

CANON AUSTRALIA

# MODERN SLAVERY STATEMENT

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For the Reporting Period 1 January 2020 to 31 December 2020

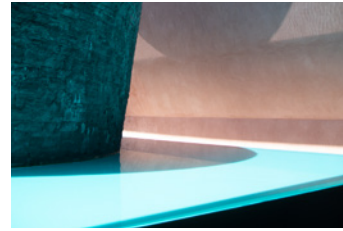


Photo credit: Image on front cover 'Angles' by Mathew Coyte, Canon Group Employee.

SHOT ON A CANON EOS 5D MARK IV, F24-105MM F/4L IS USM LENS

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# 01 REPORTING ENTITY

This is the inaugural Modern Slavery Statement of Canon Australia Pty Ltd (ABN 66 005 002 951) and its subsidiaries (refer to organisational structure figure 1). Canon Australia was incorporated in Victoria in 1973. Its registered office is at Building A, 5 Talavera Road, Macquarie Park NSW 2113. Canon Australia is a wholly-owned subsidiary of Canon Inc..



Photo credit: 'Bubbles of F' by Stephen Lane, Canon Group Employee.

SHOT ON A CANON EOS 6D,  
EF100MM F/2.8L MACRO IS  
USM LENS

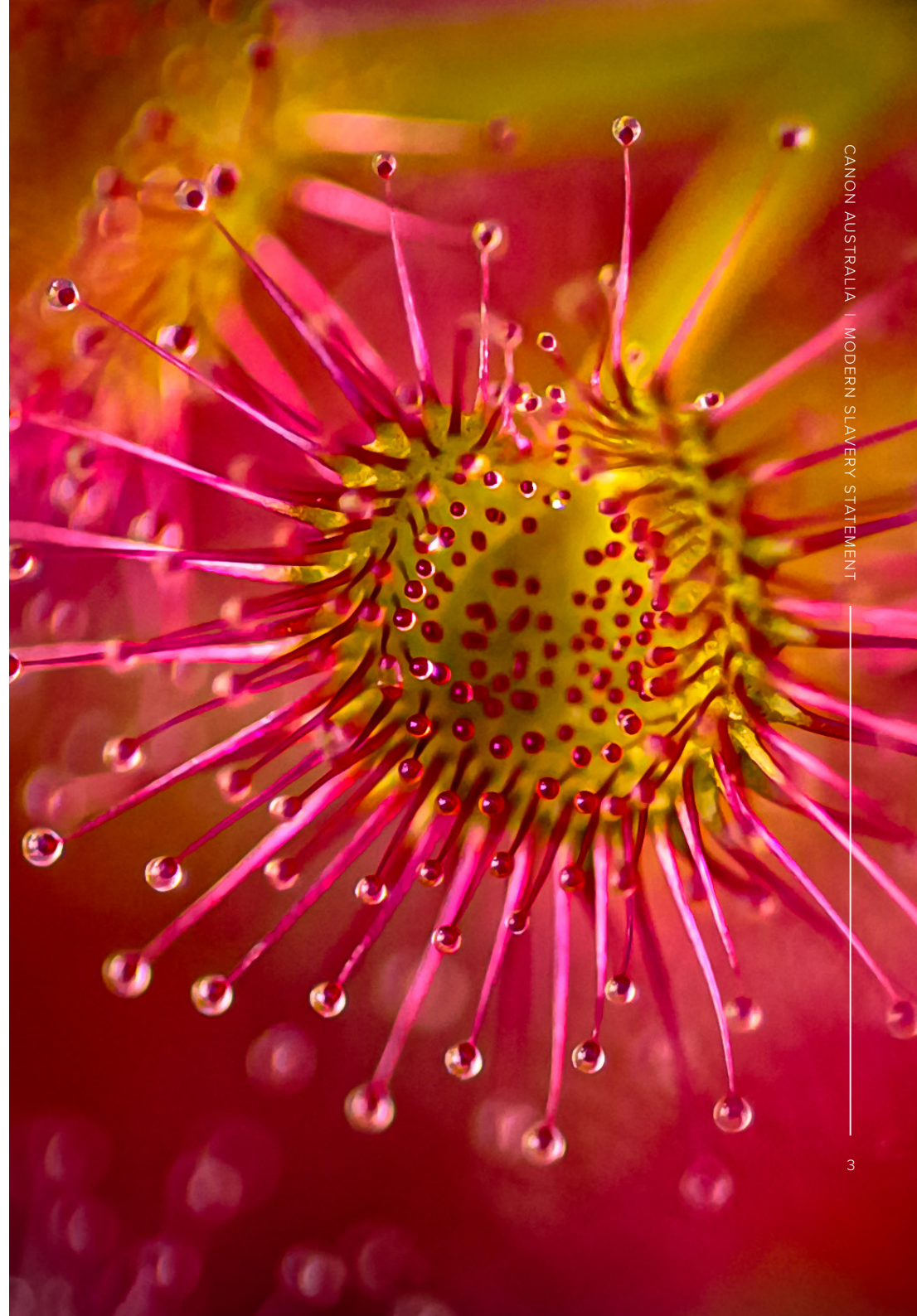




Photo credit: 'Foggy Rowing' by Mark Goodwin, Canon Group Employee.

SHOT ON A CANON EOS R, RF24-105MM F4 L IS USM



## 02 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 and operates four business segments: The Printing Business Unit, the Imaging Business Unit, the Medical Business Unit and the Industrial and Other Business Unit. The Canon Group develops, manufactures, and sells office multifunction printers (MFPs), photocopiers, laser printers, cameras, inkjet printers, diagnostic equipment, lithography equipment, and many other products.

As of 31 December 2020, Canon Inc.'s global consolidated net sales were 3,160.2 billion Japanese yen and the Canon Group had approximately 182,000 employees. Further details about the Canon Inc. corporate activities can be found on the official Canon website (<https://global.canon/en/>).

## 02 STRUCTURE

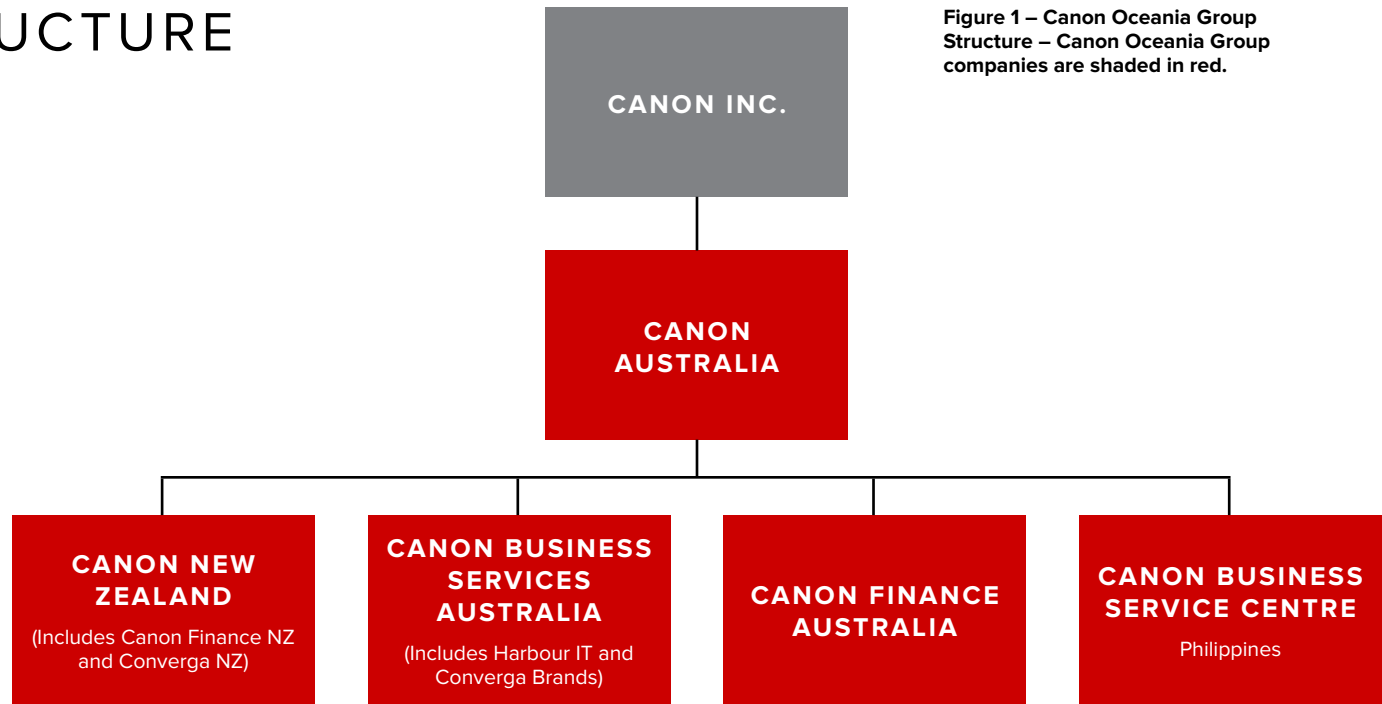


Figure 1 – Canon Oceania Group Structure – Canon Oceania Group companies are shaded in red.

### 2.2 Canon Oceania Structure

Canon Australia controls a number of subsidiary companies as shown in figure 1. In this report this group is called Canon Oceania Group. In 2020 Canon Oceania Group reported a consolidated revenue of \$ 643.248 million (AUD) and employed just over 2,000 people.

There are some other Canon Group companies in Australia and New Zealand: Canon Medical Systems ANZ Pty Ltd, Canon Production Printing Australia Pty Ltd and Canon Production Printing

New Zealand Ltd. These affiliate companies are not covered in the scope of this report as they operate independently and are not subsidiaries of Canon Australia.

Within Australia and New Zealand over 85% of revenue in the reporting period came from the sale and servicing of Canon products and services. For this reason, we have included information about the Canon Inc. operation and activities to address modern slavery risk throughout this statement.

03

# OPERATIONS

## 3.1 Canon Inc. Operations

Canon's global operations are described in detail on its corporate website and its [Sustainability Report](#).

## 3.2 Canon Oceania Operations








Canon Oceania is the local sales and marketing arm of Canon Inc. During the 1960s and 1970s Canon products were distributed in Australia and New Zealand through other local businesses. Canon Australia was incorporated in 1973, Canon Finance Australia in 1988 and Canon New Zealand in 1991.

Canon Oceania Group has continued to evolve to meet market needs. The Group is now a diverse imaging and information management organisation with operations in 24 sites across Australia, New Zealand and the Philippines. Our products and

services are distributed through direct and indirect channels including a large network of authorised business partners and resellers, authorised sales agents and retailers. We also deliver business process outsourcing (BPO) and managed services on end-customers' sites. We do not manufacture any products in Australia or New Zealand apart from software.

## 3.2 Canon Oceania Operations continued

Canon Oceania Group companies include the following operations:

COMPANY OR BUSINESS UNIT	BRANDS
<p><b>Canon Australia</b> 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> Professional photography, television and video creative hub, specialising in studio and professional imaging equipment hire.</p>	<b>SUNSTUDIOS</b>
<p><b>Canon New Zealand</b> 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> Provides finance for businesses in Australia and New Zealand buying primarily Canon products and services.</p>	 CANON FINANCE
<p><b>Canon Business Services Australia New Zealand (CBSANZ)</b> Provides business process outsourcing, managed services including IT services, infrastructure and Cloud technologies. CBSA brings together the world-class business process outsourcing of Converga with leading edge business technology solutions from Harbour IT.</p>	 CANON BUSINESS SERVICES ANZ  
<p><b>Canon Business Service Centre (CBSC)</b> Based in the Philippines, CBSC provides managed services, business process automation and outsourcing, and managed IT services and cloud-based IT solutions to customers primarily in Australia and New Zealand. CBSC also services a small number of customers in Europe, primarily other Canon Group companies.</p>	 CANON BUSINESS SERVICE CENTRE (PHL)

# GROUP COMPANIES



**Canon Australia**  
 \*includes Canon Finance Australia and SUNSTUDIOS

**Locations:**

- HQ Macquarie Park, NSW
- South Melbourne, VIC
- Horsley Park, NSW
- Adelaide, SA
- Sydney City, NSW
- Perth, WA
- Alexandria, NSW
- Brisbane, QLD
- Clayton, VIC
- Canberra, ACT
- Melbourne, VIC
- Tuggeranong, ACT

**Canon New Zealand**  
 \*includes Canon Finance New Zealand

- HQ Auckland
- Invercargill
- Wellington
- New Plymouth
- Hamilton
- Queenstown
- Christchurch
- Dunedin
- Nelson

**Canon Business Services ANZ**

- HQ Macquarie Park, NSW
- Auckland, NZ
- South Melbourne, VIC
- Christchurch, NZ
- Canberra, ACT
- Wellington, NZ
- Tuggeranong, ACT
- Brisbane, QLD

**Canon Business Service Centre Philippines (CBSC)**

- HQ Taguig City, Manila
- Angeles City, Pampanga





Photo credit: Anthony Wrigley,  
Canon Group Employee.

SHOT ON A CANON EOS M5,  
EF-M11-22MM F/4-5.6 IS  
STM LENS

## 04 SUPPLY CHAIN

### 4.1 Canon Inc. Supply Chain

Canon places great importance on manufacturing, product assembly and the production of certain components, parts and materials at its own factories and Canon Group manufacturing companies that bear the Canon name and are owned by Canon Inc. directly or indirectly. Canon Group manufacturing company locations include Japan, China, Taiwan, Malaysia, Thailand, the Philippines, Vietnam, the United States and Europe. They directly employ considerable numbers of employees and are administrated by Canon Inc., which acts as the head of the Canon Group.

Canon Group offices, plants and manufacturing companies are engaged in partnerships with thousands of independent suppliers providing considerable quantities of components such as electronic and mechanical parts, units and materials.

## 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 IT products and software for our internal business use and for resale as part of our business process outsourcing and managed services. Information about Canon Inc.'s operations and modern slavery policies and processes are included in this document. Other non-Canon IT products are purchased mainly from global suppliers and we are presently still compiling information on where they are manufactured.

#### **Logistics, warehouse and transport services**

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

#### **IT software, networking and support services**

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

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

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

#### **Professional services**

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

#### **Corporate services**

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

#### **Business process outsourcing**

These include back office services and call centre functions that are outsourced from Canon Australia to Canon Business Services Centre and to an external company located in India.

# 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. Mostly purchased from Australia 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 about 64 authorised business partners and value-added resellers who sell and/or service Canon products throughout Australia and New Zealand. These are small and medium enterprises who provide sales, marketing and technical services. We also appoint local sales agents to sell our business products and services.

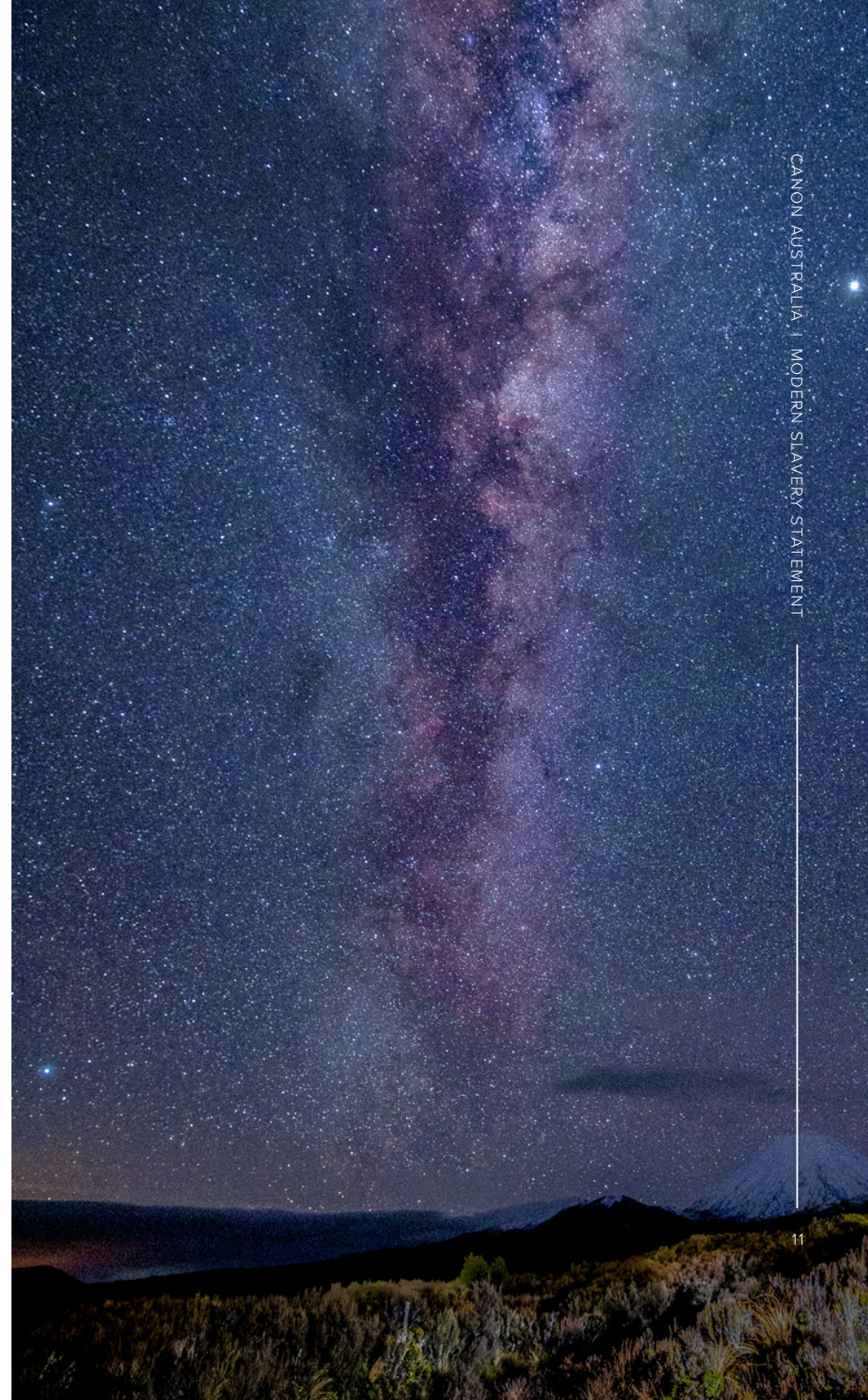
### **Retailers**

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



Photo credit: 'Milky Way' by Joseph Aris Aton, Canon Group Employee.

SHOT ON A CANON EOS R,  
RF15-35MM F2.8 L IS USM LENS



05

# RISKS OF MODERN SLAVERY

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

Most Canon-branded products are assembled by Canon Group manufacturing companies, including Canon Inc.. Canon Group manufacturing companies manage their affairs and conduct training in the areas of recruitment and employment to comply with local laws and the 'Canon Group Code of Conduct'.

Since Canon Inc. commenced surveying Canon Group manufacturing companies in 2013, no issues relating to human trafficking or forced labour (synonymous with modern slave labour) have been found. Accordingly, we can conclude there is virtually no risk of modern slave labour occurring in these parts of the supply chain.

Canon Group manufacturing companies procuring production materials assess conditions at suppliers' operations through inspections and operational exchanges. Therefore, the risks are low of human trafficking or forced labour occurring at the Canon Inc. suppliers.

## 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. They are employed by each company under conditions complying with applicable Australian, New Zealand and Philippines law and Canon's global human rights policies and codes. A large part of the workforce constitutes professional employees and contractors. Canon Business Services Australia employs some unskilled or temporary labour. However, these people are directly employed by Canon under the conditions described above. We have some geographical risk due to our operations in the Philippines however, again a large part of that workforce is professional, and they are all Canon direct employees.

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 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 we are exposed to potential risk through the fact that we purchase significant quantities of electronic equipment that is rated as a 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 their processes to manage the risk and these are described in 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 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

## 6.1 Canon Oceania Risk Assessment

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

In 2020, most of our effort was in collating and refining our procurement data to undertake a meaningful risk assessment for modern slavery risks in our supply chain. This is a legacy of the fact that we have combined a number of different companies all with different procurement systems. Data refinement is an ongoing process especially around the source/origins of some of our products.



Photo credit: Don Jerald  
Tiongkiao, Canon Group  
Employee.

SHOT ON A CANON EOS M6  
MARK II, EF-M15-45MM F/3.5-6.3  
IS STM LENS

## 06

# ACTIONS TAKEN TO ASSESS AND ADDRESS RISKS

### 6.1 Canon Oceania Risk Assessment continued

On the basis of the data we have, we undertook a high-level risk assessment of about 1200 direct suppliers to Canon Oceania excluding products and services purchased from Canon Inc., excluding CBSC supplies and services. We selected the suppliers based on our spend with them and assessed them primarily on the basis of industry risk. Local procurement data for Canon Business Service Centre in the Philippines was not available at the time of the assessment.

The assessment identified that, overall, our potential risk of having modern slavery in our supply chain is moderate. The categories identified as higher risk on the basis of spend and industry included ICT electronic equipment, components and suppliers and business process outsourcing. Medium risk categories included logistics, warehouse and transport services, software, networking and support services, and real estate and property management services. The risks were spread fairly evenly between the Canon Oceania group companies.

#### 6.1.1 Actions and Plan

Other actions taken during the year were training of the key members of the team, developing our modern slavery strategy, continuing Canon Inc. – driven processes for management of conflict minerals in locally sourced components for Canon-branded products, collecting modern slavery statements from our key

logistics suppliers and addition of modern slavery questions in the independent audit process conducted for our Australian e-waste recyclers. We also identified a risk-based supplier selection and management framework we consider suited to our procurement and risk profile.

We already have existing risk management processes in place including the Canon Oceania Code of Conduct and the Whistle-Blower policy that enables people to report potential violations anonymously to an independently-administered hotline. To date no modern slavery or other human rights risks have been reported.

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

- Understand more about our top 100 suppliers (by spend) in the high and medium risk categories
- Implement a risk-based supplier selection and management framework for human rights
- Adopt the 'Responsible Business Alliance Code of Conduct' (RBA) for our suppliers
- Refine the data and systems that we use to capture data for all suppliers for all Canon Oceania companies, and
- Develop a training plan for all Canon Oceania Group employees

## 06 ACTIONS TAKEN TO ASSESS AND ADDRESS RISKS

### 6.2 Canon Inc. Risk Assessment

#### 6.2.1 Due diligence on human rights

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

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

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

In 2020, SAQ was conducted at 37 production sites in major business areas. Although there were no significant Corporate Social Responsibility risks identified, the following issues were raised: the development of policies and documentation of management procedures required by the RBA, the request to suppliers such

as labour agencies and service providers other than production goods to comply with the RBA Code of Conduct and monitoring of compliance. In addition, audits were conducted by third parties at two Canon Group companies in Asia, from which there were no significant findings.

When starting business with a new supplier, Canon Inc. and Canon Group manufacturing companies conduct a review, based on the Canon Supplier Code of Conduct and other reference standards, to ascertain whether suppliers meet standards in such areas as corporate ethics (legal compliance, product safety, management of confidential information, human rights, labour, health and safety, intellectual property rights protection, etc.), environmental conservation, finance, and production structure. Only suppliers who satisfy the criteria are registered in the approved "Supplier List". Canon Inc. and Canon Group manufacturing companies also conduct an annual survey of all companies registered on our supplier list. The survey results, along with performance as a supplier, form part of an overall evaluation, that is recorded in the supplier list allowing them to give preference to high-scoring suppliers. Canon Inc. also provides guidance and education to low-scoring suppliers, for example through on-site audits, to aid improvement. In particular, Canon may choose to terminate business with suppliers that fail to abide by laws and the terms of international agreements covering such areas as human rights and labour, and the environment.



## 06

# ACTIONS TAKEN TO ASSESS AND ADDRESS RISKS

### 6.2 Canon Inc. Risk Assessment continued

#### 6.2.1 Due diligence on human rights continued

With the aim of further improving CSR in the supply chain, Canon Inc. asks major suppliers to its main businesses to sign an agreement requesting their support for the RBA Code of Conduct and cooperation in promoting sustainable business activities. In 2020, requests were made to 271 major suppliers and 257 suppliers (95%) agreed. In parallel, we are working to identify CSR risks using the SAQ. In 2020, 271 major suppliers were surveyed using SAQ and 249 suppliers (392 sites) responded. No major suppliers were identified as “high risk” but we plan to provide guidance for improvement to those suppliers who need it. In 2020, Canon Inc.

provided feedback on the results of labour, safety and health, the environment and ethics to its major suppliers and requested them to recognise their weaknesses as opportunities for future improvement.

#### 6.2.2 Results of risk assessments

During the 2020 financial year, no incidents of forced labour, human trafficking, or similar issues occurred within the Canon Group.

Furthermore, a recent survey on forced labour and human trafficking to Canon’s suppliers for the 2020 financial year found no incidents of forced labour, human trafficking, or similar issues within the scope of the responses collected.

## 6.3 Canon Inc. Actions

#### 6.3.1 Canon Group policies related to the prohibition of modern slave labour

Canon’s corporate philosophy is *kyosei*, which means “living and working together for the common good.” It aims to support the development of a society in which all people, regardless of culture, customs, language, or race, harmoniously live and work together in happiness into the future. As such, Canon believes that respect for human rights is fundamental to our business and corporate management.

The Canon Group Code of Conduct, established in 2001, defines the management stance of the Canon Group and establishes specific standards of conduct that all executives and employees must comply with in the performance of their duties including:

- (a) The executives and employees of the Canon Group shall at all times refrain from any unfair behaviour or practices, from any conduct that violates the principles of corporate ethics and social conventions, and from any conduct that might deteriorate society’s trust of the Canon Group. The executives and employees must perform their duties in the spirit of fairness and sincerity. (III-1-(1))
- (b) The executives and employees of the Canon Group shall endeavour to fully understand the laws applicable to their business activities and the relevant rules of conduct of the company to which they belong, and they shall fully comply with these laws and rules in the performance of their duties. (III-1-(2))

## 06

# ACTIONS TAKEN TO ASSESS AND ADDRESS RISKS

### 6.3 Canon Inc. Actions continued

#### 6.3.1 Canon Group policies related to the prohibition of modern slave labour continued

Furthermore, the Code of Conduct states that “The executives and employees of the Canon Group must respect each other as individuals and must not discriminate against others for reasons of race, religion, nationality, gender, age, or any other improper classification.” (III-5-(1))

Canon Inc. also issued the Canon Group CSR Basic Statement in May 2017. It reiterates the Canon Group’s stance on fulfilling fundamental and universal corporate social responsibility. Article 14 specifies that Canon Group “prohibits child labour and forced labour (including human trafficking),” and Article 19 requests “that business partners take steps to address basic social responsibility for such issues as the environment, human rights, labour and compliance within the supply chain, and confirm the implementation of these steps.” The CSR Basic Statement also states that the Canon Group respects the Universal Declaration of Human Rights, the United Nations’ Guiding Principles on Business and Human Rights, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises and complies with them in line with the statement.

#### 6.3.2 Supply chain policies related to the prohibition of modern slave labour

Canon endeavours to thoroughly educate suppliers on Canon’s basic stance on procurement activities to ensure our social responsibility is fulfilled, not just within the Group, but throughout our supply chains.

Our efforts are based on the Canon Supplier Code of Conduct that is aligned to the RBA Code of Conduct, that directs our interaction with suppliers to ensure our procurement activities throughout the global supply chain take account of human rights, labour, health and safety, compliance, the environment and other relevant issues. In alignment with the UN Guiding Principles on Business and Human Rights, the RBA Code is derived from and respects internationally recognised standards including the ILO Declaration on Fundamental Principles and Rights at Work and the UN Universal Declaration of Human Rights. Canon requires its suppliers (and their own upstream suppliers) give appropriate consideration to such issues as child labour, forced labour including human trafficking, discrimination, minimum wage standards, working hours, and employee communication.

The [Canon Supplier Code of Conduct](#) is available on the Canon Inc. website for the benefit of all our stakeholders, and we also make it known to suppliers globally through an annual survey.

07

# ASSESSING EFFECTIVENESS OF ACTIONS

## 7.1 Canon Inc. Reporting system

Canon Inc. maintains a reporting line for employees to report compliance issues. We make employees aware of the reporting line on our intranet and through training. Major Canon Group manufacturing companies also have similar reporting lines.

If anyone has specific concerns or requires information regarding human rights, labour, health and safety and other similar issues in Canon's supply chain, including the occurrence of child labour or forced labour, stakeholders including suppliers can contact Canon using the "Feedback on CSR Activities" page on Canon Inc.'s website.

Canon will investigate any information that it receives through that page.

## 7.2 Canon Oceania monitoring process

Within Canon Oceania 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 that receives quarterly updates on progress.



Photo credit: 'Fire Breathe' by Joshua Brookes, Canon Group Employee.

SHOT ON A CANON EOS 70D,  
EF-S18-135MM F/3.5-5.6 IS  
STM LENS

## 08 CONSULTATION PROCESS

Representatives from each of the companies in the Canon Oceania Group were included within the team responsible for preparing the statement.

## 09 AUTHORISATION

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



Akira Yoshida  
Managing Director  
Canon Australia Pty Ltd

**Canon**