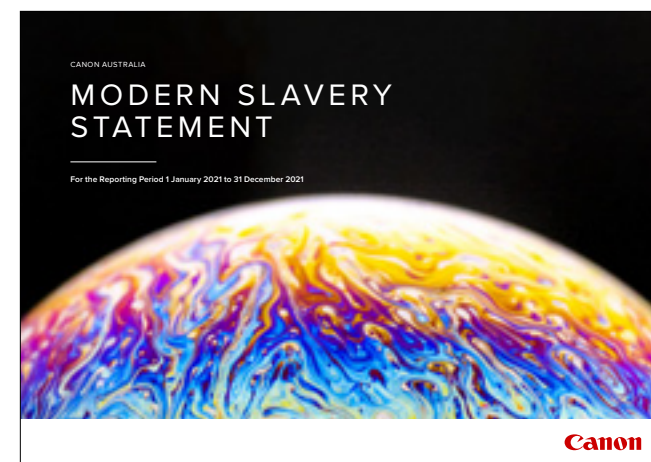
Our efforts during 2022 focused on obtaining further information about those suppliers that we had identified in the higher- and medium-risk categories so that we could get a better understanding of where our significant risks lie. This process was through workshops with employees engaged in procurement in each of those sectors. The workshops were also important in educating our people who have the most influence over our local supply chains.

The risk assessment process is ongoing and, having identified a number of suppliers who warrant further investigation, we are planning to trial several methods of understanding and mitigating risk so that we can clearly target our efforts. There are natural areas of strength in our supply chain such as procurement of hardware, where a significant portion of the components are manufactured and assembled in-house at Canon Inc. sites.

However, we're exposed to potential risk through the purchase of significant quantities of electronic equipment from international suppliers other than Canon.

Efforts to understand the risks of modern slavery and other potential human rights abuses in our supply chain are ongoing and we are committed to continuing to implement and report on targeted mitigation strategies.

Read more in [Canon Oceania's Modern Slavery Statement](#).



Canon Supplier Code of Conduct

In 2021, Canon Oceania adopted the Canon Supplier Code of Conduct. The code is aligned with the Responsible Business Alliance (RBA) Code of Conduct and helps to raise awareness of modern slavery risks among our suppliers. Under the Code, local suppliers must address risks related to human rights, labour, health and safety, the environment, ethics, and governance. Our global risk management system, and employee and supplier whistleblower hotline, support the effective management of the Code.

Supporting Aboriginal and Torres Strait Islander businesses

Our ability to serve our customers would not be possible without the support of the many suppliers in our supply chain. We continue to work with our suppliers to achieve operational efficiencies, improve customer experience, and deepen our impact on environmental and social issues.

In 2022, Canon Australia joined Supply Nation, a not-for-profit organisation that connects Aboriginal and Torres Strait Islander businesses with government entities and corporates to help build a diverse supplier portfolio. Our partnership with Supply Nation is an opportunity to integrate our social and environmental objectives within the procurement process and delivers on our commitment to support Aboriginal and Torres Strait Islander businesses as outlined in our Reconciliation Action Plan.

Best practice procurement guidelines set by the Chartered Institute of Procurement & Supply encourage sustainable procurement by supporting the growth of local, small businesses managed by Aboriginal and Torres Strait Islander owners and communities. This guidance has been built into our procurement policy and processes, and through the support of Supply Nation, our Procurement Team are able to engage with a pool of verified Aboriginal and Torres Strait Islander businesses across several procurement categories.

We're proud of our progress towards Reconciliation and look forward to engaging with First Nations businesses into the future.

Social Impact in New Zealand

During 2022, Canon New Zealand joined the Ākina foundation impact buyer program. The program assists companies to improve their ability to use their spending power for good, and supports the objectives set out in Canon's dedicated broader outcomes plan. Canon is actively working with Ākina to procure with a purpose, ensuring that we use our supply chain to make a difference. Social procurement is about intentionally creating positive social and environmental outcomes (impact) through the procurement of goods, services and works – considering impact alongside price, quality and risk.



MATERIAL ISSUE 05

Transforming business operations through digitalisation

Canon Oceania is an established market leader in business transformation. Further investment in artificial intelligence (AI), machine learning and automation will extend this advantage by improving operational efficiencies – both internally and for our customers.

Why this is important to Canon and its stakeholders

The quality provision of cloud, cyber security, and data services, including the digitalisation of manual business operations, allows human and financial resources to be reallocated to higher priority investments, such as those focused on cost competitiveness, customer service and innovation.

How are we managing this issue?

Our Transformation Framework guides all business improvement activities within Canon Oceania to increase operational efficiency and ensure our business is future fit. We seek opportunities to acquire or partner with businesses that enable us to expand and improve our customer offering through digitalisation, such as Satalyst and Hatch.

Progress against 2022 objectives

Objectives	Status	Progress
Run a hybrid working trial for our Australian-based employees.	●	The trial was run and our teams in Australia and New Zealand have adopted an ongoing hybrid working policy.
Upgrade significant core technologies to reduce duplication and improve productivity across Canon Oceania.	●	Progress has been made on upgrading Canon Oceania's ERP system, as part of a five-year project.
Extend ISO 27001 (Information Security Management System) to include Canon NZ BIS and Satalyst.	●	In 2022 our ISO 27001 certification was expanded to include Canon NZ and Satalyst.

2023 Objectives

Review and optimise Canon Oceania's data management framework.

Progress towards implementation of Canon Oceania's new ERP system.

Understand and map future customer requirements for compliance, privacy and security frameworks.

● Objective achieved ● Partially achieved ● Objective was not achieved ● Ongoing



SDG 8: Decent work and economic growth
Target 8.2



SDG 9: Industry Innovation and Infrastructure
Target 9.4



Image by Stephen Lane, Canon Oceania Employee. Taken on a Canon EOS 7D.

Canon Oceania Transformation Framework

2021 saw the launch of Canon Oceania's updated Business Transformation Framework, complementing existing Leadership and Investment Frameworks. The refreshed framework has been designed with a focus on key 'customer-facing' areas of the business and provides governance, visibility, structure, engagement, and resource commitment. Work streams related to each area have been initiated to drive business improvement, enhanced integration, support of overarching strategic objectives, and Oceania alignment.

Canon Oceania has invested in numerous digitalisation projects to increase operational efficiency. Examples of projects underway include:

- Project Mars, the alignment of Canon Finance New Zealand with Canon Finance Australia.
- Project Saturn, the transition to a single service platform across Canon Oceania.
- Project Jupiter, enhancing the experience within the Order to Cash process for customer roll-outs.
- Project Mercury, the delivery of a new enterprise resource planning (ERP) system.

A key driver of our transformation effort is to transition to singular platforms, increase operational efficiency and ensure Canon Oceania's business operations are fit for the future.

Four key principles underpin our transformation process:

- Evergreen: the transition to cloud-based technologies.
- Excellence: deliver high-quality, cost-effective, relevant business outcomes.
- Evolution: ensuring a smooth transition to a single platform stack and Oceania enhancement.
- Everyone: collaboration and engagement across all teams.

Improving Customer Service and Operational Efficiency Through Digital Integration

Transition to a new Enterprise Resource Planning system commences

Canon Oceania is making significant investment into improving business processes and systems through initiatives such as Project Mercury. Launched in 2022 across Australia, New Zealand, and the Philippines, Project Mercury will replace the legacy ERP platforms with a singular ERP system. The new system will help to streamline a number of business activities including accounting, project management, compliance, and supply chain management to enable better planning, reporting, and data management. The new platform will also deliver improved service and interaction with our customers and business partners.

Project Mercury will be phased-in across Canon Oceania businesses to ensure a cost-effective and manageable transition to the new platform, effective decommissioning of legacy systems, and appropriate training and support for our people. Project implementation will continue throughout 2023 with planned project completion by 2027.

Canon Business Services and Satalyst

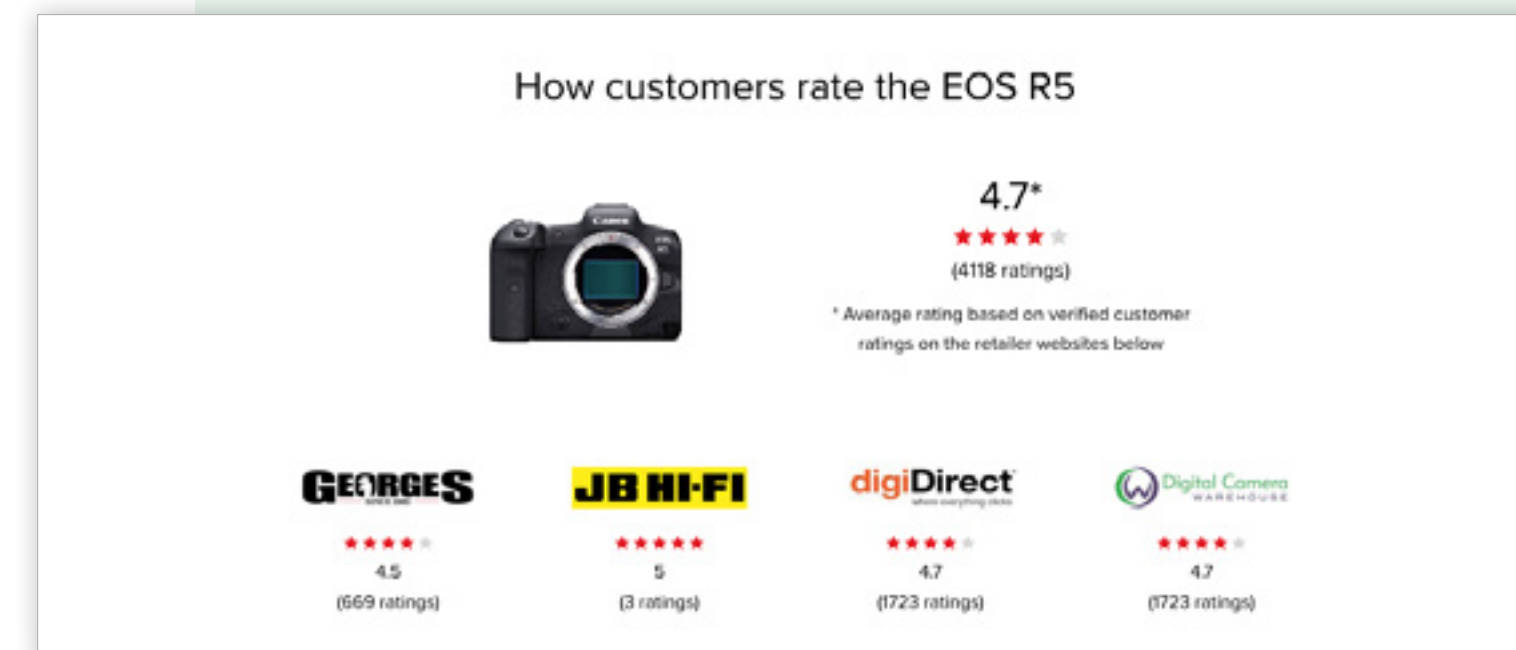
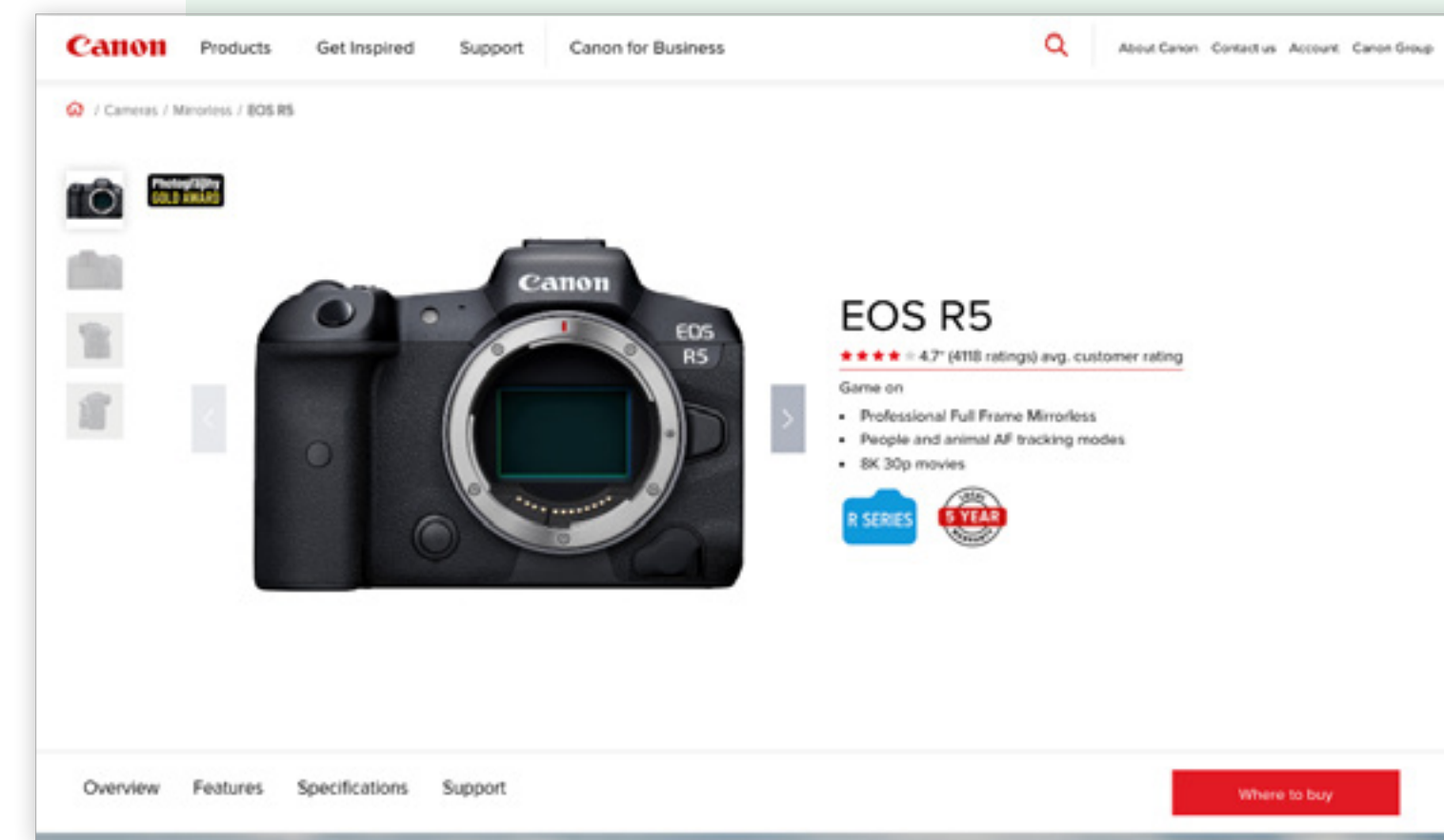
The focus during 2022 was on successfully integrating Satalyst into the CBS operations. This strategic acquisition has enabled CBS to bolster its service offerings and cater to a broader range of customer needs with Satalyst's proficiency in cyber security, data and AI, and cloud applications. Through Satalyst's strong alliance with Microsoft and its technical expertise we have gained a competitive edge. CBS has deepened relationships with many of its existing customers by combining managed services, Microsoft licensing and solution delivery resulting in improved customer experiences.

CBS sales and marketing teams have successfully integrated Satalyst offerings into their suite of products strengthening their go-to-market approach. It has firmly positioned CBS as a thought leader, offering insightful guidance. The work between Satalyst and CBS' Professional Services and Consulting teams has been instrumental in sharing ways of working and intellectual property; this strengthens our internal capabilities.

Hatch

In 2021, as part of our retailer-first strategy, Canon Australia launched our partnership with Hatch, a 'where-to-buy' solution to allow customers to find retailers stocking the Canon product(s) they are looking to buy. This solution was implemented to streamline the customer purchasing journey, making it simpler for customers and supporting retailers. This partnership has seen Canon Australia evolve with the ever-changing retail landscape and enabled us to better meet the needs of our customers and deliver more than \$AUD 2 million in sales value to retailers.

In 2022, the Canon website redirected over half a million leads to retailers – 200,000 more than in 2021. An additional element to the program has been to include syndicated reviews from our retailer websites to the Canon Australia website. To date, more than 10 percent of leads are using the new module and usage is high for entry-level camera users.



CASE STUDY

Digital Transformation Protects Domestic Violence Victims in South Australia

The South Australian Government Department of Human Services partnered with Satalyst to develop a comprehensive domestic violence management solution to improve outcomes for the State's most vulnerable citizens. According to data from the Australian Bureau of Statistics, more Australians are at risk of serious harm from family and domestic violence than ever before. As a result, there's an increasing need for a more efficient system to offer faster services and protection for victims.

Satalyst was commissioned to develop a digital solution to replace a legacy system. The existing system, the Family Safety Framework, was implemented in 2013 and had paper-based process dependencies, which was cumbersome, unsustainable, and impacted on the delivery of services. A new solution that allowed for extensive collaboration between stakeholders across industries, geographies, and agencies – from social workers through to the South Australian Police – was required. Further, the digital solution needed to ensure a range of existing process issues were addressed, including unstructured and untraceable data, unvalidated data loss, security risks associated with a paper-based system and efficiency implications of manual processes.

Satalyst designed a unified, 360-degree-view, domestic violence management solution, using the cloud platform services of Microsoft Dynamics 365, Microsoft Azure, and Power Platform. Specialised modules were developed to enable seamless tracking of both victims and offenders through:

- a web-based, self-service Family Support Portal;
- a community portal for support agency workers; and
- a fully digitised case management system with enhanced reporting capabilities for various stakeholders.

From inefficient manual processes to streamlined workflows, the new digital system has enhanced security for sensitive and highly confidential data.

The solution's centralised source of information is now the single source of truth and the self-service functionality, reporting capabilities, and interactive dashboards give key users a clear and detailed overview of current cases. Through leveraging Microsoft cloud technologies, the system has flexibility and scalability to evolve alongside the Government of South Australia's Family Safety Framework and as more data is captured digitally within the solution, stakeholders will be able to access more advanced analytics and reporting to further inform policy, service, and outcomes for those it is designed to protect.

Information Security, Privacy and Data Governance

For many of our customers, digital solutions are the answer to the current adverse headwinds.

Our market research indicates that security and risk management are top of mind for our customers. Cloud solutions remain the best way to reduce many of the risks of digitalisation and Canon is continuing to grow its cloud capability and to be the digital transformation partner for our customers.

Along with this growth we have acknowledged the need to continue to enhance our overall information security posture. In 2022 we:

- extended our ISO 27001 Information Security Management system certification to include Satalyst and Canon New Zealand Business Information Solutions,
- maintained our PCI Certification for the CBS private cloud,
- had independent penetration testing conducted by a qualified third-party security partner for CBS private cloud and other services, and
- achieved SOC2 Type 1 recognition through an independent audit for many of our CBS Managed Services, Cloud Services, BPO services in Australia and New Zealand, and for Satalyst.

Our security posture for 2023 will continue to uplift by expanding our ISO 27001 certification to the newly released version and achieving SOC2 report for Canon Business Services.

A key focus is the data governance project 'Galileo' – the right data, in the right location, that is easily accessible, relevant, and informative to sales growth and enhanced customer experiences. The data governance methodology encompasses strategy, framework and controls.

A key issue for Canon Oceania, and indeed most organisations, is understanding what data is being collected, how it is being retained, how it is being used, how it is being secured (protected), how it is being removed, and ensuring compliance with the requirements of the Anti-SPAM Act and Privacy Act.

'Galileo' will support Canon Oceania by initially focusing on the CRM ecosystem, as this represents the primary 'customer-facing' data ingestion for marketing, sales and service. 'Galileo' is tasked to ensure regulatory compliance across each of its channels to market of B2B, B2C and B2B2C.



Sally Cotton, Canon's Event Specialist, is pictured here packing bags of first-night essentials for people escaping violent situations in their homes at the Escabags warehouse. Sally used her Kyosei Day which is a day of additional leave available to employees so they can volunteer to give back to the community in a way that is meaningful for them. Canon's Clayton, Macquarie Park, and South Melbourne branches are stockists for [Escabags](#).

MATERIAL ISSUE 06

Collaborating with partners to enhance the customer experience

In a competitive market, brands can differentiate themselves through an unrivalled customer experience. To this end, Canon Oceania is working closely with its retail and business partners to offer premium customer experiences that complement its range of quality products and services.

Why this is important to Canon and its stakeholders

Canon Oceania can increase brand loyalty, gain market share, and generate reliable revenue streams by partnering with retailers and business partners to enhance the customer experience in every interaction with a Canon product or service.

How are we managing this issue?

In 2022, Canon Oceania reimagined the retailer and retail customer experience with partner Preezie. We finalised the onboarding of the Concentrix team to Canon Business Service Centre and partnered with the National Associated Retail Traders of Australia (NARTA) building to provide compelling offers to market.

Progress against 2022 objectives

Objectives	Status	Progress
Continue to live and breathe <i>Kyosei</i> by enhancing our community partnerships.	●	In 2022 Canon further developed its partnerships with OzHarvest, KSEM and Eat My Lunch.
Focus on the small business sector through Canon Business Agents and Partners, including the launch of a new partner support program.	●	Program launched to align channel partner goals to Canon's to grow market share profitably.
Maintain number one market share in mirrorless and DSLR camera markets across Australia and New Zealand.	●	In 2022 Canon was number one in market share across the Mirrorless and DSLR categories.

2023 Objectives

Address the retailer skills gap.

Continue to enhance the in-store experience for retail customers.

Focus on collaboration with Canon Business Partners to deliver increases in the Partner Channel.

● Objective achieved ● Partially achieved ● Objective was not achieved ● Ongoing



Image by Neil Banek, Canon Oceania Group employee. Taken on a Canon EOS 80D.

Canon Australia and Canon New Zealand roll out Preezie's customer engagement tools

As the retail industry continues to develop and customers demand a seamless, integrated omni-channel experience from brands and retailers, Canon Australia, and Canon New Zealand integrated Preezie's customer engagement tools into our websites and retail stores in Q4 2022.

The customer purchase cycle for cameras and printers can take weeks, sometimes months, including online research, product comparisons, reviews, store visits, and more. This can make the purchase journey confusing and daunting for some customers. To address these challenges and offer more options for product engagement, Canon, in partnership with Preezie, invested in a 'help me choose' quiz to help customers access products that best suit their needs by answering a few simple questions. Connected with Preezie is also:

- an in-store QR code tool that allows customers to learn more about the product when in-store while they wait to be assisted or are simply browsing and curious to know more, and
- a 'help me buy' pathway, via the Hatch solution, that links up to Preezie seamlessly connecting the Canon website to retailers making the purchase cycle faster and more rewarding for the customer.

Canon's partnership with Preezie is an important part of its 'retailers first' strategy. When the strategic decision was made to close our eStore and Canon Collective program we reshaped our work with retail partners to ensure Canon could continue to nurture our relationships with our customers and support our retailers.

Claire Whitehouse, Marketing Manager – Customer & Trade, explained the catalyst for the introduction of Preezie. "Anything we can do to bring forward the point of purchase – and a Canon purchase specifically – is encouraged, which is where Preezie comes in.

"Gear locked behind glass walls offers little opportunity for product exploration, learning or inspiration, so we have identified a need to help retailers drive increased convenience for shoppers.

"To help shorten the consideration journey, access to a simple QR code, guarantees earlier, uninhibited, non-hard-sell, engagement. If COVID-19 gave us anything, it taught us how to be comfortable with QR codes. So, where customers are happy to engage with easy access, we can ensure that our Canon story is told with ease and consistency."

Canon Australia and Canon New Zealand are already seeing good results with higher engagement rates, increased average dwell time, and increased leads to retailer websites.

"It's a win-win for consumers, Canon and retailers to create a seamless path to purchase which is a key pillar of our 'retailer first' approach."

Claire Whitehouse, Marketing Manager – Customer & Trade



Image by Mark Goodwin, Canon Oceania Group Employee. Taken on a Canon EOS M3.

YouGov 2023 survey results

YouGov conducted the study in January 2023 with a sample size of 5,061 Australians across all States. It is the third consecutive year for Canon Australia to be voted as Australia's most trusted camera brand and Australia's most trusted home printer brand.

	2021	2022	2023
% trust in Canon as a camera brand across all Australians	58%	57%	59%
% trust in Canon as a camera brand among digital camera owners	64%	64%	65%
% trust in Canon as a home printer brand across all Australians	58%	55%	56%



Image by Rob de Jeu, Canon Oceania Employee. Taken on a Canon PowerShot G3 X.

Concentrix transition into Canon Business Service Centre

In November 2022, Canon Oceania entered the final phase of onboarding the Concentrix team into Canon Business Services. The project was officially launched in 2021 to bring customer service operations in-house with our Canon Business Service Centre (CBSC) team. Before this, Canon was using Concentrix – a third-party BPO provider – to manage customer care needs. To ensure a smooth transition from outsourcing to insourcing, for employees and customers, Canon Oceania created a project team.

A key consideration for the project was retaining the rich insight into and knowledge of Canon business operations that our partners at Concentrix had developed. A win-win solution was implemented by offering Concentrix employees working on the Canon account employment opportunities with CBSC, enabling both business knowledge retention and continued employment.

This decision offered multiple benefits including extending CBSC’s capability with advanced telephony technology, strengthening growth plans, maintaining high levels of customer service, and expanding the CBSC family to include an extraordinary group of new team members.

In early 2023, onboarding of the final 50 new employees from the Canon account team at Concentrix to CBSC was completed. We are thrilled to have our team members join the Canon family, making a total of 120 new members in CBSC. The project was completed and the entire induction and implementation undertaken in a virtual environment with no travel between Australia and the Philippines, making this project achieve high environmental outcome.

“The Concentrix team already felt like part of our team, thanks to the impressive dedication they have shown to the Canon account. I’m excited to see how many people felt the same way, with the majority accepting the invitation to continue their journey with us at CBSC.”

Skye Nicholls, Canon’s General Manager of Operations & Transformation (Project Shadow Lead)

“Concentrix partnered with Canon for more than a decade. Over that time, the team working on our account built up an intimate knowledge of our products, business, and processes. To successfully establish this capability in-house, we needed to bring as much of this knowledge into the business from day one. I am proud to say our team worked extremely hard on this aspect of the project, and we were able to retain 97% of the existing workforce. As a result, the transition has been really smooth. Onboarding went off without a hitch, and without a single escalation from the business or external customers,”

Skye said.

Canon Australia leverages partnership with NARTA

NARTA is a buying group that Canon’s Sales and Support Group – Consumer works with. The group provides members compelling offers to market. Members include JB HI-FI, Ted’s Cameras, Camera House, The Good Guys, Diamonds Cameras, Bing Lee and Videopro.

NARTA offer services for members and affiliates to take advantage of its buying power to offer savings to run their businesses.

In 2022 we engaged NARTA to assist with our electricity procurement: Canon signed a six-month contract (1 July 2022 to 31 December 2022) with 50% coming from green power sources and saving around \$31,000 from our total spend in 2022.



Image by Elton McAleer, Canon Oceania Employee.
Taken on a Canon EOS 6D.

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