

Canon

Moving together

CANON OCEANIA
SUSTAINABILITY REPORT 2022





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Front cover photo: 'Flare' by Scott Harrison,
member of our Canon Community.
Taken on a Canon EOS 7D Mark II.

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This report is structured and informed by our
Canon Oceania material issues for 2021. 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

Photo by Sharon Kavanagh. Taken on a Canon EOS 5D Mark IV.
'As Dawn Breaks' by Sharon Kavanagh, Canon Oceania Group Employee.

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Canon's business units have been referenced throughout this document for your information.

Key:

- CI** Canon Inc.
- CO** Canon Oceania
- CA** Canon Australia
- NZ** Canon New Zealand
- CBS** Canon Business Services
(including Canon Business Services ANZ
and Canon Business Services Philippines)

MANAGING DIRECTOR'S MESSAGE

I have the privilege of serving as the Managing Director of Canon Oceania Group at a particularly exciting time in its history. My term started on 1 April 2022 and so the period that I am writing about, 2021, took place while my predecessor Akira 'Dave' Yoshida was at the helm. He led the Company through a year of turmoil, facing many challenges caused by the ongoing pandemic and other natural disasters. Dave reported last year that the challenges of 2020, when the pandemic first hit, proved beyond any doubt that our teams are capable, and our culture is strong. His point was proven again in 2021. By continuing to pursue our strategy of focusing on the parts of the business that would provide the most value in a changing market, the Company achieved our highest normalised profit on record despite reduction in sales compared to 2019 due to office and retail closures and supply chain issues caused by the pandemic. At the same time, we continued to record strong employee engagement and customer satisfaction results.

The role of our business continuity teams in keeping our people and their families, customers and visitors protected during the pandemic and making sure that we stayed informed of the ever-changing rules and regulations across our jurisdictions was recognised by the 2021 Managing Directors' Awards. Their contribution allowed the business to continue to pursue its growth objectives.

Officially this year, we launched a new brand, Canon Business Services ANZ, officially bringing together the Converga and Harbour IT brands. We also developed new internal capability in information security and cloud services and supported this with the acquisition of Satalyst on 1 January 2022. Satalyst is an Australian based Gold Microsoft Partner and strengthens our application, security, data and AI capabilities.

Alongside this we grew sales and market share in consumer and business products in Australia and New Zealand through a strong and broad product range. We also launched a new Canon Champions program, incorporating Canon Creators, Ambassadors and Masters. We continued to work with our business and retail partners to improve efficiency and enhance their success. In New Zealand, our Print Hubs business, combining our business process outsourcing capabilities with our traditional managed print service, offered a new competitive advantage.

At the same time, we continued to invest in our people, developing a new leadership framework and development program as well as enhancing our sales capability. We embedded new corporate and operational platforms across the Group companies, improving communication and efficiency and achieved significant savings through streamlining our procurement activities. We improved our governance structures through a new Transformation Framework to focus our investment decisions as well as extending our Information Security and Health and Safety Management Systems. We also developed a new hybrid-working model which we are trialling in 2022 and modified our property strategy to suit the new working environment.



Kotaro Fukushima. Managing Director – Canon Oceania Group.

Our *kyosei* philosophy – living and working together for the common good – continued to underpin our decision making and drive our community support programs. We are particularly proud of the launch of our first fully-endorsed Reflect Reconciliation Action Plan which provides us with a documented commitment and a set of practical actions that we can take to further the reconciliation with First Nations peoples in Australia. Among other things, our plan focuses on further developing our strengths in imaging to support First Nations leaders and storytellers to share their stories. We continued work to identify the risks of modern slavery and other human rights violations in our operations and our supply chain and issued our first Modern Slavery Statement.

Our popular Canon Oceania Grants program continued in Australia and New Zealand awarding Canon products and cash to seven diverse groups, enabling them to use Canon's products to support their projects addressing local environmental, education and community issues. In the Philippines we have supported Kanlungan sa Er-Ma Ministry (KSEM) since 2014 to provide access to shelter, food, medical treatment, technology and formal education for children who were born on Manila's streets. During the pandemic this has mostly taken the form of financial support although we continue to employ KSEM graduates, continuing their work to help break the poverty cycle.

Finally, one of the major issues that Canon and other companies have been facing is the rapidly increasing focus by our customers and other stakeholders on environment, social and governance (ESG) issues within our operation and our supply chain. Many customers are looking for tailored responses regarding carbon emissions, diversity initiatives, security audits etc associated with the products and services that we deliver to them. We have found ourselves reacting to an extremely varied range of requests and have concluded that we need a strategy and plan in place to ensure we understand and continue to manage future societal and customer requirements.

In preparing this report we took the first step of this strategy by conducting an in-depth analysis of the material issues that are critical for our business and our stakeholders. It was a comprehensive exercise involving interviews with internal stakeholders, customers and suppliers as well as broader based surveys and research involving employees, customers and business partners. Based on this we have decided upon a group of seven issues that are critical to our future success. The issues, described in detail in the report, are related to the global megatrends that affect our business the most, including decarbonisation, circular economy, future of work, purpose-led business, supply chain disruption, digitalisation and transformative technologies. We have used the material issues to shape the content of this report and in 2022 and beyond we will use them as the basis of our formal ESG strategy.

In 2021 Canon Inc. embarked on phase six of its Excellent Global Corporation plan. Details of the plan are available in the Canon Inc. Sustainability Report. We are confident that by continuing with our current growth strategy and implementing a comprehensive ESG strategy Canon Oceania Group is ready to play its part in Canon's aim of being a globally respected company that always contributes to society through technology.

We hope you enjoy reading our 2022 Sustainability Report.

Kotaro Fukushima
MANAGING DIRECTOR
CANON OCEANIA GROUP

“I have the privilege of serving as the Managing Director of Canon Oceania Group at a particularly exciting time in its history.”

Kotaro Fukushima



Photo by © Tracy Sou. Taken on a Canon EOS 6D Mark II.
Canon Creative Park project during lockdown by Tracy Sou,
Canon Oceania Group Employee.

SUSTAINABILITY HIGHLIGHTS

OVERARCHING 2022 OBJECTIVE

EXECUTE CANON OCEANIA'S ENVIRONMENT, SOCIAL AND CORPORATE GOVERNANCE STRATEGY.



1ST MODERN SLAVERY STATEMENT DELIVERED

A document that details how we are identifying and addressing the human rights risks in our supply chain.



7.3 TONNES OF TONER REPURPOSED INTO ROADS

Canon e-waste helps create TonerPlas®, used to create Australian roads.

1ST RAP FULLY ENDORSED

Canon Australia's Reconciliation Action Plan (RAP) was fully endorsed by Reconciliation Australia.



1 UNITED BRAND

Converga and Harbour IT are now combined as CBS ANZ, providing a seamless business transformation offering.

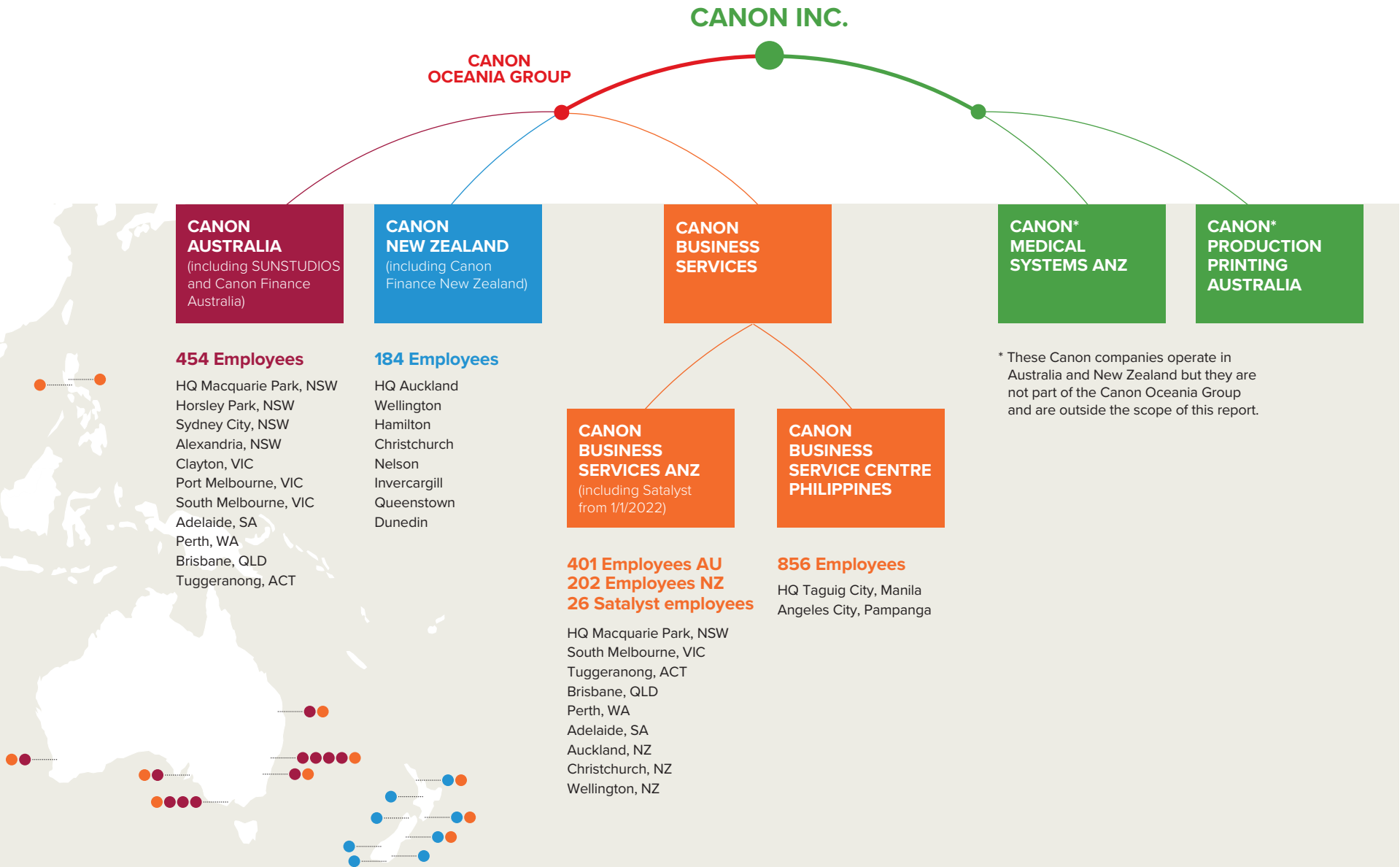


80% OF VEHICLES NOW HYBRID

80% of Canon NZ's fleet have been converted to hybrid vehicles.

CANON'S OPERATIONS IN OCEANIA

ORGANISATION STRUCTURE



MATERIALITY ASSESSMENT

In 2022, Canon Oceania conducted – in partnership with sustainability consultancy BWD – a comprehensive materiality assessment to determine which sustainability issues were most important to its business and stakeholders. An overview of the process is below.

MEGATRENDS ANALYSIS

The assessment began with a horizon scanning exercise, in which seven megatrends were identified as potentially relevant to Canon Oceania. The analysis was designed to strengthen understanding of how broad changes in the environment, society, technology and governance were affecting our operating environment. This, in turn, would make it easier for the team to identify and prioritise the sustainability issues which Canon Oceania should be managing and reporting on.

STAKEHOLDER ENGAGEMENT AND SWOT ANALYSES

Sixteen deep-dive interviews were then conducted with internal (11) and external (five) stakeholders. Participants were then asked 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. This provided input into analyses of the organisation's strengths, weaknesses, opportunities and threats.

IDENTIFYING THE MATERIAL ISSUES

Seventeen issues were identified as potentially material and recorded in a data table. This table provided a compilation of every source reviewed in the assessment. It also aligned each potential issue with various sustainability strategy and reporting standards, including the Sustainable Development Goals (SDGs). Canon Oceania's priority SDGs were identified as SDGs 5, 8, 9, 12 and 13.

The issues identified in the draft shortlist were also compared with the ESG priorities of Canon Oceania's peers. Finally, 56 employees, 12 suppliers and 15 customers were surveyed to solicit their views on which shortlisted issues the business should prioritise.

FINALISING THE MATERIAL ISSUES

In May 2022, the draft shortlist, peer review and survey results were presented to 23 Canon Oceania executives for their consideration. In evaluating for materiality, workshop participants were asked to select and rank the three topics they believe have the biggest impact on the environment, the economy and people, including impacts on their human rights. The stakeholder impact materiality process was based on Global Reporting Initiative guidance on how to define stakeholder impact materiality.

Six sustainability issues were ultimately identified as material to Canon Oceania. They provide the basis for structuring this report.

CANON OCEANIA'S PRIORITY SDGS



Ensure sustainable consumption and production patterns



Build resilient infrastructure, promote sustainable industrialisation and foster innovation



Take urgent action to combat climate change and its impacts



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



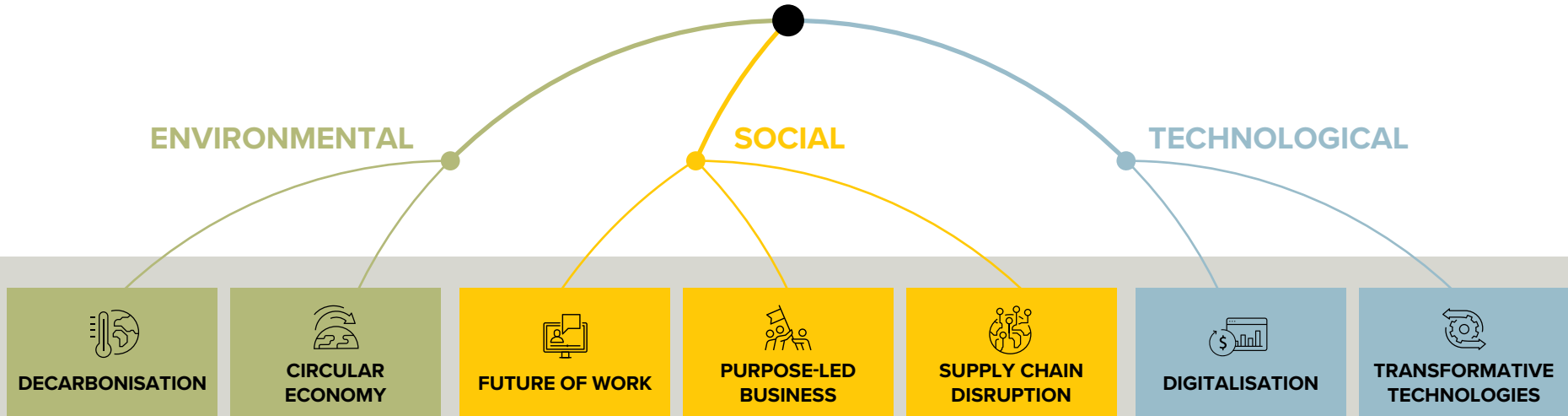
Achieve gender equality and empower all women and girls

CANON OCEANIA'S MATERIAL ISSUES

PRIMARY DRIVERS

GLOBAL MEGATRENDS

MATERIAL ISSUES



Responding to the global 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.

page 12

Strengthening our products and services through circular economy innovation

A new generation of Canon Oceania customers are 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.

page 14

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.

page 22

Securing resilient supply chains

Canon Oceania is subject to the challenges that resource constraints and extreme weather events pose on global supply chains. As a result, investment is needed to manage physical climate risks, human rights risks and other sources of supply chain disruption.

page 30

Transforming business operations through digitalisation

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

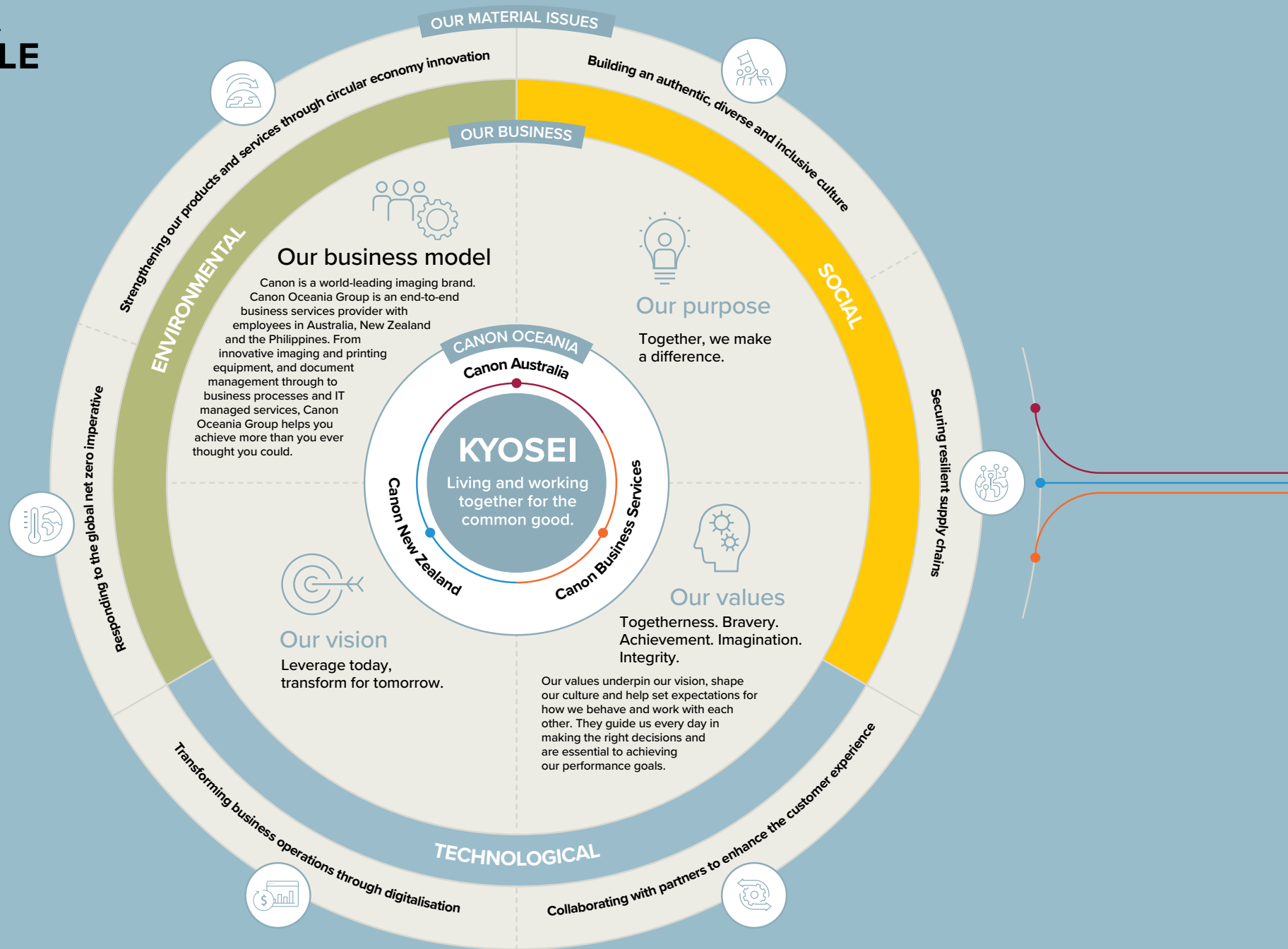
page 34

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.

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BUILDING A SUSTAINABLE BUSINESS



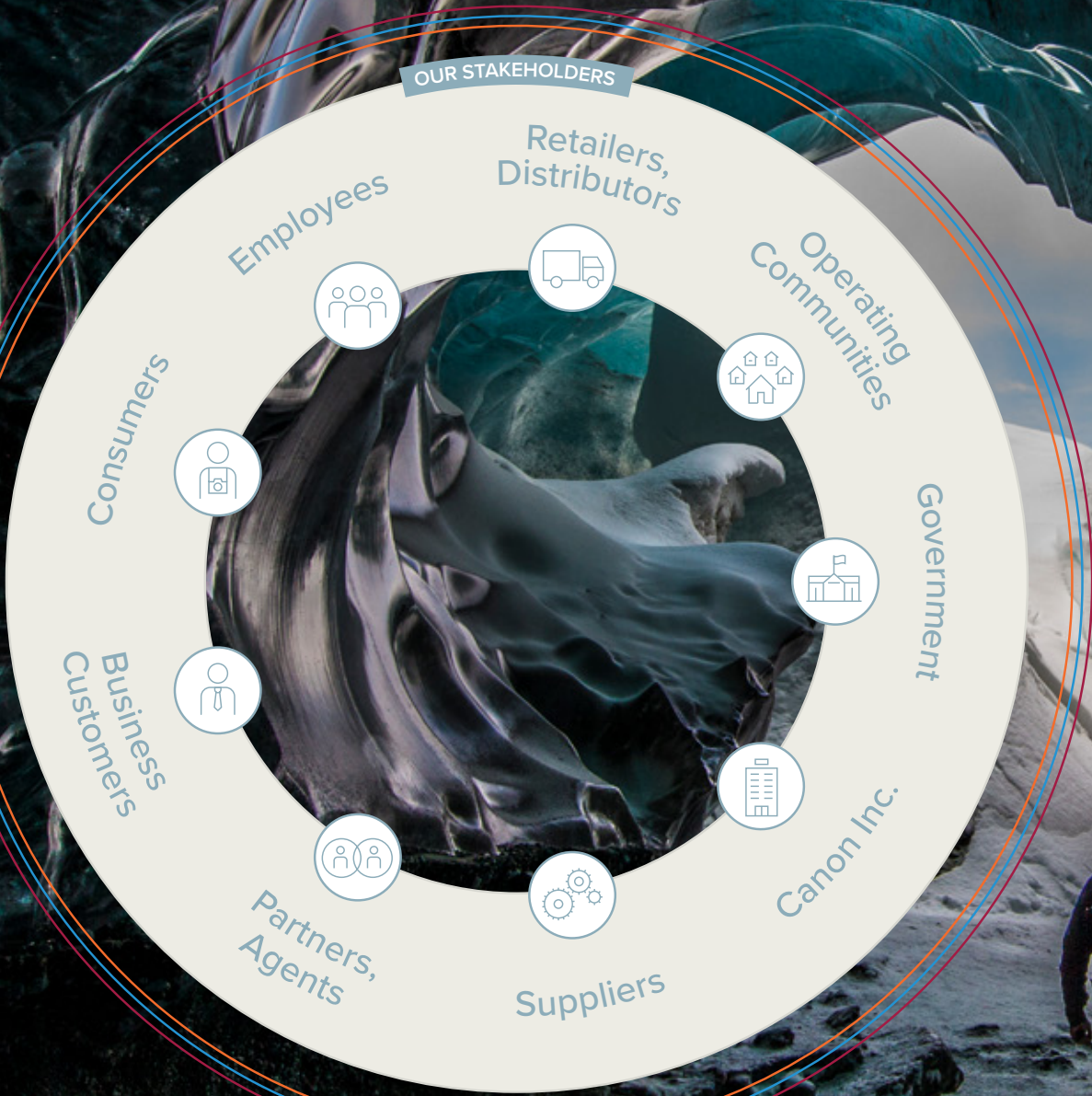


Photo by Sean Scott, Canon Master. Taken on a Canon EOS-1D X.

Environment

Canon Inc. is leading the way in prioritising positive environmental outcomes by designing for circularity and minimising carbon emissions through its products and services.

Canon's longstanding commitment to identifying and reducing environmental impact is echoed in its vision, *Action for Green*. Setting environmental goals, tracking performance and publicly reporting our alignment is core to our global environmental initiative.

Canon Inc.'s approach to mitigating environmental impact is by addressing it at each stage of the product lifecycle with an emphasis on four material areas: (1) contributing to a carbon-free future; (2) contributing to a circular economy; (3) eliminating hazardous substances and preventing pollution; and (4) contributing to a society in harmony with nature.

Canon Oceania is contributing to this vision by focusing its efforts on two key areas, e-waste and carbon emissions, to address impacts created through local operations.

HIGHLIGHTS

CI

New consumer printers launched with moulded pulp packaging

Canon's consumer printers will no longer be packed in expanded polystyrene (EPS) by 2023.

NZ

Toitū net carbonzero certification

Canon New Zealand maintained its net carbonzero certification.

TechCollect pilot program

Canon New Zealand participated in a successful pilot program to collect e-waste nationally.

CA

B-cycle Launch

Canon Australia joined and supported the launch of the new battery stewardship program.

Recycling through TechCollect saves 2,921 tonnes of CO₂e

Recycling of Canon's products in Australia contributes to our carbon reduction targets.

7.3 tonnes of Canon toner powder waste reused to create Australian roads

Canon e-waste helps create TonerPlas®, a high-performance asphalt additive.



Photo by Mark Goodwin. Taken on a Canon EOS R5.
'Kuranda Rainforest' by Mark Goodwin, Canon Oceania Group Employee.

Environment

2021 OBJECTIVES

1. Develop Canon Oceania carbon zero strategy and roadmap.

2. Complete Canon New Zealand transition to hybrid or electric fleet vehicles by 2022.

3. Promote responsible printing by growing continuous ink printer market.

2021 COMMENTARY

– Draft strategy prepared but on hold due to changes to working arrangements post COVID-19 which might affect greenhouse gas emissions sources and quantity.

✓ 80% of fleet vehicles in NZ converted to hybrid. Transition to 100% hybrid fleet due to be completed by the end of 2022.

✓ We focused our marketing efforts in 2021 on the continuous ink printer market and grew the segment by 33% over the previous year. This will have a long-term positive impact on our environmental footprint by reducing cartridge use.

2022 OBJECTIVES

1. Launch Canon Oceania's carbon zero plan in line with Canon Inc.'s global targets.

2. Convert 100% of Canon New Zealand's fleet vehicles to hybrid.

3. Manage the phase out of Extended Polystyrene (EPS) packaging in all consumer inkjet printers and scanners by 2023.

- ✓ Objective achieved
- Project commenced but not finished
- × Objective was not achieved

MATERIAL ISSUE



Responding to the global 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

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 licence, and ensure we stay ahead of regulatory developments. Our efforts will contribute to Canon Inc.'s publicised reduction targets.



SDG 12: Responsible consumption and production
Target 12.7



SDG 13: Climate action
Target 13.2



SUSTAINABILITY ADVANTAGE – NET ZERO PILOT PROGRAM

Canon voluntarily participated in a Sustainability Advantage Pilot Program in 2020 and 2021 to develop a net zero plan for the Group. We developed a draft pathway plan towards achieving net zero across our operations, including material indirect emissions such as logistics and freight. This exercise helped us identify how to invest in renewable energy and reduce our emissions by about 58 percent. By directly investing in renewables through a power purchase agreement, electrification of our vehicle fleet and the use of renewable biofuels, as well as other smaller initiatives, we can cut down our emissions by half.

We decided to hold off putting this plan into action in 2021 as we were amidst COVID-19 uncertainty around the future of work. We focused on reworking our flexible working policies, which we modified in response to the COVID-19 pandemic and replaced with a new hybrid-working pilot program. Instead, we have used this time to standardise the monitoring process for a part of our Scope 3 emissions, particularly freight emissions.

In 2022, we intend to revisit the draft plan and aim to develop a local program in line with Canon Inc.'s global targets.



ACHIEVING OUR EMISSION REDUCTION TARGETS

Canon Oceania has set greenhouse gas emission targets at two levels:

Energy Efficiency Target – average of 1.2 percent per annum improvement in the energy intensity of our premises and company vehicles. Increasing the percentage of renewable energy will contribute towards this.

Achieved

We are proud to report that we have achieved this target each year since it was first established by investing in solar power for our Macquarie Park HQ, a reduction in office space across the region, and introducing new efficiencies such as hybrid vehicles. Another key factor in achieving the target was the offsetting of Canon New Zealand’s emissions as part of its Toitū net carbonzero certification.

Direct Emissions Target – local target set in 2009 to reduce our direct (Scope 1 and 2) emissions by Canon Oceania by 1.5 percent per year from 2010 until 2020.

Achieved

We have achieved this target at the same time as we have grown the Company. During this period, Canon acquired additional operations in Australia, New Zealand, and the Philippines. Simultaneously, Canon outsourced significant parts of its non-core operations, including our warehouse, as well as data centres and a call centre. These operations were outsourced to improve efficiency and allow us to focus on our core business. We have recently reincorporated our call centre into our CBS operations in the Philippines. We are continuing to monitor our Scope 3 emissions and working to streamline and improve data collection in areas like freight to produce accurate reports. Having better data will assist us to identify whether reductions are due to improved practices and not simply outsourcing and to understand the emissions in our supply chain as well as in our own operations.

We achieved our target most years by consolidating our sites and investing in a 5-Star Greenstar fit out as well as roof-top solar installation at our Macquarie Park HQ. Over the decade we achieved an average of 13 percent reduction per annum. Recently we have achieved the targets through the efforts of Canon New Zealand, which are described later on this page.

CONTRIBUTING TO A LOW-CARBON SOCIETY



Globally Canon has committed to the following targets:

- 2030 – 50% CO₂ emissions reduction compared to 2008
- 2050 – Net zero CO₂ emissions for the entire product lifecycle

To measure Canon’s 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. Based on our initial assessment conducted in 2008, we set a goal of achieving an average three percent improvement per year in the index.

We have achieved an improvement of 42 percent against the index compared to our 2008 levels. This represents an average improvement of 4.3 percent annually. Our performance in 2021 was slightly short of our annual target of three percent, at 2.6 percent. Last year we faced logistical disruption in our operations due to the post-COVID-19 business recovery, which affected our lifecycle index performance.

We are committed to meeting and exceeding this target in the coming year, given the initiatives we are investing in to improve our operations, product design and participation in recycling programs. We aim to improve our energy efficiency and reduce CO₂ emissions across our value chains through innovation and technological solutions. Canon is confident of achieving this target year-on-year, reaching close to a 50 percent reduction in the CO₂ emissions index by 2030 and contributing to building a low-carbon society.



New Zealand retained its Toitū net carbonzero certification in 2021, as well as achieving a number of impressive targets.

- 80% of our vehicle fleet was converted to hybrid
- 34% decrease in fuel emissions compared to 2019 as a result of a more balanced service offering to our customers of remote and face-to-face visits, as well as reduced activity due to the COVID-19 pandemic
- 75% reduction in air travel emissions compared to 2019; this was largely due to travel restrictions that were in place due to COVID-19

Under the program any emissions that can’t be eliminated are offset by purchasing certified carbon credits from both New Zealand and international projects.

MATERIAL ISSUE



Strengthening our products and services through circular economy innovation

A new generation of Canon Oceania customers are 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

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 services 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.



SDG 8: Decent work and economic growth
Target 8.4



SDG 12: Responsible consumption
Target 12.1
Target 12.5



CONTRIBUTING TO A CIRCULAR ECONOMY

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 actively encourages national industry-led product stewardship schemes in Australia and New Zealand. We have actively participated in the development, and ongoing implementation and improvement, of the following schemes:

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



RESOURCE RECOVERY AND RECYCLING

Canon believes in the value of resources and is working to keep resources in the production loop through recovery and recycling. Canon’s product-to-product recycling program is designed to minimise the use of new or virgin materials. Instead, we remake used products into new products. We have two big initiatives in this area: (1) closed-loop recycling of toner cartridges and (2) remanufacturing office multifunction devices. Canon runs these initiatives at five sites, including Japan, Europe (two sites), the United States and China. We aim to localise these recycling programs to keep resources in circulation in the same region where they are consumed. By doing so, we further reduce our environmental footprint.



DESIGNING FOR THE ENVIRONMENT

Canon Inc. is working meticulously to reduce the environmental impact of its products. We are applying Life Cycle Assessment (LCA) methodology and management systems to each stage of the product lifecycle to identify and minimise our impact. LCA is a quantitative evaluation process that considers the end-to-end journey of a product, starting from raw material procurement to production, distribution, product use and disposal or recycling.

Our products are designed in line with our Environmentally Conscious Design Guidance which are concrete procedures to ensure our products have the least possible impact. When designing our products, we consider a range of criteria, including extending product life, making products easier to maintain, disassembling and sorting into constituent materials after disassembly, and improving information disclosure. Canon is also working as a member of the Clean Ocean Material Alliance on a range of initiatives, including reducing the use of plastics and developing recycle-friendly products, technologies and systems.





AWARD WIN

Product Stewardship Champion of the Year Award 2021 Winner: Janet Leslie, Sustainability Manager, Canon Australia

In 2021, the inaugural Product Stewardship Centre for Excellence (PSCoE) Awards recognised Canon Australia for its sustainability leadership. Janet Leslie, Sustainability Manager, Canon Australia was named as one of two Australian Product Stewardship Champions.

The awards recognise those involved in designing, manufacturing and advocating for products that use materials and are managed to reduce their environmental and human health impacts. This win celebrates the significant impact Janet and Canon have had on driving product stewardship forward in Australia.

PSCoE evaluated initiatives led by individuals and teams in designing and manufacturing products with the environment and human wellbeing at the core. Champions were recognised for their relentless persistence, focus and commitment and Janet excels in all these traits. The award recognises Janet, and by extension, Canon Australia, for their pivotal role in a variety of industry-wide product stewardship programs. These include the National TV and Computer Recycling Scheme, Cartridges 4 Planet Ark, and the Australian Battery Recycling Initiative. Canon continues to promote and advocate for national industry-led programs designed to address the environmental impact of products.

“It’s exciting to see more progress in product stewardship in Australia. There is significant investment underway by ANZRP, Close the Loop and others to improve the quality and value of the material resulting from the e-waste recycling process, and we are moving closer to realising real circular economy outcomes.”

Janet Leslie, Sustainability Manager, Canon Australia



Janet Leslie, Manager – Sustainability for the Canon Oceania Group, won the Product Stewardship Champion of the Year Award in 2021.



CANON PHASING OUT EPS FOR PRINT HARDWARE PACKAGING

We are proud to share that all new Canon consumer inkjet print hardware products will come in moulded pulp packaging, replacing the traditional EPS packaging used for these products. Canon aims to remove all EPS packaging from its consumer inkjet printers and scanners sold in Australia and New Zealand by 2023. However the majority of EPS packaging will be phased out by the end of 2022. The new packaging will come with improved labelling highlighting information regarding recyclability and recycled material content.

Styrofoam



Moulding Pulp Packaging



This eco-conscious cushioning material is made by collecting old newspapers and magazines, dissolving them in water, then drying and moulding them. It reduces plastic waste by about 65% compared to previous models.



ENVIRONMENTALLY CONSCIOUS PACKAGING

Canon Australia is collaborating with peers and industry associations to advocate for the shift to environmentally responsible product packaging. We are part of an Australian Packaging Covenant working group that is developing a roadmap for a voluntary, industry-led approach to address the environmental impacts associated with expanded polystyrene (EPS), including the implementation of:

- The National Plastics Plan to phase out EPS in consumer loose fill and moulded packaging, and
- The National Packaging Target to phase out problematic and unnecessary single-use plastic packaging by 2025.

The plan will apply to products sold into the Australian and New Zealand markets.

In addition to phasing out EPS moulded packaging in our consumer products, Canon is committed to working with industry to develop EPS product stewardship schemes in Australia and New Zealand. The purpose of the program is to collect and recycle EPS from product packaging where EPS remains the most suitable packaging material. We aim to have the scheme plan designed by 2023 and implemented in 2024.

“We are working hard, collaborating with our customers and Canon product groups to reduce the single-use plastics from our consumer product packaging.”



Brendan Maher,
Senior Manager –
Product Marketing,
Canon Australia



INVESTING IN LOCAL RECYCLING INFRASTRUCTURE AND NEW PRODUCTS

Canon Oceania has done significant work in establishing and promoting e-waste collection and recycling schemes over the past decade. Moving forward, Canon through its product stewardship partners will expand its initiatives to include improving the local recycling infrastructure. We are doing this to improve the quality of the end products of the recycling process, so the materials are more valuable and can be used in new locally made products.

CANON OCEANIA ENVIRONMENTAL INITIATIVES

FACILITIES AND VEHICLES

1.2% improvement per annum in the energy intensity of our premises and company vehicles.

OCEANIA DIRECT EMISSIONS

13% average reduction per annum in our direct (Scope 1 and 2) emissions since 2009, by site consolidation, energy efficiency and renewable energy initiatives.

PLANNING FOR NET ZERO

CNZ was certified Toitū carbonzero in 2019.

Drafting Canon Oceania net zero plan that will support Canon's global targets of 50% reduction on 2008 levels and net zero by 2050.

HYBRID VEHICLES

80% fleet vehicles in New Zealand converted to hybrid.

RESPONDING TO THE GLOBAL NET ZERO IMPERATIVE

STRENGTHENING OUR PRODUCTS AND SERVICES THROUGH CIRCULAR ECONOMY INNOVATION

Producing less waste

HELPING CONSUMERS REDUCE THEIR IMPACT

30 standard ink cartridges saved by a single set of PIXMA MegaTank refillable ink bottles.

PHASING OUT EPS

All consumer printers will use moulded cardboard packaging instead of EPS by 2023.

RE-USING MATERIAL FROM END OF LIFE PRODUCTS

Canon e-waste recycled with 93% recovered for use in other new products.*

In Australia we recycled 1,991 tonnes of e-waste which saved 2,921 tonnes CO₂e.

Ink and Toner Cartridges

In Australia 573,428 ink and toner cartridges (equivalent to 84 tonnes) were recycled with zero waste sent to landfill. From this, 7.33 tonnes of toner powder were recycled into TonerPlas, an asphalt additive that is used to improve the durability of Australian roads.

In New Zealand, 35,000 ink and toner cartridges (equivalent to 30 tonnes) were recovered for use in other new products.

COLLABORATING FOR CIRCULAR ECONOMY INNOVATION

Improving the Recycling of Plastic

Through its membership of ANZRP, Canon is investing in recycling innovation through:

- the Mobile E-waste Factory (MEWF), which makes recycling accessible and reduces the impact of transport on the recycling process; and
- a project to produce an advanced building product from recycled e-waste.

Battery Stewardship

Canon has joined the new Australian stewardship program for batteries, B-Cycle, which gives batteries a new life.

*Canon Environmental Impact based on Lifecycle assessment data by LifeCycles for financial year 2020/21 in accordance with ISO Standards 14040 and 14044.

CA

IMPROVED RECYCLING OF E-WASTE PLASTIC

Since China stopped accepting mixed plastic waste for recycling, the Australian industry has struggled to find suitable local alternatives. The use of end products of recycling has been a challenge for the industry. To address this gap, Sustainability Victoria, under the Resource Recovery Infrastructure Fund, has given a grant to ANZRP to develop a new technology that will combine e-waste plastics (including HIPS, ABS and PP*) with other materials to produce an advanced building product. The project, which is dependent on supply chain issues, is due to launch in late 2022.

ANZRP and its joint venture partner have invested significantly in R&D to deal with brominated flame retardants (BFRs). These chemicals are often found in plastic from electronic equipment. BFRs were used to reduce flammability, but many are now banned under the Stockholm Convention due to their toxicity and persistence. The new project will provide significant benefits to the Australian community in finding a beneficial solution for this legacy material.

* High Impact Poly Styrene (HIPS), Acrylonitrile Butadiene Styrene (ABS), and Polypropylene (PP)

CA

CARBON IMPACTS OF RESOURCE RECYCLING

Canon's recycling activities not only contribute to a circular economy, but they also contribute to a carbon-neutral society. A report on the potential environmental benefits of e-waste recycling in Australia prepared by Australian life cycle assessment experts Lifecycles, showed that each tonne of Canon e-waste recycled through the TechCollect Program **saved 1,572kg CO₂e from being emitted to the atmosphere.**

CO

MOBILE E-WASTE FACTORY

ANZRP, the not-for-profit industry-run company started by Canon and other responsible suppliers to acquit their product stewardship obligations in Australia and New Zealand, has invested in building a mobile e-waste factory (MEWF) in Victoria. This is the Company's first project in recycling infrastructure. The MEWF is currently in the pilot phase and due to launch in 2022. This investment demonstrates the commitment of Canon and the broader industry to support the growth of local recycling infrastructure and capability for quality resource recovery. Sustainability Victoria has partly funded the project.

The MEWF will offer the service of collection and recycling to meet the needs of regional and rural Victorian communities that are otherwise challenged to recycle due to the high cost of transportation. The facility is intended to serve as a prototype to support other States to consider investing in similar projects in rural and remote locations with limited or no access to recycling services.

The factory will have three separate facilities for shredding, granulating and processing, which means the MEWF will be able to provide recycling services for other products, such as sporting shoes, tennis balls, wheely bins and plant pots. This will increase the value of services offered to regional communities and support the financial viability of the plant.



Above: Canon, along with other responsible suppliers, founded the Australian New Zealand Recycling Platform. ANZRP has invested in building a mobile e-waste factory in Victoria. The project is in pilot phase and is due to launch in 2022.

Below: TechCollect employees dismantling end of life product before processing through the mobile e-waste factory (MEWF).

READ MORE

Further information on the ways we reduce our impact on the environment is available in the Environment Fact Book and on our website www.canon.com.au/about-canon/sustainability.

CASE STUDY

TONERPLAS®

Since the Cartridges 4 Planet Ark Program began in 2003 with its zero waste to landfill promise, finding a way to reuse the toner from multifunction devices has proven difficult. Close the Loop, a leader in resource recovery programs and circular thinking in Australia, came up with an innovative solution for using waste toner in building roads.

The toner waste collected through the Cartridges for 4 Planet Ark Program is used in making TonerPlas, an award-winning asphalt additive. This product is made from post-consumer soft plastics and waste toner and is a key ingredient for making high-performance asphalt roads.

TonerPlas' unique properties help extend the lifespan of roads and reduce the need for regular maintenance, making it of superior quality to traditional asphalt.

It works by melting into and modifying the bituminous binder mastic in asphalt. It improves the mechanical properties of asphalt, leading to improved durability.

TonerPlas is currently being used in several major projects, including the M80 and Monash Freeway upgrades in Victoria. In 2021 Close the Loop supplied 934 tonnes of TonerPlas to the asphalt industry in Australia. On average, a suburban road uses five tonnes of TonerPlas per kilometre; so in 2021, TonerPlas was used in 187 kilometres of asphalt roads. TonerPlas improves asphalt performance, increases asphalt lifespan, and reduces the carbon footprint of asphalt assets.

Each 1km of road paved with TonerPlas modified asphalt uses approximately 30,000 shopping bag equivalents and waste toner from 12,500 printer cartridges.



Tonerplas was used in the M80 Freeway upgrade in Melbourne.

Social

At Canon Oceania, we believe that acting responsibly across the business is more than just the right thing to do – it's the smart thing to do. Applying our *kyosei* philosophy to our work preserves and enhances our social licence to operate.

HIGHLIGHTS

CBS

99% uptake of COVID-19 vaccination among CBSC employees

Based on the 'Facts about the Vax' campaign 99% of CBSC employees took up a COVID-19 vaccine.

New Leadership Framework launched

Describes the leadership values and capabilities we expect.

Continued to support Kanlungan sa Er-Ma Ministry (KSEM) Children's Shelter

Ongoing fundraising to support the children's education.

NZ

ISO45001 Certification extended

Health and Safety management certification extended for CBS ANZ and Canon New Zealand.

CA

First Reconciliation Action Plan

Canon Australia's first Reflect RAP endorsed by Reconciliation Australia.

CO

Launched Canon Oceania Supplier Code of Conduct

The Code is based on the Responsible Business Alliance Code.

Canon Oceania's first Modern Slavery Statement Published

This document details how we are addressing the human rights risks in our supply chain.



Photo by Benjamin Warlingundu Ellis. Taken on a Canon EOS 5D Mark III.

This photograph was taken from above as ochre is prepared to paint the bodies of First Nations' people for ceremonies and dances. Dance is an important way stories are passed through generations in First Nations cultures.

Social

2021 OBJECTIVES

1. Embrace new ways of engaging with people to incorporate privacy expectations.

2. Issue Modern Slavery Statement and continue developing mitigation strategies for human rights risks in the supply chain.

3. Reinvalidate diversity and inclusion strategies across the Group.

4. Include people with disability in all workplace scenarios in CBSC and allocate designated buddies for emergencies.

5. Launch a new Leadership Framework

2021 COMMENTARY

✓ Global Unsubscribe Project to make it easier for subscribers to unsubscribe from emails sent from Canon and to specify which information they would like to receive.

✓ Statement released June 2021 and due for update in June 2022.

– Reactivated the D&I Working Groups in AU. NZ D&I incorporated into the Culture Club.

✓ In line with Project Inclusion, CBSC has assigned emergency buddies to its deaf employees to alert them in case of emergency.

✓ The Leadership Framework was successfully launched after extensive consultation across our businesses.

2022 OBJECTIVES

1. Canon Australia to join Supply Nation in line with our RAP commitment.

2. Refine our understanding of human rights risks in our supply chain across Canon Oceania.

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

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

5. Continue to live and breathe *kyosei* by enhancing our community partnerships.

- ✓ Objective achieved
- Project commenced but not finished
- × Objective was not achieved

MATERIAL ISSUE



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.

Why this is important

The flexibility to tailor the universal Canon philosophy to specific cultural contexts in Australia, New Zealand and the Philippines builds community trust and enhances our social licence to operate. A diverse and inclusive culture – including at the leadership level – benefits our employees, who enjoy higher morale and less instances of discrimination.



SDG5: Gender equality
Target 5.5



DIVERSITY AND INCLUSION

Throughout 2021, Canon continued promoting diversity and inclusion across the Company. We know prioritising diversity helps attract talented, committed people who bring a broad variety of perspectives to their jobs. It's also good for business.

According to the Diversity Council of Australia (DCA)'s Inclusion@Work Index, organisations with inclusive cultures are:

- 11 times more likely to be highly effective
- 10 times more likely to innovate
- 6 times as likely to provide excellent customer service.

Among many other initiatives this year, for example, with support from the DCA, we delivered training to employees across the organisation on issues like unconscious bias and had our first Reflect Reconciliation Action Plan approved by Reconciliation Australia (see below). In New Zealand, diversity and inclusion are also key parts of the organisation's culture.

In New Zealand, our Canon offices were a sea of pink as we took part in Pink Shirt Day. The theme for 2021 was 'Kōrero Mai, Kōrero Atu, Mauri Tū, Mauri Ora – Speak Up, Stand Together, Stop Bullying'. Pink Shirt Day is a worldwide campaign to help create an environment in which everyone feels safe, valued and respected regardless of age, sex, gender identity, sexual orientation, ability or cultural background.

The Canon NZ Culture Club also led celebrations for Matariki (the start of the Māori new year) and Diwali (the Hindu festival), and recognised Waitangi Day, which commemorates the signing of the country's founding document.



COMMUNITY PARTNERS

The communities we live and work in have widely different needs. So, it's only natural that we support a range of initiatives in each country through enduring charity partnerships.

Our support of OzHarvest, Australia's leading food rescue organisation, helps us fight food waste and empower vulnerable communities. (Read more about OzHarvest engagement opportunities, volunteer activities and fundraising in the case study on page 29.)

Canon Australia has been the official [Steve Waugh Foundation](#) partner since 2013. Together we continue to make a difference to the lives of children with rare diseases.

For over 10 years, New Horizons, an organisation committed to enhancing the wellbeing of all, has partnered with us to pack our ink for customers. The 'Packable' program provides meaningful employment to people with disability. In 2021, New Horizons packed over 600,000 ink bundles using two million inks.

In the Philippines, Canon Business Service Centre (CBSC) has supported Kanlungan sa Er-Ma Ministry (KSEM) since 2014. KSEM assists vulnerable children by providing them with access to shelter, food, medical treatment, technology and formal education. In 2021, five of the KSEM Girls Home students sponsored by CBSC finished elementary school and will start high school. Ongoing, CBSC employs KSEM graduates, continuing their work to help break the poverty cycle.

Canon New Zealand has supported Make-A-Wish for many years. In 2021, Make-A-Wish enlisted our help to fulfill Stevie's Wish to have a business selling her art. Sixteen-year-old Stevie has an immunodeficiency disease and is a passionate painter. Canon NZ helped her by printing several of her artworks to be showcased in an exhibition. She sold almost all of her work on the night. We also set Stevie up with her own image PROGRAF PRO-300 printer, a full set of inks, and Canon's Premium Fine Art printing paper, so she can continue to market her creations.

Launched in 2021, Stills is the only nationwide youth photography competition for students of all ages in New Zealand. Canon NZ was delighted to be the key sponsor for this fresh initiative. In 2021, with the entire country in a lockdown, Stills gave students a chance to showcase their creativity.

We received 400 submissions from students in Years 1-13 across four categories – Junior, Hometown, Enhanced and Live. We selected one winner from each category, with one submission chosen as the overall Stills Competition winner. Each winner received a Canon DSLR camera kit and the runners-up in each category received a Selphy Square printer.

For the past three years, the Canon New Zealand team has taken part in the Rangitoto College Golf Day Fundraiser at Pupuke Golf Course. The \$22,000 raised will buy new performing arts equipment and support a student hardship fund, Māori student leadership program and school trips.

In 2021, the Canon NZ Professional Photographer Grant supported photographer Amber Jones, and her project known as Hapū. Amber's eclectic photojournalism series was about the experiences of pregnant women who are passionate about the sea. The photos explored the challenge the women face in sacrificing a significant part of their identity (the ocean and the sport or recreation they do on it) to bring new life into the world.

Canon New Zealand has sponsored the Voyager Media Awards for many years and continued to do so in 2021. The annual awards encourage, showcase and acknowledge the best of New Zealand's news media across all platforms, recognising the work of journalists, reporters, feature writers, columnists, cartoonists, reviewers, photographers and video journalists.

In Auckland, some of our team used their *kyosei* day to help prepare Pet Refuge for opening. The Pet Refuge NZ Charitable Trust provides temporary housing for animals affected by domestic violence. The shelter keeps the animals safe while their owners escape abuse, with the goal of reuniting pets and owners so they can start new lives together in violence-free homes.

Across Oceania, we also support our local community every festive season. Through our giving programs for The Smith Family (Australia), Grandparents Raising Grandchildren (New Zealand) and KSEM (The Philippines), Canon Oceania shares the spirit of Christmas.

Canon Oceania Grants' Australian winners Giant Steps, KidsXpress and The Young Naturalist received \$2,500 of cash and \$2,500 of Canon products to support their grassroots organisations.



CANON OCEANIA GRANTS

Canon Oceania Grants are one of our most popular corporate social responsibility programs. They're another way we share our *kyosei* philosophy. Since launching the grants in 2007, we've awarded over \$450,000 in cash and Canon products to 75 schools, not-for-profit organisations and community groups.

For the second year, in Australia, we offered a Small Business Grant and increased cash donations to help offset the impact of COVID-19. The Canon community selected winners from a shortlist of 230 applications from across Australia and New Zealand. Each grant recipient received \$2,500 in cash and \$2,500 of Canon products.

The 2021 recipients were:

Australia

- Community Grant – KidsXpress
- Education Grant – Giant Steps Australia
- Small Business Grant – The Young Naturalist
- Runner Up Grant – Saving our Koalas

New Zealand

- Community Grant – The Period Place
- Education Grant – Wakatipu Reforestation
- Environment Grant – Far Out Ocean Research Collective





FIRST NATIONS AND INDIGENOUS PEOPLES

Canon recognises and believes that all Australians should embrace reconciliation. Through our own commitments, we seek to help create a nation strengthened by respectful relationships between the wider Australian community and First Nations peoples.

In 2021, the National Reconciliation week theme was ‘More than a word’. In our internal communications, we encouraged our people to learn more about the issues affecting First Nations peoples. With this knowledge, they can take action every week of the year, not just during National Reconciliation Week.

We reminded employees of the importance of giving an appropriate Acknowledgement of Country when giving presentations. This allows the wider community to show respect for and acknowledge the traditional owners, their culture and heritage and their ongoing relationship with the land and water. It shows that we value and recognise the traditional owners’ place in Australian history and society today. Links on our digital workplace platform, Phoenix, provide the correct Acknowledgement of Country depending on where employees are located.

In 2021, Reconciliation Australia, the leading body promoting reconciliation, endorsed Canon Australia’s first Reflect Reconciliation Action Plan (RAP). This is an important step in our work to build relationships and trust with members of the First Nations community. It’s a direct result of the practical steps taken by Canon Australia’s First Nations Diversity and Inclusion Working Group. We now have a documented commitment and set of practical actions.

We’re honoured to continue learning from, and working with, the First Nations creative community as we work towards reconciliation.

For Canon, the RAP is an extension of *kyosei*.

It is what we do each day and exemplifies the way we form and develop partnerships with our stakeholders. We will renew the Reflect RAP plan in September 2022.

In Aotearoa we celebrated Matariki (Māori New Year) in the Auckland Head Office with traditional Māori Kai (food). It is a time of renewal and celebration in Aotearoa that begins with the rising of the star cluster known as Matariki. People young and old come together to remember their ancestors, share food, sing, tell stories and play music.



MARLEY’S STORY

Photography is a powerful tool that allows us to tell impactful stories through a single image. As a leading imaging brand operating within Australia, it’s essential to acknowledge that we’re on the traditional lands of the longest-living culture and the original storytellers. Canon can provide a platform for the voices and work of First Nations creators who are using our tools to tell their stories.

Throughout 2021, we saw how powerful advocacy can be to bring about positive change. Equal and authentic representation is essential across consumer and internal-facing content and processes. It was put into the spotlight with the rise of the Black Lives Matter movement. Through this movement, many brands, including Canon, were called out for their lack of First Nations representation.

One photographer, Marley Morgan (@marleymorganphotography), was pivotal in raising this issue with us. And her sentiment towards Canon only changed when we increased First Nations representation on our channels.

A significant milestone in this journey was celebrating NAIDOC week through our social media channels for the first time. Through this event, we highlighted 11 different First Nations creatives, across Facebook, Instagram, Twitter and LinkedIn. We celebrated the photographers and their stories through self-portraits and cultural photography, while also showcasing their diverse portfolios.

This was a big step in forming a relationship with the First Nations creative community. As we continue to cultivate these relationships, we’ve been privileged to have Marley come alongside Canon as an advocate. She joined Canon Ambassador Jarrad Seng on the Canon Convos Podcast and promoted the episode through an interview with ABC radio. Marley is just one example. But it’s a powerful example of the positive impact of advocating and elevating the voices of First Nations creatives.

“I think there is a renewed optimism that our voices are being heard and definitely giving the emerging photographers something to strive for!”

Marley Morgan (@marleymorganphotography)



Photo by Marley Morgan, a proud Wiradjuri and Gamilaraay woman.



EMPLOYEE ENGAGEMENT

Feedback is a gift

In September 2021, we released the results of our biennial Canon Oceania Employee Engagement Survey. Across almost every question, we saw our best results ever. We saw an overall engagement score of 72%, made up of 1,663 responses. Questions included pride in working for the Company, motivation to contribute more than required, personal satisfaction from work and the likelihood of recommending our Company as a great place to work.

It was clear from the results that we do well in work processes, communication, support, inclusion and trust. Our areas of opportunity to improve include survey follow-up, collaboration, leadership development and communication about strategic direction.

Leadership Framework

In October 2021, we launched the Leadership Framework to help employees become better leaders. We created the framework to establish what 'great leadership' looks like at Canon Oceania, across different levels. We encourage employees to set personal development goals and create a plan with actionable steps to improve their skills and capabilities.

Canon Oceania Games

In 2021, the countries in which we work were experiencing varying stages of community COVID quarantine, lockdown and restrictions. We embraced the spirit of the delayed Olympic season with the Canon Oceania Games. We encouraged employees to join with teammates from any location to create a team. A list of fun challenges was posted on Phoenix. These included making their favourite dish, hosting an Olympic-themed virtual event, learning a new language, reading a new book, listening to a new podcast, or working on their photography skills. Participants were required to post a photo of them doing the task or the result.

The games boosted team spirit and fostered creativity. Once completed, they shared photos and earned points. The top three teams received \$500, \$300 and \$200 to donate to a charity of their choice. There were also \$250 prizes for best Olympic-inspired team and Best Proof of Task Completion.

Recognising outstanding employees

Across the business, we recognise outstanding achievement and commitment to Canon's values and strategic pillars.

Circle of Excellence

The Circle of Excellence is our most prestigious award for the best of the best. It celebrates significant achievement and alignment to our pillars and values, recognising the highest performing employees. The award is open to any permanent employee, in any team in any country. It's about recognising an individual or team who is committed to Canon's core values and has delivered fantastic results for our business.

Each year there are five winners (a combination of teams and individuals), with one of those being the overall winner.

Managing Director's Award

The Managing Director's Award is a discretionary award presented at the same time as the Circle of Excellence Awards. These are awarded when there has been outstanding work in business. In 2021, the COVID-19 Response Teams in Australia, New Zealand and the Philippines received Managing Director's Awards.

Spirit Awards

Canon Oceania's Spirit Awards recognise and celebrate team members who go the extra mile to bring our strategy to life. Awards are presented across five categories aligned with our pillars: *Passion and Ownership, Enhance the Experience, Strengthen the Core, Find New and Make a Difference.*

At the end of each quarter, a panel of peers and leaders review the nominations and select the recipients. Recipients receive a cash prize and certificate. Winners are announced via the Managing Director's Monthly Message and shared on Phoenix.

We all play a part in celebrating each other's success. Seeing colleagues go above and beyond and then taking the steps to nominate them is part of our *San-Ji Spirit*.

Employee Photo Competition

Each year, we run our Employee Photo Competition to showcase the outstanding talent we have in all parts of our business. We also hope to spark creativity by encouraging employees to seek, capture and share our stories of the world, connection, energy and imagination. In 2021, we were inspired to give a new perspective to our *'It's time for a camera'* campaign.

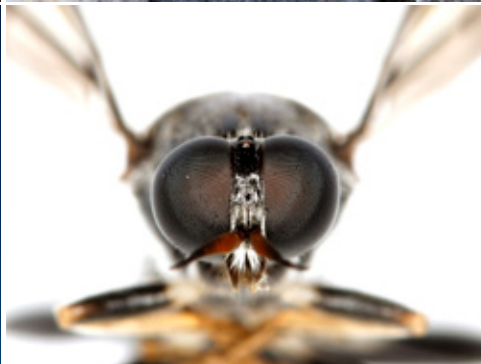
We received over 200 photos across five categories:

- It's time for brilliant colour
- It's time for beautiful views
- It's time for interesting personalities
- It's time for more detail
- It's time for action.



Above: Photo by Joseph Aton. Taken on a Canon EOS R.
Below: Photo by Colin Baker. Taken on a Canon EOS 5D Mark IV.

The winning entries in the Canon Oceania Group's Annual Employee Photo Competition.



Above: Photo by Elizabeth Spindler. Taken on a Canon EOS 5D Mark IV.
Middle: Photo by Colin Lucas. Taken on a Canon EOS R.
Below: Photo by Don Tiongkiao. Taken on a Canon EOS 700D.

CBS

HEALTH AND SAFETY

In 2021, our key health and safety focus continued to be managing the impact of the COVID-19 pandemic on our people and business. We also took forward our strategy of standardising health and safety management systems across the Canon Oceania Group. We extended our independent certification to the global benchmark ISO 45001 Health and Safety Management Systems to cover Canon Business Services ANZ and Canon New Zealand. Further information about Canon's health and safety management systems and trends is in the **Social Fact Book**.

CO

HEALTH AND WELLBEING

R U OK? Day and Men's and Women's Health weeks were opportunities to deliver training and raise awareness about health issues, especially the effects of COVID-19.

Mental Health

The effect of lockdowns and uncertainty had an immeasurable impact on mental health of people across the globe and as a result, no doubt, people in our Group.

People tend to accept physical first aid, but rarely address mental health problems. For this reason, Mental Health First Aiders (MHFA) are available throughout Canon to support people experiencing such problems. People trained in Mental Health First Aid know how to listen, respond and assist others to access support. The program focuses on reducing stigma in the workplace by responding to myths and misunderstandings about mental illness.

Throughout 2021, Canon Australia's Diversity and Inclusion Council's Mental Health Working Group shared helpful content. Topics included managing stress, anxiety and other mental health challenges, to further strengthen the health and safety of our workplaces.

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.



COVID-19 RESPONSE AND VACCINATION

Throughout 2021, the COVID-19 pandemic continued to have an enormous impact on Canon Oceania. The pandemic continued to take a toll on employee physical and mental health, availability of employees to perform critical roles, and global and local supply chains. The business continuity teams used substantial resources and effort that would normally be focused on other business priorities. This team exerted significant effort to stay up-to-date with constantly changing government rules. The team made sure we had appropriate controls in place for cleaning, vaccination, protective equipment, rapid antigen testing, social distancing, contact tracing, ventilation and working from home arrangements. With these measures, we kept our people and our customers as safe as possible.

We issued over 700 essential worker permits in Australia, sent over 300 COVID emails with up-to-date information, and developed two return-to-office frameworks in Australia.

Our people endured long periods of isolation. This included 20 months of community quarantine in the Philippines, 107 days of lockdown in New Zealand and six extended lockdowns in Victoria.

Despite these challenges, Canon Oceania Group delivered its most profitable year since 2008. We had a 72% employee engagement rate and Canon Business Services managed a 95% customer satisfaction score.

The devastation and loss of life in the Philippines because of COVID-19 has been immense. When promising vaccines began to emerge, CBSC joined a private-sector group to procure the Moderna vaccine for our people. However, two major obstacles existed. An initial employee survey in April 2021 showed only 48.83% of CBSC employees were willing to have the vaccine right away. In addition, potential logistics issues made it impossible to rely on a timeline for the Moderna procurement.

To help build trust in the science and efficacy of COVID-19 vaccines, we formed a cross-regional team to deliver an award-winning CBSC employee health campaign, 'COVID-19 Facts About The Vax'.

We launched the Vax Facts central hub on Phoenix, our internal digital workplace. This featured FAQs, resources, real-time updates and engaging news. We also set up an initiative on CBSC's new social channel for employees to share their Vaxxies (Vaccine Selfies) with the hashtag #wecalltheshots. The aim was to give employees in the Philippines confidence in the vaccines and to encourage them to get their shots.

A series of animated explainer videos and infographics helped educate employees to get the vax when they could. We know personal education is the first step in building vaccine confidence. Many people had questions, and so we committed to acknowledging concerns and providing answers.

This resulted in a massive improvement in vaccine adopter attitudes and a 99% COVID-19 vax rate at CBSC. This was no small feat when compared to the current national Philippines average of 60% (as at 7 June 2022).

The Canon Oceania 2021 Manager Director's Awards recognised the tireless efforts of each country's Business Continuity teams in managing the COVID-19 response.

“Throughout 2021, along with the rest of the world, we were challenged and confronted by COVID-19. Staying aligned to our core ‘people first’ principle paved the way for making quick, sound decisions. Communicating with our teams and listening to their feedback was key to this approach.”



Kylie Church,
General Manager –
Corporate Communications,
Canon Oceania Group

CASE STUDY

OZHARVEST

In 2021, Canon announced a new national charity partnership with Australia's leading food rescue organisation, OzHarvest. OzHarvest has a driving purpose to nourish our country. As a Proud Supporter of OzHarvest, we've officially joined their mission to fight food waste and empower vulnerable communities.

This is a new national charity partnership for us, formalising relationships developed with OzHarvest by Canon Australia and Canon Business Services over many years. It's in line with our *kyosei* philosophy, and part of our commitment to building strong community alignment.

Our partnership kicked off with an introduction event. Employees learned about OzHarvest's history and mission, and how they could get involved with the cause through Canon.

We finished 2021 by including OzHarvest in our employee Christmas giving activities. Through our Christmas food drive, they delivered almost 800 additional meals to people in need.

Behind the scenes, a six-person employee committee will manage the partnership's engagement activities. In 2022, we're planning a range of events.

These include:

- a flagship OzHarvest fundraiser
- Community CookOff
- over 100 Cooking for a Cause team-building spots
- food rescue van rides
- food drives
- advocacy sessions
- volunteer opportunities.



Canon Oceania Group employees take part in a Cooking for a Cause team building activity as part of our partnership with OzHarvest.

MATERIAL ISSUE



Securing resilient supply chains

Canon Oceania is subject to the challenges that resource constraints and extreme weather events pose 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

Diversifying warehousing and sources of supply 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.



SDG 9: Industry Innovation and Infrastructure
Target 9.1



SDG 13: Climate Action
Target 13.1



SDG 8: Decent work and economic growth
Target 8.8



MODERN SLAVERY AND SUPPLY CHAIN RISK

In 2021, Canon Oceania Group published our first Modern Slavery Statement. The statement details potential risks of modern slavery in our operations and supply chain, and the actions we're taking to assess and address them. The report examines our global supply chains, and the initiatives taken to comply with local laws and our internal codes of conduct.

With most of Canon Oceania's employees directly employed, the risk of modern slavery is low within our own operations. But we're exposed to potential risk through the purchase of significant quantities of electronic equipment from international suppliers other than Canon.

We've focused on collating and refining our procurement data to undertake a meaningful assessment of modern slavery risks in our supply chain. This has included a high-level risk assessment of about 1,200 direct suppliers to Canon Oceania, excluding products and services purchased from Canon Inc.

The assessment identified that the potential risk of modern slavery in our supply chain is moderate. Higher-risk categories included Information and Communication Technology (ICT), components and business process outsourcing. Medium-risk categories included logistics, warehouse and transport services, software, networking and support services, and real estate and property management services.

Efforts to understand the risks of modern slavery and other potential human rights abuses in our supply chain are ongoing. We're also continuing to develop targeted mitigation strategies.

One of our mitigation strategies during 2021 was the adoption of the Canon Supplier Code of Conduct. It's aligned with the Responsible Business Alliance (RBA) Code of Conduct and helps to raise awareness 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 whistleblower hotline allows employees, suppliers and other stakeholders to report potential violations. This, together with our global risk management system, supports the Code.



ECONOMIC CONTRIBUTION TO OUR COMMUNITIES

Apart from the social contribution to local communities detailed in this chapter, Canon contributes significantly to local communities through our business partner network. In Australia Canon has 40 partners covering 53 regions who sell and service Canon business products. There are also 12 partners covering most major metropolitan centres and four Pacific Island partners covering Papua New Guinea, Fiji, Vanuatu and Samoa. These partners not only provide regional employment but Canon provides regular technical training and formal training in sales and marketing skills through the Canon Sales Academy. Many of these partners themselves provide support to their local communities especially in times of hardship or natural disasters.

Canon's business partner network is also supported by four Alliance partners who sell a full range of managed services across all regions. We also have 13 value-added resellers who are generally small businesses operating in metropolitan areas. Services sold by these partners are provided by Canon. This program provides an opportunity for small business to set up and build their businesses by providing Canon hardware and service without incurring staff costs. The businesses have the opportunity to develop to become full Business Partners.

READ MORE

Further information on the ways we are contributing to a socially sustainable society is available in the Social Fact Book and on our website www.canon.com.au/about-canon/sustainability.



Photo by Errol Clarke. Taken on a Canon EOS M5.

Technology

Innovation is in our DNA. Since its founding in 1937, Canon has been at the forefront of technological development – pioneering products and services that actively inspire and enable people to achieve more than they ever thought they could.

HIGHLIGHTS

CO

Transformation Framework implemented

Provides structure and governance around key investments.

CBS ANZ progressed towards key acquisition, Satalyst

Establishing new capability in security and cloud services.

Introduced CBSC to Phoenix and HRConnect

The final stage in unifying all Canon businesses to the same digital workplace and HR management system.

NZ

PrintHubs gain momentum

Collaboration between CBS ANZ and Canon New Zealand leads to new service supporting our growth and cross-sell strategy.

Launch of SUN Editions

A new online fine-art print marketplace connecting art buyers with leading Australian artists.

ISO 27001 certification for Information Security Management extended

Canon Australia and CBS ANZ have extended their certification.

Canon Business Services Australia and New Zealand brand launched

Harbour IT and Convergica are now combined as CBS ANZ and provide a seamless business transformation offering.



Photo by Mark Jefferson King. Taken on a Canon EOS 90D.

Technology

2021 OBJECTIVES

1. Continue our service innovation strategy by enhancing and growing Azure, hybrid cloud and security practices.

2. Launch Vulnerability Management as a Service (VMaaS).

3. Use our marketing expertise and owned digital channels to drive competitive advantage for our retailers.

3. Introduce Canon technology to new markets. For example, offering remote camera solutions to our B2B market.

2021 COMMENTARY

✓ CBS ANZ continued its growth in this area with the Satalyst acquisition.

✓ VMaaS launched, now giving customers complete visibility of their IT ecosystem, affording absolute peace of mind through the rapid identification, isolation and remediation of day zero vulnerabilities that leave other organisations crippled.

✓ We drove competitive advantage through integration with Hatch, Flixmedia, QR codes and more.

– We're working closely with our system integration specialist partners to provide market-leading solutions. We anticipate that our Remote Camera Partner Program will be in flight by the end of 2022.

2022 OBJECTIVES

1. Focus on small business sector through Canon Business Agents and Partners, including the launch of a new partner support program.

2. Run a hybrid working trial for our Australian-based employees.

3. Upgrade significant core technologies to reduce duplication and improve productivity across Canon Oceania.

4. To maintain number one market share in mirrorless and dSLR camera markets across Australia and New Zealand.

5. Extend ISO 27001 (Information Security Management System) to include Canon NZ and Satalyst.

- ✓ Objective achieved
- Project commenced but not finished
- × Objective was not achieved

MATERIAL ISSUE



Transforming business operations through digitalisation

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

Why this is important

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.



SDG 8: Decent work and economic growth
Target 8.2



SDG 9: Industry, Innovation and Infrastructure
Target 9.4



DIGITAL WORKPLACE

A unified digital workplace for Canon Oceania

Before implementing our new digital workplace, Phoenix, in Australia and New Zealand in 2020, Harbour, Converg and Canon all had their own intranets. A key part of our strategy was getting all employees onto the one platform. In 2021, we welcomed our team from the Canon Business Service Centre in the Philippines onto Phoenix. Prior to this, our team in the Philippines were largely disconnected from the rest of the group. Phoenix is more than an intranet, it's a digital workplace that has simplified, streamlined and consolidated the way we do business. Employees can access Phoenix either via their laptops or on their mobile devices.

With over 1,800 unique users and 40,000 sessions each month, Phoenix is now embedded in our team. Indeed, the platform has transformed our business. Employees can search for information, praise other employees, comment on news or join a conversation. Phoenix also has built-in social tools to help all our employees in the Canon Oceania Group stay connected.

CANON OCEANIA GROWTH STRATEGY

Customer, Services and People Growth

Canon Business Services (CBS) ANZ is a new unified brand merging two specialist brands, Harbour IT and Converga, into a single, powerful market offering. This is a significant milestone in our journey to provide our customers and the market a unique business transformation offering.

The CBS business has experienced over 10 percent growth in customers over the last 12 months in the finance, education and building sectors. Recent partnerships included Bank of us, and Brickworks. We've invested in local expertise to support this expansion, increasing sales and marketing employees by 40 percent.

As part of our growth strategy in Australia and New Zealand, we acquired WA-based Microsoft Gold Partner Satalyst in January 2022. This strengthens the application, security, data and AI capabilities in CBS. It also gives the Microsoft specialist the backing it needs to fast-track its expansion plans.

Our three key focus areas are security, cloud and automation, which are all forecast to grow significantly over the next four years. This will ensure CBS continues to deliver the key transformational technologies that address many current challenges businesses are facing.

New Products/Anniversaries of Technology

In 2021, we continued to focus on Canon Inc's global strength in innovation, delivering products to enhance the customer experience and address environmental issues.

During the year we launched 17 consumer, 12 business and nine professional photography and video products, in addition to several firmware updates across our range. We received 56 industry awards in 2021.

The year also saw the announcement of several collaborative initiatives with SUNSTUDIOS, Canon's creative photography and video hub.

We launched SUN Editions, a new online fine-art print marketplace connecting discerning art buyers with leading Australian artists. In addition, Canon supported the SUNSTUDIOS Emerging Photography Award (SEPA). Because of COVID-19, we hosted the anonymously judged awards for the first time via an online video presentation. SEPA received over 1,600 submissions, the highest number since the competition started 12 years ago.

EOS R3

We launched the highly anticipated EOS R3 building on our mirrorless range. Sports and press photographers now have an ideal solution to capture high-quality images of fast-moving objects. This camera delivers a multitude of features, including a brand new, innovative 24.1-megapixel sensor. Offering an optimal balance of performance, resolution and speed for action photographers, the EOS R3 has already received several awards. The 2022 Technical Image Press Association (TIFA) recognised it for its intriguing and impressive Eye Control AF. Awarded for the Best Camera Innovation, the EOS R3 has been credited with delivering "a new stage in focus point selection development." The 2022 iF Design Awards also awarded the EOS R3 best full-frame mirrorless camera.

Expansion of continuous ink supply system range

In 2021 we launched the first MAXIFY home printer models with MegaTank refillable ink tank technology. This is an important addition to our Continuous Ink Supply System Printer range. These models not only support our customers working from home but help individuals to reduce their environmental footprint from an ink cartridge perspective. Instead of 30 cartridges, they're using one bottle of ink, which is a big reduction in single-use plastics.

These devices are easier to maintain and use. A user-friendly, easy-to-replace maintenance cartridge collects excess ink generated during normal printing and cleaning. This reduces the need for sending printers away for servicing saving money and time for users.

The printers can also reduce the ink/toner cost per page by at least 90 per cent compared to equivalent laser multifunction printers.

“2021 was a massive year for bringing highly anticipated new technologies to the Canon Oceania market. We launched 17 consumer products, 12 business products and nine professional photography and video products. These ground-breaking innovations won us 56 industry awards.”



Masayuki 'Mike' Murase,
Senior Director – Sales and Support
Group, Canon Australia

XF605 Professional Camcorder

In 2021, we launched two solutions to help address the changing needs of the broadcast and production industries. They included the compact, powerful XF605 professional 4K camcorder and 10x16 KAS S 8K BCTV zoom lens. Designed with solo shooters in mind, the XF605 builds on the renowned XF series. This portable camcorder is ideal for news gathering and studio production, delivering high image quality in any shooting environment.

PROGRAF GP Series

The PROGRAF GP Series is our first large format printer with aqueous pigment fluorescent ink. These new printers use between five and 10 colours including four newly developed red, orange, green and violet inks. Radiant Infusion technology layers a new fluorescent pink ink, used for the first time in Canon's large-format inkjet printer, with other inks on the paper surface during printing. This delivers bright and soft colour reproduction and enables more vivid printing.

The bundled PC software, PosterArtist Lite, enables users to create high-impact posters easily. A newly added function also makes it easy for users to search photo images provided for free by Pixabay, Unsplash and Pexels. Users can choose from millions of photos and combine them to easily create a beautifully designed poster.

The range is ideal for graphics producers, creative agencies and in-house print departments seeking to create attention-grabbing visual campaigns.

3D VR System Launch

VR technology is increasingly used across training, travel, sports, live events and documentaries. In 2021, we launched a new offering to simplify the process of stereoscopic 180° VR capture and post-production.

The innovative 3D VR system and Canon's RF 5.2mm F2.8L DUAL Fisheye lens will revolutionise 180° VR. It creates an immersive experience bringing viewers into the heart of the action by providing professional image quality and higher levels of realism.

The Canon RF 5.2mm F2.8L DUAL Fisheye lens is our first-ever interchangeable VR lens. It simplifies the set-up and capture of 180° VR video and stills with the EOS R5, while retaining the high optical performance of the EOS R system. This makes 3D content creation more practical for anyone looking to create VR content.

A Decade of CINEMA EOS

2021 marked 10 years of the Cinema EOS System of professional digital cinema cameras and lenses for the film industry. Since their debut, these products have received tremendous support from professional filmmakers around the world.

Since the release of our first digital cinema cameras, we've expanded the boundaries of visual expression and developed devices with evolving technology. We've received Technology and Engineering Emmy® awards and been honoured at the Sundance Film Festival. 2021 also marked our 18th consecutive year of maintaining number-one share of the global interchangeable-lens digital camera market.

Our Cinema EOS System is now widely used in modern cinema production, in both film and television work. We'll continue to implement new technologies, creating products to serve the needs of creators in the ever-changing cinema industry.



Launched in 2021, Canon's RF 5.2mm F2.8L DUAL Fisheye lens will revolutionise 180° VR. It creates an immersive experience bringing viewers into the heart of the action.

CASE STUDY

HATCH

In 2021, we launched the ‘Where-to-Buy’ solution to help local retailers with global omnichannel tech firm Hatch.

Hatch is implementing its technology to connect Canon Australia’s consumers with local retailers. Consumers can now easily purchase from Canon’s range of consumer digital imaging products, including cameras, camera accessories, and home to small business printers, directly on-line through our retail partners.

This partnership helps us adapt to the changing retail landscape. According to a recent CBRE report, online sales in Australia will be worth \$43.1 billion by 2022. In physical stores, 34 percent of customers are making purchasing decisions influenced by online research, demonstrating the growing market for omnichannel retail solutions. Despite this, just 19 percent of the top 250 retailers in Australia are successfully harnessing omnichannel demand. GlobalData research suggests online sales will reach \$77.1 billion by 2024. This growth highlights the importance of developing effective omnichannel strategies to adapt to the ever-evolving retail landscape.

By integrating Hatch’s innovative ecommerce referral solution with the Canon brand website, we streamlined the digital path to purchase for consumers. Product pages link directly to local retailers’ online websites and stores, showing stock available for purchase across Australia and New Zealand. The local pricing of Canon Australia’s consumer products is set at dealer discretion. This solution enables the customer to see retailer pricing and assess value for themselves. We also added QR codes to in-store point of sale materials to help consumers serve themselves, particularly during busy times.

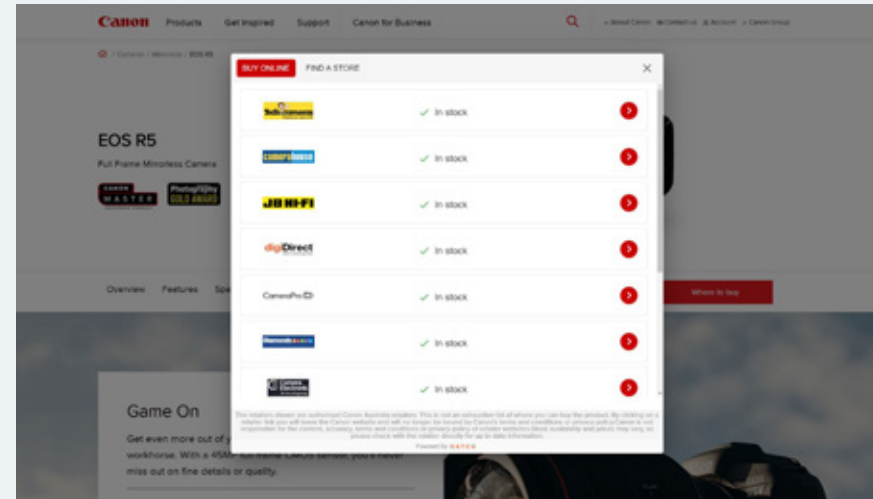
“We expect this latest partnership to help accelerate sales for local retailers who stock Canon products. ‘Where-to-Buy’ enables consumers to check retailers’ online store stock availability and local store proximity through an innovative widget. We enable an enhanced customer experience by strengthening brand-retailer relationships.”

Joris Kroese, Founder and CEO of Hatch

“Canon Australia is committed to working with local retailers to bring Australian consumers the best value product offers, promotions, services and experiences possible.”



Nina Spannari,
General Manager – Marketing and
Customer Experience, Canon Australia



MATERIAL ISSUE



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

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.

TRANSFORMING BUSINESS



Using our marketing expertise and digital channels to drive competitive advantage for our retailers

In 2021, we continued to deliver on our 'Retailer First' strategy following the closure of the Canon eStore in 2020.

By implementing the Flixmedia technology, we syndicated content from the Canon website product pages to key retailer website product pages. This helped increase the 'conversion to cart' on retailer websites by displaying helpful content created by Canon. In addition, one-on-one e-commerce consulting sessions with retailers helped them increase online sales.

This initiative was further supported by our co-hosted and promoted camera specialty podcast Canon Convos, engaging our well-established Canon audience.



Helping businesses assess and prioritise security risks

One of our key Transforming Business objectives for 2021 was the launch of Vulnerability Management as a Service (VMaaS). This service gives an organisation complete visibility of its IT ecosystem. It helps people rapidly discover, assess, prioritise and address potential security risks to IT operations.

The value of this service was demonstrated during several large-scale global security incidents that left other organisations crippled.

Canon Business Services optimises business processes and embeds enabling technologies allowing customers to focus on what sets them apart. A customer satisfaction score of over 95 percent is a key goal.

The year was a difficult one because of significant lockdowns and challenging working conditions. Despite this, the Canon Business Services Customer Satisfaction score was 95 percent. Consistency, communication and genuine relationship-building were all rated at the highest end of the scale.

In 2021, we also embraced a Net Promoter Score (NPS) measure, a customer satisfaction benchmark, for the first time. We asked customers how likely they were to recommend our business to a friend or colleague, on a scale from -100 to 100. We calculated the NPS by subtracting the percentage of 'detractor' responses from the percentage of 'promoter' responses. In our case, the

percentage of detractor responses was zero. With an NPS of 57, we scored well against some of the biggest companies in our market.

Maintaining business agility and data security post-COVID has been a significant issue for companies around the world. Few would doubt the importance of cloud services as businesses moved to remote work. But now business leaders need to reflect on the new digital solutions and processes and determine if they are sustainable in the long term.

Canon Business Services executives took part in a two-part CIO Australia magazine podcast about the challenges of keeping organisations agile and secure beyond the pandemic.

In the [first episode](#) 'Designing the right cloud architecture to power digital transformation', CBS chief executive Luke Clark and General Manager Sales and Professional Services, Lawrence Mills, spoke about the rapid acceleration of digital transformation projects during COVID-19. In the [second episode](#), General Manager Managed Services, Rajan Khetia, joined Luke Clark to discuss the topic 'Adopting a risk-based approach to address [increasing cyber security](#)'.

The podcast highlighted the importance of partnering with a capable and experienced managed-services provider. Canon Business Services is in a unique position to assist organisations to configure the optimal combination of cloud solutions. We tailor solutions to deliver the best performance, management, visibility and value for money.

Our Kaizen Project seeks to increase efficiencies across Canon Business Service Centre operations and our client processes. It seeks opportunities for automation, time saving and risk-reduction or elimination.

The teams working across this project have already made strong gains in process improvement and business transformation. In 2021, the scope expanded to include Finance, Operations and Risk and Compliance. Since the inception of Kaizen, we've completed nine efficiency projects; eight are ongoing and 21 new proposals are scheduled.

We've also rolled out a Company-wide campaign to encourage Philippines leaders to foster innovation and share experimental thinking. Training sessions have helped to increase employee knowledge about Kaizen and promote the project.



As part of the new Canon Ambassador program, Canon Master Jarrad Seng created an exhibition called The Story of Scars. Pictured here is Esther Onek, family and domestic violence prevention advocate and burns survivor.

Photo by © Jarrad Seng. Taken on a Canon R5.



CANON AMBASSADOR PROGRAM

In 2021 Canon expanded its imaging community across ANZ, launching a tiered advocacy program encompassing Masters, Ambassadors and Creators. Designed to inspire and support industry professionals and the next generation of content creators, Canon Champions are talented image-makers chosen to represent the brand and who stand by Canon's products to help bring their creative vision to life.

To help galvanise professionals to achieve more in their field, Canon selected 15 Masters from across the region. They are all 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 loan Canon products through our outreach program and embrace the versatility of the gear to champion creativity and engage diverse online audiences.

Masters take preference as photographer talent for campaign shoots. The program started with Emily Abay, Phil Hillyard and Mark Horsburgh road-testing the new EOS R3. All five Ambassadors are collaborating with Canon on developing their own unique passion projects. We kicked off with an incredibly moving and thought-provoking body of work, called the Story of Scars, produced by Jarrad Seng. And there is more to come from Kate Cornish, James Simmons and Bonnie Cee.



PROJECT SHADOW

Bringing customer service in-house

In 2021, we established Project Shadow to transition our customer service account from Concentrix (a third-party business process outsourcing company) into our in-house Canon Business Service Centre operation in the Philippines. By bringing these roles in house, we sought to further utilise the capability gained from our acquisition of Converga. We selected the name Project Shadow because this project was to happen seamlessly. It wouldn't be visible because there would be no negative impacts. The project would be a shadow.

At the end of 2021, the Project Shadow team met with Concentrix employees to offer them roles in the Canon Business Service Centre. The response was overwhelmingly positive. Recognising there may be some employee attrition due to the change, we had planned to retain 70 percent of the Concentrix employees assigned to our account. Pleasingly, 97 percent chose to join us.

Project Shadow has delivered a range of benefits across the business. The advances include extending our capability with advanced telephony, strengthening our growth plans and maintaining superior customer service.

As part of Project Shadow, we invested in telephony technology to enable us to understand the customer experience better. We delivered the project under budget, and indications at year-end point to recovering the original investment within a year.

Despite major challenges such as COVID-19 and a fractured global supply chain, we overcame every barrier to deliver a seamless transition.



INFORMATION SECURITY

As a provider of information management services, information security governance is a fundamental requirement for Canon Oceania.

Since 2016, CBS Australia, New Zealand and the Philippines have held independent certification to international benchmark ISO 27001 Information Security Management Systems. This provides assurance to our customers that we have robust systems in place. We've progressively expanded the formal certification across the business. In 2021, we added Canon Australia Business Information Solutions and additional CBS services, including Managed Services, Cloud Services and Professional Services. In 2022, we'll expand the certification to Canon New Zealand and Satalyst.

We also hold PCI Data Security Standard Certification for our private cloud hosting services.

One challenge we face is that many customers have specific audit and compliance requirements. When it comes to securing information, we aim to strike the right balance between standardisation and customisation.



TIKTOK

Canon was the first camera brand globally to launch a TikTok account. Our engagement on the platform supports our local strategy of boosting our relevance to our target consumer audience of under 35-year-olds.

In less than a year, we have gained almost 11,000 followers on TikTok. It's provided a unique opportunity to showcase the hybrid capabilities and strengths of our mirrorless cameras in stills and motion.

In the past, Canon's Instagram and Facebook channels have been stills focused, inspiring our audience with great imagery created by the community. With TikTok, we're able to show another side of our products to encourage new video content creators. TikTok also helps us to build relationships with content creators who can showcase Canon products to their huge audiences.

Our TikTok launch coincided with our It's Time For A Camera (ITFAC) campaign. We ran a social competition across TikTok and Instagram to engage new and younger audiences. Prizes included a Canon EOS M50 Mark-II, and the opportunity to try other camera devices. The concept behind the competition was to encourage smartphone users to upgrade to a camera for their content creation needs.

READ MORE

Further information on the ways we use technology to build businesses is in our Economic and Governance Fact Book and on our website www.canon.com.au/about-canon/sustainability.



Photo by Sharon Kavanagh. Taken on a Canon EOS 5D Mark IV.
'As Dawn Breaks' by Sharon Kavanagh, Canon Oceania Group Employee

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