

CANON AUSTRALIA

# MODERN SLAVERY STATEMENT

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For the Reporting Period 1 January 2023 to 31 December 2023

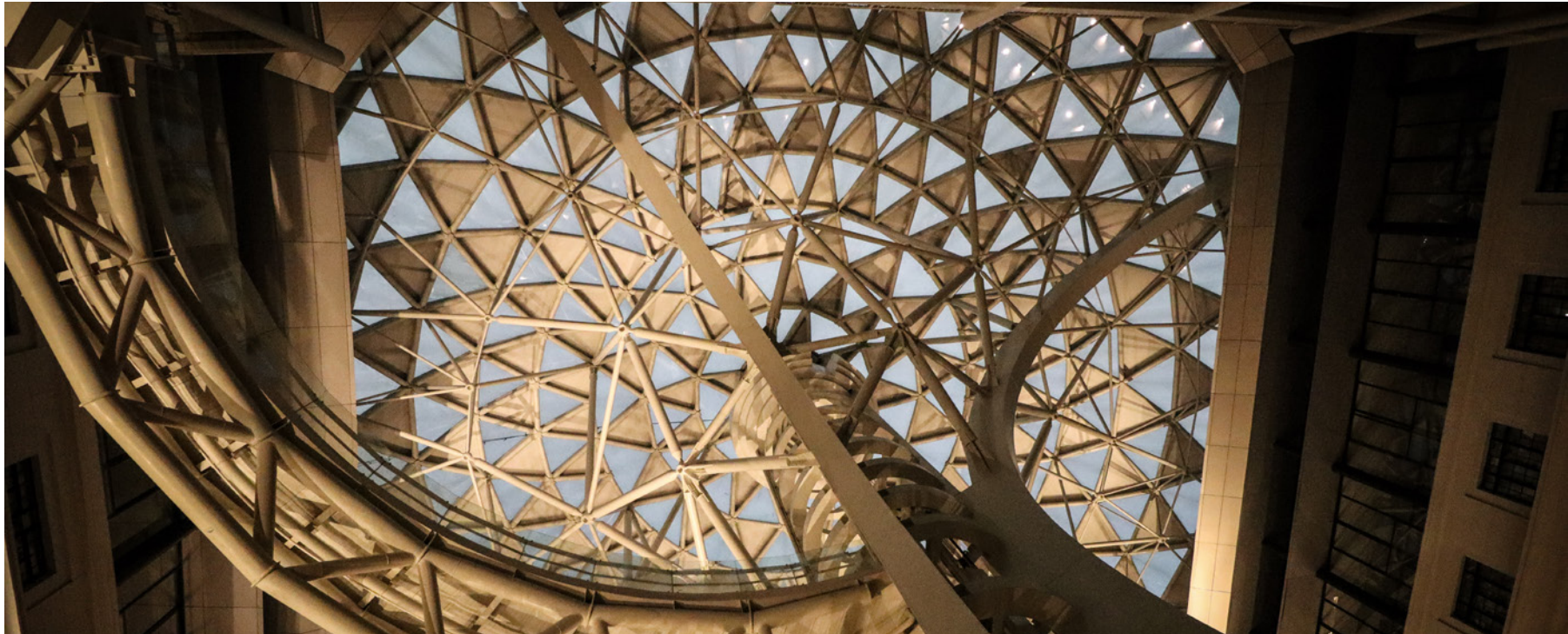
**Canon**



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

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01

# REPORTING ENTITY

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



Image by Dorothy Aunso,  
Canon Oceania Employee.  
Shot on Canon EOS M50.

# STRUCTURE

## 2.1 Canon Global Structure

Canon Inc. is a Japanese corporation established in 1937 and headquartered in Tokyo, Japan. Canon Inc. is the parent company of the Canon Group. The Group includes 336 consolidated subsidiaries and is structured around four industry-oriented business groups: Printing, Imaging, Medical and Industrial. The Canon Group develops, manufactures, and sells office multifunction printers (MFPs), photocopiers, laser printers, cameras, inkjet printers, diagnostic equipment, lithography equipment, and many other products.

As of 31 December 2023, Canon Inc.'s global consolidated net sales were JPY 4,181 billion and the Canon Group had approximately 169,151 employees. Further details about Canon Inc. corporate activities can be found on the official Canon global website (<https://global.canon/en/>).

## 2.2 Canon Oceania Structure

Canon Australia controls several subsidiary companies, (refer to operating structure Figure 1). All of the business units shown under the Canon Oceania Group in Figure 1 are included within the scope of this report. In 2023, the Canon Oceania Group reported consolidated revenue of AUD \$668.13 million and at the end of the year had 2,059 permanent employees.

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

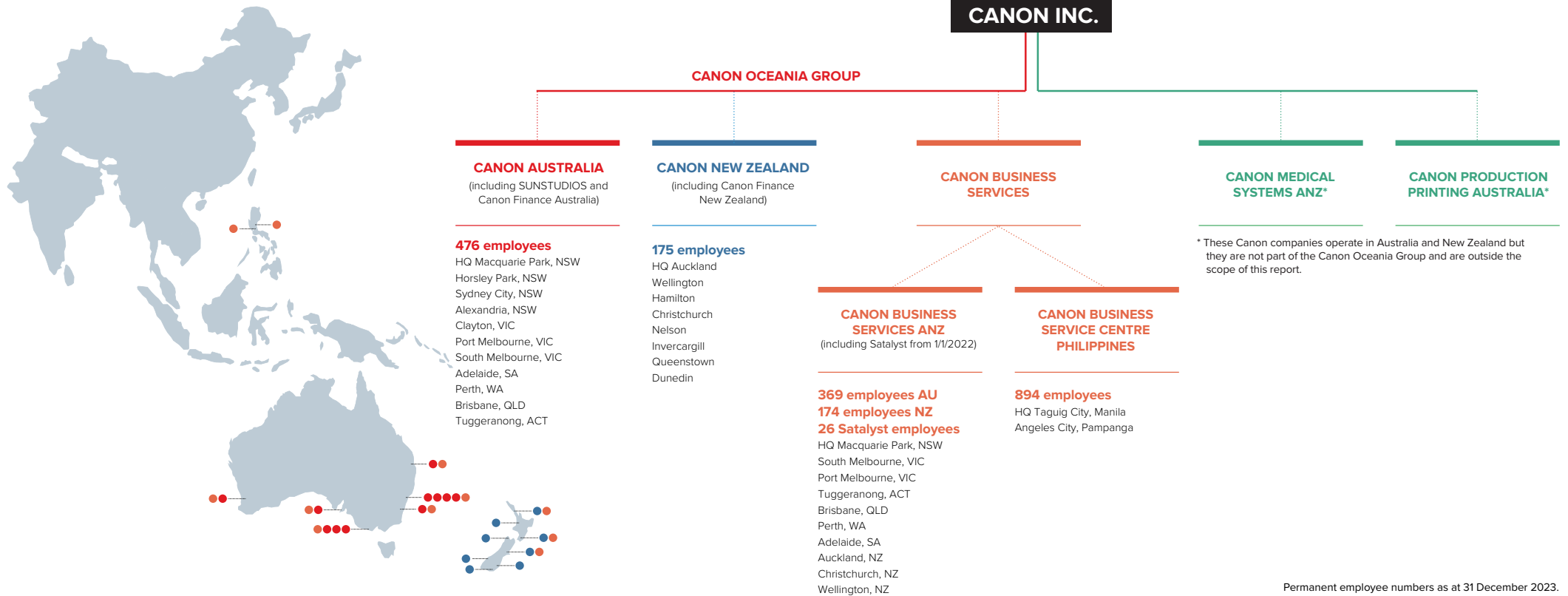
## 02 STRUCTURE

### 2.2 Canon Oceania Structure continued.

#### Canon's Operations in Oceania

Within Australia and New Zealand about 76% of Canon Oceania revenue in the reporting period came from the sale and servicing of Canon products and services. For this reason, we have included throughout this statement information about Canon Inc. operations and activities to address modern slavery risk.

Figure 1: Canon Oceania Group Operating Structure – Canon Oceania companies include Canon Australia, Canon New Zealand and Canon Business Services



Permanent employee numbers as at 31 December 2023.

# OPERATIONS

## 3.1 Canon Inc. Operations

Canon Inc.'s global operations are described in detail on its corporate website and in its [Sustainability Report](#). Canon Inc. joined the [Responsible Business Alliance \(RBA\)](#) in 2019. The RBA is a coalition of companies that promotes socially responsible global supply chains.

## 3.2 Canon Oceania Group Operations








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

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

## 03 OPERATIONS

### 3.2 Canon Oceania Group Operations continued.

Canon Oceania Group companies include the following operations:

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

# SUPPLY CHAIN

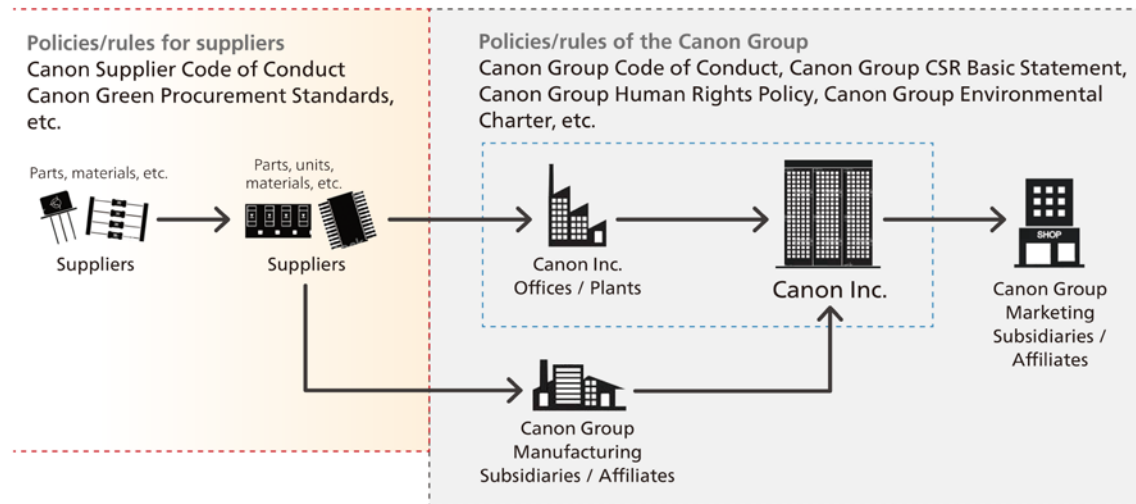
## 4.1 Canon Inc. Supply Chain

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

employees and are administered by Canon Inc., which acts as the head of the Canon Group. Canon Group offices, plants and manufacturing companies are engaged in partnerships with multinational suppliers unaffiliated with the Canon Group, from whom they purchase considerable quantities of components such as electronic parts, mechanical parts, units and materials.

Further information on Canon’s subsidiaries and affiliates, their locations, employee numbers and activities, is available in the [Canon Group Directory](#) on the Canon Inc. global website.

Figure 2: Canon Inc. Supply Chain



\* Blue rectangle indicates Canon Inc. operations.



## 04 SUPPLY CHAIN

### 4.2 Canon Oceania Supply Chain

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

#### Hardware

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

#### Logistics, warehouse and transport services

Our logistics functions, including warehousing and distribution, are outsourced to global and local companies. Some repacking of Canon ink and other products for the Australian and New Zealand markets is performed by a local social enterprise.

#### IT software, networking and support services

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

#### Real estate, property and facilities management services

Property services include commercial management of our leased property portfolio and facilities management such as cleaning, security, facilities management, maintenance, repair and operations, utilities and waste management. These services are outsourced and purchased from Australia, New Zealand and, to a small degree, the Philippines.

#### Professional services

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

#### Corporate services

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

#### Business process outsourcing

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

## 04 SUPPLY CHAIN

### 4.2 Canon Oceania Supply Chain continued.

#### Advertising, marketing and promotions

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

#### Business Partners and Agents

Canon has 67 authorised business partners and value-added resellers who sell and/or service Canon products throughout 62 different regions. These are small and medium enterprises that provide sales, marketing and technical services. We also appoint local sales agents to sell our business products and services. Our business partners and agents are classified as follows:

**Canon Business Partners** – we wholesale hardware, software, parts and toner to our Business Partners and they on-sell and manage all services themselves. These include:

- Regional Partners – 42 Partners covering 53 regions
- Metro Partners – 13 partners covering all major metro centres across Brisbane, Melbourne, Sydney, Adelaide and Perth except Canberra
- Pacific Island Partners – 4 Pacific Island partners covering 4 countries across Papua New Guinea, Fiji, Vanuatu and Samoa

**Alliance Partners** – These partners are focused on being managed service providers and can sell across all regions. Canon wholesales the hardware and service charge to the Alliance partners but hardware support is provided directly by Canon or by a business partner.

- 4 Alliance Partners

**Value Added Resellers (VAR)** – Similar to Alliance Partners, Canon wholesales hardware to these businesses and also wholesales support service for the hardware, but VARs do not sell any of their own services. This enables small businesses an opportunity to set up and not have to incur costs for staff but still build their business on both hardware and service to develop into a full Business Partner.

- 4 VARs located in Metro regions

#### Retailers

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

# RISKS OF MODERN SLAVERY

## 5.1 Risks of Modern Slavery in Canon Global Supply Chain

### 5.1.1 Canon Group Manufacturing Companies

Most Canon branded products are assembled by Canon Group manufacturing companies, including Canon Inc., instead of outsourcing their production. Canon Group manufacturing companies manage their affairs and conduct training in the areas of recruitment and employment in compliance with local laws and regulations and the Canon Group Code of Conduct.

Regarding suppliers of production materials to Canon Group manufacturing companies, Canon Inc. manufacturing companies ascertain the conditions at suppliers through supplier inspections and operational exchanges. On the other hand, it is recognised that attention should be paid to suppliers located in areas of high country-risk and this is covered in Clause 5.1.3.

Canon Inc. utilised the Responsible Business Alliance's (RBA's) Self-Assessment Questionnaire (SAQ) to evaluate the risk of human rights violations at 59 Canon Group production sites worldwide in 2023. The SAQ can help to identify if a site makes use of child/forced labour, or disrespects workers' freedom of association and the right to collective bargaining. In addition to SAQ, Canon Inc. conducts voluntary internal audits and undergo external audits through the RBA.

From 2022 to 2023, 21 production sites in Japan and overseas underwent external RBA audits. They completed corrections and improvements or continues to pursue improvements for the items that were indicated as follows:

- Management of working hours at some overseas production companies
- Inadequate emergency exits, fire extinguishing equipment, or evacuation route maps in factories, cafeterias, and dormitories
- Maintenance of first aid kits and personal protective equipment
- Risk assessment relating to pregnancy and childbirth
- Refer to page 46 of the [Sustainability Report](#) for further information

Based on the survey responses of the RBA SAQ, Canon Inc. confirmed there is no evidence of child or forced labour or any unreasonable restrictions on workers' movements on the sites or while at work among Canon Group production sites. In addition, Canon Inc. has confirmed that the Group companies do not retain original documents of employees' personal ID documents through the SAQ.

## 05 RISKS OF MODERN SLAVERY

### 5.1 Risks of Modern Slavery in Canon Global Supply Chain continued.

#### 5.1.1 Canon Group Manufacturing Companies continued.

In order to prevent child labour, Canon Inc. and Canon Group production sites thoroughly check the age of employees when they enter the company, and have developed a response flow in case an employee who is under the minimum working age is found. In addition, young workers under the age of 18 are prohibited from working any overtime or nighttime, or engaging in dangerous work, thereby giving consideration to their health.

#### 5.1.2 Human Rights Due Diligence

Based on the UN Guiding Principles on Business and Human Rights and the Organisation for Economic Co-operation and Development (OECD) Due Diligence Guidance for Responsible Business Conduct, Canon Inc. has implemented human rights due diligence across the entire Group, as one of the activities under the Risk Management Committee.

Each Canon Inc. division and Group company identifies and evaluates the potential adverse human rights impacts in their respective business activities, including the supply chain, and identifies the salient human rights risks.

Subsequently, the promotion secretariat aggregates, analyses and evaluates those risks, and through stakeholder engagement, identifies salient human rights risks for Canon Group. In assessing human rights risk, Canon Inc. also refers to the human rights risk country/region index provided by the Responsible Business Alliance (RBA). Additional measures have been initiated to prevent or mitigate salient human

rights risks identified by Canon Inc. divisions or Group companies where it is believed current actions are deemed insufficient.

The salient risks related to modern slavery that were identified through this process related to Canon suppliers and contractors and included risks of the occurrence of child labour, forced labour and unpaid wages/low wages. The full list of human rights risks identified across the supply chain and the controls in place are shown in the [Sustainability Report](#) on page 44.

#### 5.1.3 Canon Inc. Suppliers

##### 5.1.3.1 Due Diligence on Human Rights

Canon Inc. has formulated the Canon Supplier Code of Conduct, which is based on the RBA Code of Conduct, to promote sound procurement activities that take proper account of labour, health and safety and environmental concerns, and management systems.

Canon Inc. has also collected a letter of agreement concerning adherence to the RBA Code of Conduct from their major suppliers. In addition, they conduct annual checks of their major suppliers using the RBA's SAQ as part of efforts to prevent the use of any child/forced labour, unreasonable movement restrictions, or excessive working hours, alongside good health and safety measures.

Canon Inc. and Canon Group manufacturing companies also perform their own checks on some major suppliers, which may include conducting a local audit. Consistent with Canon's support for the

## 05 RISKS OF MODERN SLAVERY

### 5.1.3 Canon Inc. Suppliers continued.

#### 5.1.3.1 Due Diligence on Human Rights continued.

Keidanren-led “Declaration of Partnership Building” initiative, Canon is committed to cooperation and co-existence with business partners through fair trade. Canon strives to avoid unreasonable cost reduction requirements, short delivery orders without appropriate cost bearing, and requests for sudden changes in specifications. Canon Inc. also makes efforts to set prices that consider the impact on labour cost increases and is working with suppliers and industry bodies on responsible mineral sourcing initiatives.

Canon may choose to terminate business with suppliers if they fail to abide by laws and the terms of international agreements covering such areas as human rights and labour, and the environment.

A full explanation of Canon’s supplier evaluation system is included in the Supply Chain Management Section of the [Sustainability Report](#).

#### 5.1.3.2 Results of Risk Assessments

In 2023 Canon Inc. surveyed 385 companies, eliciting responses from 378 companies (representing 512 sites). Suppliers that did not reply to the survey were followed up individually. No businesses were identified as ‘high risk’ among these suppliers, but Canon Inc. provided feedback on the results of labour, health and safety, the environment and ethics to its major suppliers and requested that they identify weaknesses and improve on them. Canon Inc. and Group manufacturing companies also take appropriate steps to verify the SAQ responses received from a limited number of major suppliers in Japan and Asia, including on-site checks. They also request major suppliers to sign an agreement concerning the RBA Code of Conduct. In 2023, agreements were signed with 373 of 385 major suppliers, equating to a consent rate of 96.9%. Since 2022, at its core business production sites, the risk assessments focusing specifically on onsite service providers related to security, cleaning, and cafeteria, labour agencies, and facility or dormitory management companies have been carried out. The assessments conducted in 2023 identified risks mainly in the following areas:

- Workers required to pay for uniforms;
- Frequency of emergency response drills; and
- Management of records related to environmental licences and permits, safety signage and communications.

Canon worked toward improvement in collaboration with suppliers. Further information is available in the [Sustainability Report](#) on pages 86-87.

## 05 RISKS OF MODERN SLAVERY

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

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

Similarly, the products and services delivered through our business partners and agents are delivered by skilled people working under Australian and New Zealand labour laws. Canon has worked with most of these partners over a long period of time and is very familiar with their operations through day-to-day commercial activities and periodic audits.

For these reasons, we consider that the risk of modern slavery occurring in our operations is low. However, Canon Oceania recognises it is possible that we contribute to or are linked with modern slavery practices in our supply chain. We understand that we are exposed to risk through the fact that we purchase significant quantities of electronic equipment that is rated as high risk by most modern slavery experts. Risks in this industry occur across the supply chain including

raw material sourcing, manufacturing and also the disposal of the equipment if it is not managed in accordance with global hazardous waste regulations.

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

06

# ACTIONS TAKEN TO ASSESS AND ADDRESS RISKS

CANON INC.

## 6.1 Canon Inc. Policies and Code of Conduct

### 6.1.1 Basic Approach

Canon's corporate philosophy is Kyosei, which means 'living and working together for the common good'. This philosophy aims to support the development of a society in which all people, regardless of race, religion or culture, live and work together for the common good. Kyosei expresses our commitment to and global aspiration for respect for humanity and makes clear the company's firm stance on working together with stakeholders around the world to achieve this. As such, Canon believes that respect for human rights is fundamental to our business and corporate management. Further details are provided on the [Canon Inc. website](#).



Image by Andy Gill,  
Canon Oceania Employee.  
Shot on Canon EOS M6 Mark II.

## 06 ACTIONS TAKEN TO ASSESS AND ADDRESS RISKS

### 6.1 Canon Inc. Policies and Code of Conduct

#### 6.1.2 Canon Group Human Rights Policy

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

This policy specifies that Canon commits to respect international initiatives such as the Universal Declaration of Human Rights, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, United Nations' Guiding Principles on Business and Human Rights, and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises.

It stipulates that Canon will conduct human rights due diligence, establish and operate a grievance mechanism, conduct awareness training, and engage in dialogue with stakeholders in addition to respecting internationally recognized human rights, including the prevention of child labour, forced labour, unreasonable restrictions on movement and excessive overtime work, and also the respect for freedom of association and the right to collective bargaining.

The Human Rights Policy is published via the [Canon Inc. website](#) and is communicated to employees and stakeholders in each country and region.

In conjunction with the establishment of the Canon Group Human Rights Policy, we carried out an e-learning program for employees to instil basic knowledge about business and human rights and widely inform about Canon's human rights initiatives. Since 2021, this program was expanded to overseas Group companies in 2023. The training programs delivered overseas reflect national and local characteristics, and each company has optimised the content and translated it into each language.

#### 6.1.3 Canon Group Code of Conduct

The [Canon Group Code of Conduct](#), established in 2001, sets the standards to which executives and employees of the Canon Group are required to conduct their duties. Based on the Code of Conduct, the Group has formulated a range of policies, covering matters such as human rights, labour, the environment, legal compliance, procurement, and security, to govern its business activities. The [Canon Supplier Code of Conduct](#), reviewed and updated in 2021, adopts the Code of Conduct of the Responsible Business Alliance (RBA). This document acts as the basis for fulfilling social responsibilities in the supply chain.



## 06 ACTIONS TAKEN TO ASSESS AND ADDRESS RISKS

### 6.1 Canon Inc. Policies and Code of Conduct

#### 6.1.4 Canon Group Whistle-blower Policy

Canon Inc. has established whistle-blowing routes through which employees can report specific human rights concerns in their own language, at almost all group companies in Japan and overseas. Canon Inc. also works to raise awareness of the reporting system via the company intranet and training programs. The Responsible Business Conduct Hotline is a point of contact on the Canon Inc. website for external stakeholders to report specific human rights concerns about Canon's corporate activities. Both internal and external contact points maintain the privacy of informants and allow people to report anonymously to ensure that they do not suffer unfair treatment as a result. The facts in any whistle-blowing case are investigated where it is received. If Canon judges that there is a problem with appropriate steps and procedures, the company works to remedy the problem and prevent any recurrence.

Canon Inc. also receives biannual reports from Group companies on the operational status of their respective compliance hotline systems. These biannual reports from each company include not only the number of cases filed but also a summary of each case, investigation results and responses, and measures to prevent recurrences.

Reports made to Canon Inc. and Group companies are analysed statistically to record the number of completed investigations by type of case, including those where a compliance violation is found. The analysis results are reported on a yearly basis to the Risk Management Committee and fed back to each Group company.

The number of reports received in 2023 by the entire Group with its 169,151 employees was 298, mainly from Asia (including Japan) and the Americas. Of those with an investigation completed as of the end of 2023, compliance violations were confirmed in 43 cases. The reports received in 2023 included no serious compliance violations.

Of the reports received in 2023, 94 cases concerned human rights-related issues (discrimination/harassment, wages, working hours, etc). Out of these 94 cases, 17 cases, for which Canon completed investigations as of the end of 2023, required remedying. For cases that required remedying, we issued warnings or guidance to the employees at fault or relevant departments, including disciplinary action or transfers.

#### 6.1.5 Canon Inc. Member of Responsible Business Alliance (RBA)

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

- Vision: A global electronics industry that creates sustainable value for workers, the environment and business.
- Mission: Members, suppliers and stakeholders collaborate to improve working and environmental conditions through leading standards and practices.

## 06 ACTIONS TAKEN TO ASSESS AND ADDRESS RISKS

### 6.1 Canon Inc. Policies and Code of Conduct

#### 6.1.5 Canon Inc. Member of Responsible Business Alliance (RBA) continued

Canon conducts self-inspections using RBA's Self-Assessment Questionnaire at its domestic and overseas production sites to identify their labour, health and safety, environmental, and ethical risks. Canon is committed to further improving its corporate social responsibility within the supply chain by supporting the RBA Code of Conduct and utilising a range of RBA training and assessment tools.

#### 6.1.6 Responsible Mineral Sourcing

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

Canon Inc. has a comprehensive due diligence program to identify conflict/high-risk regions and avoid the use of materials supplied from business operators disrespecting human rights or environmental conservation in those regions. To reassure customers using Canon products, we are working with suppliers and industry bodies on responsible mineral sourcing initiative.

Under the system, Canon investigates the countries of origin of minerals and exercises due diligence, following the 5-step framework recommended by the Organisation for Economic Co-operation and Development (OECD) in its Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD Guidance). Further information about the program is available in the [Sustainability Report](#) on pages 89-90.

#### 6.1.7 Due Diligence and Risk Management

In Canon Inc., the CFO holds the responsibility as the executive of human rights, while the sustainability, legal, and human resources divisions of Canon Inc. serve as the secretariat, pursuing human rights initiatives. The secretariat formulates an overall plan for human rights initiatives, establishes and operates grievance mechanisms, conducts stakeholder engagement, and reports important matters to the executive in charge. Potential human rights violation risks have been identified as a significant risk by the Risk Management Committee established by resolution of the Board of Directors. Each Canon Inc. division and Group company is implementing initiatives to prevent and mitigate human rights risks. The results are evaluated annually by the Risk Management Committee and reported to the CEO and Board of Directors.



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



## 06 ACTIONS TAKEN TO ASSESS AND ADDRESS RISKS

### 6.2 Canon Oceania

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

COVID-19 impacted the business significantly throughout 2020-22. The main impact on our modern slavery due diligence system was that the people involved in the day-to-day management of the COVID-19 response were the same people involved in the modern slavery due diligence system. This affected progress on our risk assessment program, with 2023 being largely devoted to catching up on our original plans.

## 06 ACTIONS TAKEN TO ASSESS AND ADDRESS RISKS

### 6.2 Canon Oceania continued.

The following table summarises the actions that we have taken since our first report:

REPORT YEAR	SCOPE	OUTCOME
2021	<p>High-level risk assessment of 1200 direct suppliers to Canon Oceania based on spend and industry classification risk. Products and services purchased from Canon Inc. were excluded because they are covered by Canon Inc.'s risk management system.</p> <p>We also reviewed the risk in our own processes across Australia, New Zealand and Philippines.</p>	<p>Moderate potential risk of having modern slavery in our supply chain.</p> <p>Categories identified as:</p> <ul style="list-style-type: none"> <li>• Higher risk – ICT electronic equipment, components and suppliers, and business process outsourcing.</li> <li>• Medium risk – logistics, warehouse and transport services, software, networking and support services, and real estate and property management services.</li> </ul>
2022	<p>Internal stakeholder workshops independently facilitated, reviewing the top 100 high or medium-risk suppliers based on the 2021 risk assessment.</p>	<p>The workshops covered suppliers in the following categories:</p> <ul style="list-style-type: none"> <li>• Logistics (26 suppliers)</li> <li>• Facilities (12 suppliers)</li> <li>• Information and Communication Technology (29 suppliers)</li> <li>• Marketing and Human Resources (12 suppliers)</li> </ul> <p>The workshops taught key internal stakeholders about the particular modern slavery risks related to the suppliers in their category and how to identify areas of concern, and identified areas for further investigation.</p>

## 06 ACTIONS TAKEN TO ASSESS AND ADDRESS RISKS

### 6.2 Canon Oceania continued.

REPORT YEAR	SCOPE	OUTCOME
2023	Further refinement of the 2021 and 2022 risk assessment work, including analysis of additional information from the top 100 suppliers and implementation of previously identified controls.	<ul style="list-style-type: none"> <li>• New suppliers as part of their contracts were issued the <u>Canon Oceania Supplier Code of Conduct</u> which is based on the Canon Inc./RBA Code and includes a broad range of human rights, ethical supply requirements as well as requirements for managing and reporting through whistle-blower hotlines for each country.</li> <li>• An assessment of modern slavery and other human rights risks in all new high-value procurement tenders and quote requests.</li> <li>• Continued awareness – raising sessions with leaders and managers.</li> <li>• Revised the Standard Master Service Agreement (MSA) to include modern slavery and other human rights obligations.</li> <li>• Sent out questionnaires to the top 10 suppliers in the higher-risk categories who reported that they have few modern slavery controls in place. The aim was to understand in more detail the potential risks and other controls such as corrective action processes that we can use as part of our ongoing due diligence processes to help manage these risks in our supply chain.</li> <li>• Started the move to the new Microsoft Dynamics 365 ERP replacement system which will help streamline procurement and future data accuracy and management which allows for a more complete assessment. Note – this project is planned to be completed by 1 December 2026 and will include the whole Canon Oceania business.</li> <li>• Developed a human rights risk matrix for Canon Oceania following the Canon Inc. risk management plan (see section 6.1).</li> <li>• Developed training for all relevant Canon Oceania employees, based on Canon Inc. human rights training. The training focused on the risks specific to our region and our activities, including how to recognise and report areas of concern.</li> </ul>

## 06 ACTIONS TAKEN TO ASSESS AND ADDRESS RISKS

### 6.2 Canon Oceania continued.

#### 6.2.3 Canon Oceania Whistleblowing line

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

#### 6.2.4 Action Plan

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

1. Continue to rationalise and re-evaluate our supplier data across the Canon Oceania Group to ensure that we have a good understanding of the risks in our supply chain and can effectively target our risk management activities.
2. Continue implementing the Microsoft Dynamics 365 ERP replacement system across the whole Canon Oceania business, standardising procurement practices and data across all group companies by mid-2027.
3. Refine our controls, including supplier assessments and potential audits, on the basis of the information provided by our suppliers.
4. Integrate our Canon Oceania group human rights risk assessments into business-unit risk registers.



Image by Arnel Agor,  
Canon Oceania Employee.  
Shot on Canon EOS M6 Mark II.

# ASSESSING EFFECTIVENESS OF ACTIONS

## 7.1 Canon Inc. Monitoring and Reporting System

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

## 7.2 Canon Oceania Monitoring Process

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

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# CONSULTATION PROCESS

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

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# AUTHORISATION

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



Kotaro Fukushima

Managing Director  
Canon Australia Pty Ltd



Image by Natalie Le Coic,  
Canon Oceania Employee.  
Shot on Canon EOS R50.





**Canon**