

Responding to People and Society as a Good Corporate Citizen



Young People Programme conducted by Canon Europe (→P 122)

Management Approach

Work as a good corporate citizen to help realize a better society

Why It Matters

GRI103-1

The wave of globalization that has swept the world since the fall of the Berlin Wall in 1989 has prompted many firms in the manufacturing industry to internationalize management structures and establish operations overseas. The expansion of the global economy, however, has caused various societal issues to emerge, including increases in poverty and inequality along with a range of labor-related problems. Yet the wave of globalization is expected to continue going forward.

Deriving around 80% of sales outside Japan, Canon has extensively globalized its business activities. In developing business globally, the important thing is to manage operations in accordance with local and regional cultural practices, behavioral norms and modes of thinking.

For instance, global utilization of head office employment systems would not necessarily work well overseas. While working to expand our business globally, we think it makes sense to follow the local or regional cultural and workplace customs when creating management structures and running operations.

“Respect for people” has been part of Canon’s corporate philosophy since its founding in 1937. As our business developed globally, in 1988 we established *kyosei* as the foundational philosophy that would guide our business activities. *Kyosei* refers to the aspiration of creating a society in which all people, regardless of race, language or culture, live and work together harmoniously for the common good into the future. Undertaking multifaceted initiatives to respond to

people and society is thus an essential part of ensuring the sustainable growth of a business.

We believe this thinking is also consistent with the Sustainable Development Goals (SDGs) adopted by the United Nations in 2015 as a set of targets for global society to achieve through collective action.

In recent years, the media have highlighted various instances of corporate malfeasance, including poor

product quality and falsified test data, sparking increased customer concerns about manufacturers.

Canon is fully committed to ensuring the safety and usability of its products. We regard continuous efforts to create high added value and gain the trust of customers as the duty of a manufacturer, so we will do our utmost to fulfill the expectations of all stakeholders.

Canon's Approach

GRI102-11

GRI102-15

GRI103-2

Recognizing "Responding to People and Society as a Good Corporate Citizen" as an essential materiality theme, Canon undertakes a broad range of related business initiatives. Within this, we are developing activities as outlined below to respond to heightened stakeholder expectations in recent years in the areas of "Human Rights and Labor," "Product Responsibility," and "Social Contribution."

For "Human Rights and Labor," we are working to ensure all employees across the Canon Group can enjoy workplaces in which individuals with varied backgrounds and values are respected and each employee feels secure and highly motivated to work. Our initiatives in this area are divided into the subthemes of "Respecting Human Rights," "Hiring and Treatment of Human Resources," "Diversity and Inclusion," "Occupational Safety and Health Support," and "Human Resource Development and Personal Growth" (→P97).

On the issue of "Product Responsibility," we are seeking to build customer trust by focusing on the areas of "Quality Management," "Ensuring Product Safety," and "Improving Product Usability" (→P113).

For "Social Contribution," Canon is developing activities that utilize in-house technology, business expertise and human resources covering the fields of "Humanitarian Aid and Disaster Relief," "Environmental Conservation," "Social Welfare," "Local Communities," "Education and Science," and "Art, Culture and Sports" (→P121).

Continuous Risk/Opportunity Appraisal

With ESG (environment, social and governance) increasingly used in corporate valuation, there is a growing expectation that companies will cultivate meaningful links with society in their business activities, and with local communities especially. When companies neglect to do this, it often leads to erosion of customer trust. Recognizing this risk, we view sincere initiatives

in "Responding to People and Society as a Good Corporate Citizen" as a key factor behind sustainable business growth.

Based on this thinking, we identify the following risks and opportunities in the three fields mentioned previously.

Human Rights and Labor

Situations where human rights are overlooked can significantly damage a company's reputation. These include any discrimination related to race, religion, nationality, gender, or age; any harmful or disrespectful behavior such as harassment; and any case in which overwork damages the health of an employee.

In mitigating such risks, we believe it is important to create a workplace environment that allows each employee to realize their full potential. Allowing each employee to utilize their unique strengths and viewpoints leads to more business opportunities, allowing the company to realize sustained growth.

Product Responsibility

Quality issues that affect customer safety can have a negative financial impact on the business or erode trust in the brand. Conversely, supplying products of high quality that meet customer needs while also developing innovative technologies to satisfy emerging requirements can yield immense growth opportunities.

Social Contribution

Poverty, educational inequality and other social issues can affect corporate recruitment capabilities, while also posing a risk to the growth of global markets.

Canon seeks not only to reinvest business profits into local communities, but also to develop a wide range of activities to address issues faced by these communities. Besides building trust, these social contribution activities are essential to sustainable development.

Relationship with SDGs

The materiality theme of “Responding to People and Society as a Good Corporate Citizen” incorporates a wide range of ways in which Canon can help to realize a sustainable society from the perspective of the Sustainable Development Goals (SDGs). In this section, we introduce SDG-related activities in the three fields of “Human Rights and Labor,” “Product Responsibility,” and “Social Contribution.”

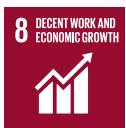
Human Rights and Labor



Occupational health and safety is the foundation of Canon’s business activities. The principle of putting health first was established at the company’s inception, and activities to support employee health and safety continue today.



Recognizing the importance of continually creating new value by harnessing the talents of a diverse workforce, Canon actively promotes diversity and inclusion based on fair recruitment and promotion regardless of race, religion, nationality, gender, or age.



Canon strives to ensure fair treatment of employees as part of retaining high-caliber personnel around the world and enabling them to continue to exercise their abilities. This involves maintaining systems to develop human resources and support the personal growth of employees.



Respect for the rights of others has been an integral part of Canon’s corporate culture over its 80-year history. The Canon Group Code of Conduct clearly promotes respect for individuals while prohibiting all forms of discrimination and harassment across the Canon Group.

Product Responsibility



Canon strives to develop products that different customers can use easily and with confidence. To ensure product safety, we are working to reinforce internal legal/regulatory compliance systems across all Canon Group divisions, while also promoting activities to improve quality assurance from the development stage.

Social Contribution



As a corporate citizen with deep roots in local communities, Canon is involved in building schools to help instill children with knowledge and diverse values. We also engage in cross-cultural activities and programs to develop the next generation using cutting-edge technologies developed through our business activities.



Canon is engaged in a variety of social contribution activities to help address community-specific social issues and create environments in which all people can lead satisfying lives.

Overview of Material Issues and Activities in 2018

GRI103-3

Human Rights and Labor

- Respecting Human Rights

We continued to work throughout the Canon Group to create workplaces that are free of discrimination and harassment.

- Hiring and Treatment of Human Resources

We continued to focus on initiatives for making workplaces more attractive by upgrading employee welfare programs and facilitating better work-life balance.

- Diversity and Inclusion

We continued to focus on initiatives that support workplace diversity, including efforts to promote the active participation of women, LGBT persons and other sexual minorities at work; support local recruitment across all Canon Group operational sites; and create disabled-friendly workplaces.

- Occupational Safety and Health Support

We continue to reinforce efforts to eliminate workplace accidents across Canon Group sites in Japan, based on the Canon Occupational Health and Safety Management System introduced in 2017. Labor and management continue to cooperate in ensuring workplace safety and supporting the health of workers, maintaining an environment in which every employee can work with peace of mind.

- Human Resource Development and Personal Growth

Ongoing human resource development initiatives include the Canon Leadership Development Program, which was introduced in 2017 with the aim of cultivating the next generation of leaders within the company.

Product Responsibility

- Quality Management

Our continued efforts to eliminate quality issues are led by a company-wide committee. Chaired by the President of Canon Inc. and including management executives from each business group, the committee focuses on improving product quality from the development stage. In addition, we continue to promote quality training for all employees and expand awareness-raising activities.

- Ensuring Product Safety

At Canon, our internal QA management standards go beyond legal and regulatory requirements as a guarantee of safety and peace of mind to our customers. This approach also means ensuring that we can evaluate product safety thoroughly and accurately.

- Improving Product Usability

We are continually focused on a range of initiatives to improve the usability of products, services and apps. These include field-testing and interviews to gain customer feedback, an in-house product tester system, and evaluations by usability experts.

Social Contribution

Canon developed a variety of educational support initiatives in 2018, such as the *Miraisha* Programme, the Young People Programme, and the 4E's Project. The aim is to support the education of young people who are building the future of local communities.

We promoted activities to enable the sustainable development of communities based on supporting initiatives that address local or regional issues and related needs. This included making financial donations and helping to raise funds for people affected by major natural disasters worldwide. In Japan, as part of the Tsuzuri Project, we established a joint research project with the National Center for the Promotion of Cultural Properties, part of the National Institutes for Cultural Heritage aimed at giving more people the opportunity to develop a greater appreciation of major cultural assets.

Human Rights and Labor



A local trainer provides instruction at Canon Hi-Tech (Thailand)

Management Approach

Canon respects the diversity of employees, and aims to create workplaces in which employees can express their individuality and work with a sense of worth and achievement.

Canon's Approach

With the global spread of economic activities, finding ways for individual employees of diverse backgrounds and values to utilize their individuality has become an important factor for sustainable development of corporations. In the international community, the United Nations "Guiding Principles on Business and Human Rights" and the International Labor Organization (ILO) "International Labor Standards" have been established, and the United Nations' Sustainable Development Goals (SDGs) are encouraging companies to respect human rights as well.

Based on *kyosei*, Canon strives to create a workplace environment that fosters mutual respect among its ethnically and culturally diverse workforce.

In addition to working to ensure full compliance with laws and regulations in each country and region and to respect human rights as part of the development of global business activities, under Phase V of the Excellent

GRI102-11

GRI102-15

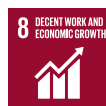
GRI103-1

GRI103-2

Global Corporation Plan, Canon has set the cultivation of globally competent human resources that think and act with a global mindset as one of its key strategies. We are stepping up efforts to develop human resources that can provide leadership on the international stage. Moreover, alongside ensuring workplaces to support the health and safety of employees, Canon also provides varied types of training to assist employees with skills improvement.

Related SDGs

Canon's efforts to address issues related to human rights and labor are contributing to the achievement of the following SDGs.



Respecting Human Rights

We respect the rights of every employee and work to ensure that our workplaces are free of all forms of discrimination and harassment.

Prohibiting Discrimination

The Canon Group Code of Conduct (→P33) prohibits all Group executives and employees, irrespective of their position or duties, from engaging in discrimination based on race, religion, nationality, gender, age or other unfair grounds.

The Code of Conduct has been translated into many languages and given out to Group executives and employees inside and outside Japan.

Preventing Harassment

Canon maintains a zero-tolerance policy on harassment, which it communicates to all management executives and employees.

In addition to sexual harassment and power harassment, Canon Inc.'s employment rules and Harassment Prevention Provisions prohibit other forms of harassment, including maternity harassment, which was added to legislation in Japan in 2017. These provisions have been disseminated throughout the Canon Group companies in Japan, and many have instituted similar rules based on them.

In a further effort to maintain a comfortable workplace environment, Canon Inc. and its many Group companies in Japan have established a Harassment Hotline to provide consultation services, and information is shared at liaison meetings of the consultation staff. Confidentiality is strictly maintained and a firm guarantee against detrimental treatment is provided to victims and informants. The number of harassment complaints has remained mostly unchanged in recent years.

Regular liaison meetings are held for persons responsible at Canon Inc. operational sites and Group companies in Japan, enabling the operational status of hotlines to be monitored and shared. Reviews of procedure manuals are conducted at such meetings, and guidance on how to respond to reports of harassment is also provided on an ongoing basis.

In addition, we periodically conduct employee awareness surveys that enable us to evaluate trends while gathering the opinions of employees. Based on this information, we then act to improve the workplace environment by instituting corrective measures as necessary.

Educating Employees on Harassment Prevention

Canon conducts a variety of training programs and poster campaigns to raise awareness of harassment issues among employees.

Canon Inc. conducts harassment-prevention training for executives, managers and managerial candidates. The aim is to develop measures to address decreased productivity due to deteriorating workplace conditions, mental health issues, occupational injuries, lawsuit risks and corporate legal responsibilities. In 2018, the number of participants in Japan totaled 314. Additionally, training was provided for 29 executives and managers returning from overseas postings.

The same training program will be held for staff in charge of Harassment Hotlines at Group companies, who will in turn assist with training employees at their respective companies.

Eliminating Child Labor and Forced Labor

All Canon Group companies manage human resources in compliance with the laws and regulations of each country and region in which they operate, as well as Canon's own regulations.

With regard to child labor and forced labor, we carry out investigations every year at our main overseas manufacturing companies*, primarily in Asia, to confirm their compliance with laws pertaining to minimum working age and health considerations.

To date, no Canon Group company has violated laws relating to child labor or forced labor.

* The investigations cover more than 88% of employees at all our overseas manufacturing companies (As of the end of 2018).

Respecting Basic Workers' Rights, Including Freedom of Association

Canon respects workers' basic rights, including freedom of association and collective bargaining. We also strive to address various issues by promoting dialogue between labor and management. For example, the labor agreement between Canon Inc. and the Canon Workers' Union commits both sides to work in good faith to peacefully resolve issues in a timely manner.

In addition, in the Canon Group CSR Basic Statement (→P41), we clarify our intent to comply with the laws and regulations of various countries and regions.

Hiring and Treatment of Human Resources

We strive to create an attractive, motivational workplace environment for employees.

Basic Policy

Canon believes that in order to become a truly excellent global corporation, each employee must be an “excellent person.”

In line with its human resource measures, Canon is building a corporate culture that encourages an enterprising spirit by guaranteeing respect for the values of ambition, responsibility and mission, as well as fair and impartial assignments, evaluations, and treatment based on merit. At the same time, we are focused on developing our next generation of leaders.

Guiding Principle of the Three Selves Spirit

The *San-ji* (Three Selves) Spirit has been a central guiding principle for Canon since its founding. The three “selves” refer to 1) self-motivation: proactively taking the initiative; 2) self-management: conducting oneself responsibly and with accountability; and 3) self-awareness: knowing one’s position, roles and circumstances.

Canon encourages all Group employees to embrace the *San-ji* Spirit as they pursue their work with a positive and forward-looking attitude, and promotes this approach at Group companies worldwide.

Guiding Principles

Three Selves	Adhere to the principles of self-motivation, self-management and self-awareness in day-to-day activities
Meritocracy.....	Make vitality (V), specialty (S), originality (O), and personality (P) daily pursuits
Internationalism...	Strive to become a culturally sensitive, internationally minded, sincere and active person
Familism	Strengthen trust and understanding of others and work together in a spirit of harmony
Health First	Live by the motto “healthy and happy” and work to cultivate character

Hiring and Retaining Talent

Canon seeks to hire and retain talent that can drive globalization and innovation in its businesses with the ultimate goal of sustainable growth. With this in mind, we follow a uniform policy for hiring, job placement and human resource development.

In 2018, Canon Inc. and Group companies in Japan embarked on a vigorous recruitment program, resulting in the hiring of 1,153 employees in total. Canon also has established various programs and systems, such as a career matching system (→P108) to support the continued employment of each and every employee so that they remain motivated and can maximize their skills and abilities over the long term. We regularly conduct employee surveys and work to improve employee satisfaction. Thanks to these initiatives, Canon Inc. boasts one of the highest retention rates in the industry. As part of maintaining high job satisfaction, regular employee surveys are conducted by Canon U.S.A., Canon Europe and Canon Group sales companies based in Asia.

Promoting Globalization of Executive Management

As part of promoting the development of globalized management, Canon appoints appropriate personnel, regardless of nationality, as presidents, executive officers, and managers of subsidiaries in each country and region where it operates.

Canon China actively promotes local employees to managerial positions as part of developing business operations. Local appointees occupied 76% of all managerial positions across the region in 2018, up from 38% in 2013.

Creating Local Employment Opportunities at Production Bases

In order to help stimulate local communities and economies through job creation, we focus on local employment when establishing or expanding production bases.

For example, Canon Prachinburi (Thailand), which started operations in 2013, has hired approximately 4,900 people locally, and Canon Business Machines (Philippines) employs approximately 5,600 local residents (as of December 31, 2018).

In addition, our production bases in Asia have created over 60,000 local jobs since 2007.

Canon ensures that its employees are paid substantially more than the local minimum wage.

Fair and Impartial Compensation System Salary Linked to Duties and Performance

Canon Inc. has introduced a position-based pay system to evaluate and compensate individuals fairly and impartially, regardless of gender or age.

In this system, remuneration is based on duties and performance. Basic pay scales incorporate the level of position in the company based on responsibilities and other factors. An employee's achievements as well as work-related processes and performance during the year are evaluated to determine annual remuneration. Bonuses reflect individual achievements and company performance.

This system is being applied across the Group worldwide, and has already been adopted by the majority of Group companies in Japan and manufacturing subsidiaries in Asia. Systems for determining compensation based on duties and performance have already been established at Canon U.S.A. and Canon Europe, along with other Group companies in those regions.

Regarding basic salary amounts and increases as well as calculation and payment of bonuses, a committee meets with the Canon Workers' Union three or four times a year to check whether remuneration is being paid in accordance with the rules of the labor agreement. The minutes of these meetings are made available to all employees. The committee also facilitates discussions between labor and management on the implementation and improvement of the compensation system.

Employee Benefit Programs

Canon offers various employee benefit programs, covering each stage of life from hiring to retirement, enabling employees to lead comfortable and enjoyable lives.

For example, as well as providing staff canteens and sporting facilities, Canon funds or subsidizes programs and clubs that bring together people with shared interests to foster better workplace communication. We host various events for employees and family members that incorporate the local culture and customs of each region. In addition, employee benefit programs have been developed in line with each Group company's needs.

With a view to securing their futures, in addition to national social insurance programs, employees of Canon Inc. and Canon Group companies in Japan are eligible for added benefits that include a corporate pension plan as well as membership in our welfare association and

health insurance society. Canon Inc. also offers a voluntary employee stock ownership plan, a savings plan and group life insurance policies, among other benefits.

Corporate Pension Plan

At Canon Inc., we offer employees the defined-benefit Canon Corporate Pension as a form of performance-based pay—a role- and grade-based retirement system—to supplement their public pension and contribute to a more comfortable retirement. A company-run pension fund manages pension assets so employees do not need to provide any additional funds. Other Group companies in Japan have also set up their own corporate pension plans.

Canon Inc. also offers a defined-contribution pension plan with matching contributions, which, coupled with the defined-benefit pension plan, provides solid financial security.

Reducing Total Work Hours

Canon works diligently to ensure that employee work hours comply with the laws of each country and region where it operates, targeting reductions in hours where appropriate.

For example, at Canon Inc., we encourage workplaces to ban overtime in principle and to review work practices. We have also taken measures such as encouraging employees to take paid leave. Annual hours worked per employee were 1,737 in 2018, a reduction of 62 hours compared with the equivalent figure of 1,799 hours in 2010 when we initiated efforts to reduce working hours.

Flexible Work Styles

We promote flexible work styles in line with national and regional employment customs.

For instance, in 2005, Canon Inc. formulated an action plan following the guidelines of Japan's Ministry of Health, Labour and Welfare. Based on this plan, we are encouraging the adoption of flexible work styles while helping employees achieve work-life balance, and taking steps to aid the development of the next generation.

Promoting Flexible Work Styles

Canon Inc. has a number of leave programs that enable employees to take time off flexibly to respond to their personal circumstances. These include a time-unit leave program in 30-minute increments that is available for reasons such as childcare, injury or illness, as well as an open vacation program in which employees can take five consecutive days of vacation once per year. Such programs are designed to promote a flexible approach to working.

In April 2018, we launched the sixth phase of the action plan outlined in the table on the following page. This phase spans the three-year period to March 2021.

Supporting Working Parents/Care Givers

To enable employees to focus on childcare responsibilities with peace of mind, Canon Inc. offers an array of programs that go beyond the legally stipulated minimum requirements, including a childcare leave program that enables employees to take leave until their child reaches the age of three, and a system for reducing work hours to support childcare, making it possible for employees to reduce their workday by up to two hours until their child has finished the third grade of primary school.

In addition, to support the work-life balance of those in our local community, Canon Inc. established Poppins Nursery School Tamagawa. Located on our property adjacent to the Shimomaruko headquarters, the school is certified by the Tokyo Metropolitan Government and open to local residents. Approximately 40 children are enrolled at the school.

We provide various support systems to help employees caring for aged relatives, including nursing care leave, sympathy money, and a system for reduced work hours to support nursing care, enabling employees to reduce their workday by up to two hours a day to fulfill family care responsibilities.

Action Plan Phase VI (from April 2018 to March 2021)

Action Plan	Measures	Results as of the End of 2018
(1) Promote use of work-life balance programs with aim of raising participation rate.	<ul style="list-style-type: none"> Regularly check the performance of employees using work-life balance programs, and have VIVID*1 and the Workstyle Innovation Committee work together to consider and implement specific measures before March 2021. 	<ul style="list-style-type: none"> Confirmed that, in addition to female employees, who have made up the majority of those taking advantage of these programs, the trend for use of these programs by male employees is on the upswing.
(2) Promote workstyle reform further by encouraging workstyles that do not rely on overtime work, continuing efforts to promote use of paid leave, and maintaining an appropriate level of total work hours.	<ul style="list-style-type: none"> Using total work hours as an indicator for work-life balance, bolster measures to encourage use of paid leave and maintain an appropriate level. 	<ul style="list-style-type: none"> Prohibited overtime work, in principle, throughout the year. Implemented earlier work hours from July–September in a campaign to promote work-life balance, and continued efforts to promote workstyle reform. Provided employee benefits program for encouraging self-development during the earlier work hours. Total work hours company-wide decreased by 62 hours compared to 2010*2.
(3) Continuing from Phase V, carry out community contribution activities open to participation by children—who are the future of our communities—through social contribution activities.	<ul style="list-style-type: none"> Continue reaching out to local regions and communities and implement appropriate initiatives from April 2018 to March 2021. 	<ul style="list-style-type: none"> Continuously conducted throughout Japan the following community contribution activities for children <ol style="list-style-type: none"> Unique tutorial program for children, including lessons on lens-crafting and environmental education outreach programs Junior Photographers photography classes Support for girls soccer (Canon Girls-eight, Canon Girls-Camp) Tag rugby lessons and rugby lessons, etc.

*1 VIVID: Vital workforce and Value Innovation through Diversity, a company-wide horizontally integrated organization for promoting diversity (→P103).

*2 The year that activities to reduce total work hours commenced.

Hotlines have been set up at each of our operational sites to handle employee inquiries about these systems.

In addition, Canon Inc. conducts surveys on flexible workstyles to assess the circumstances and needs of employees, aiming to create a flexible workplace environment.

Supporting Employees' Volunteer Activities

In recognition of the growing interest in volunteer activities, Canon Inc. established a volunteer leave system in 1994.

Under this system, employees wishing to participate in volunteer activities certified by the company may take up to one year of leave (two years and four months in the case of JICA Japan Overseas Cooperation Volunteers).

Worker-Management Relations

At Canon Inc. and Canon Group companies in Japan, worker-management relations are founded on the principle of prior consultation, that is, finding solutions through thorough discussion. Candid discussions between management and the labor union are held whenever policies that affect wages, working hours, safety and health, and benefit programs are to be implemented.

Every month, Canon Inc. convenes a Central Worker/Management Conference with the Canon Workers' Union* to exchange opinions and information spanning a range of subjects. The CEO and senior management attend the monthly conferences.

Additionally, special committees have been established to consider wages, working hours, safety and health issues, and benefit programs. Based on these conferences, new systems are established and policies enacted. As of the end of 2018, combined employee membership in the Canon Workers' Union totaled 27,103, representing 81% of Canon Inc.'s workforce.

Group companies in Japan hold a similar conference, which they refer to as the Canon Group Workers' Union Conference (Canon Inc. representatives also attend). This conference brings together 19 Group workers' unions and executives from 21 Group companies. In 2018, reports on the current situation of both labor and management throughout the Group as a whole were presented. As of the end of 2018, there were approximately 55,000 employees in unions that belonged to the Canon Group Workers' Union Conference.

In accordance with the labor laws of each country and region in which we operate, Canon continuously maintains proper labor relations based on thorough dialogue between labor and management at Group companies outside Japan.

Canon will continue to implement changes based on mutual understanding and trust with the Canon Workers' Union in its pursuit of continuous development.

* The Canon Workers' Union consists of employees from Canon Inc., Canon Marketing Japan, Fukushima Canon and Ueno Canon Materials.

Minimum Notification Period for Changes in Work Duties

Canon Inc. has established a minimum notification period clause within its labor agreement to ensure that personnel transfers do not negatively impact the lives of employees.

Employees receive official notice of personnel transfers at least two weeks in advance for temporary assignments and at least one week for other types of transfers. Employees who need to relocate due to the transfer are officially notified up to four weeks in advance.

Additionally, Canon Group companies inside and outside Japan have established minimum notification periods in accordance with the laws and regulations of the countries and regions where they operate.

Diversity and Inclusion

We aspire to be a company that grows by openly accepting and working with people having different characteristics and perspectives.

Policy on Respecting Diversity

Guided by its corporate philosophy of *kyosei*, Canon respects diversity such as culture, customs, language, and ethnicity, and actively encourages the fair hiring and promotion of employees, regardless of gender, age, or disability.

In 2012, Canon Inc. established Vital workforce and Value Innovation through Diversity (VIVID), a company-wide, horizontally integrated organization to promote diversity, headed by the Executive Vice President.

Policies

- Respecting diversity as an important issue, promote the introduction of new systems across the Canon Group, seeking to replace existing systems, and strive to change employees' thinking and awareness of diversity issues.
- Revise HR policies and workplace conditions to avoid any limitations or restrictions being placed on the career opportunities afforded to talented people with the ambition to succeed.
- Promote internal/external dissemination of information on diversity promotion activities to help identify/develop role models and encourage wider adoption of optimal workplace conditions.

Promoting the Active Participation of Women

As part of promoting diversity, Canon strives to create a workplace environment in which female employees can more actively participate.

At Canon Inc., we have implemented a number of initiatives to deepen understanding of diversity, including exploring issues using employee surveys and roundtable discussions as well as hosting lectures by outside experts.

Additionally, we are using our company intranet to post interviews with various people, including employees who have remained active in balancing their work with various life events, managers who support their activities, and male employees who have taken childcare leave.

Other initiatives include roundtables where female managers talk about their own life experiences, and back-to-work seminars where employees who have

returned after childcare leave review case studies with their managers.

Career Support for Women

Canon is committed to providing equal opportunities according to ability and fair treatment for all, irrespective of gender.

At Canon Inc., we organize leadership training for women as part of efforts to develop female candidates for managerial positions. Using the theme of developing a new business proposal, the training provides an opportunity to develop leadership skills, including awareness, agenda setting and persuasiveness. Since its launch in 2012, a total of 154 women have completed the leadership training and are playing active roles in their workplaces, including at overseas locations. Partly as a result of these measures, the number of female managers had risen to 111 in 2018, compared with 58 in 2011.

We also provide lectures and interviews with female executives to create opportunities for raising awareness around working with passion and balancing work with life events.

Meanwhile, Group companies in Japan are also promoting a range of initiatives to encourage active roles for women, including seminars to support women's career development, roundtable discussions and surveys to gauge awareness, and career training and courses for women who have returned from childcare leave.

In addition, to support higher levels of male participation in key life events, we publish interviews with, and organize seminars by, men who have taken paternity leave. Handbooks on related programs have also been distributed.

Each group company shares its activity plans and outcomes at meetings of company presidents, which have been held annually since 2016. For example, at Canon Finetech Nisca Inc., a manufacturing cell comprising only employees on reduced work hours has been established in response to feedback from a roundtable meeting of executives and female employees. In this manufacturing cell, innovative approaches to information sharing and multi-skill development have advanced, and a culture has emerged in which workers on reduced hours help one another, helping to boost motivation.

Meanwhile overseas, Canon U.S.A. for example has launched a project called Women in Leadership Levels (WiLL) to support the participation of women through a variety of opportunities, including networking events, lectures and mentoring. Moreover, Canon India has held a series of "Ladies Power Lunch" events since 2016, to enable female employees from various divisions to discuss issues with the CEO. These events enabled direct communication of the company's expectations of female employees, boosting their motivation, while enabling management to grasp the kind of support required for female career development, resulting in various revisions to maternity leave system regulations.

LGBTQ+ Inclusion

The Canon Group Code of Conduct emphasizes respect for the individual and prohibits discrimination based on race, religion, nationality, gender, age, sexual orientation, or gender identity. Our initiatives also cover sexual minorities, including lesbian, gay, bisexual and trans (LGBT) persons. With the goal of eliminating all forms of discrimination from the workplace, training for managers includes education on preventing discrimination. In addition, we make use of various opportunities to educate employees, such as departmental staff meetings and compliance meetings.

With regard to provisions for employees who identify as a sexual minority, Canon provides such amenities as gender-neutral washrooms. We also have an internal hotline for employees wishing to speak with a specialist counselor.

In other initiatives, in 2018 Canon invited a guest speaker to address a diversity seminar aimed at promoting understanding around various sexualities and expanded insight into communicating with members of sexual minorities. Over 100 employees attended.

Utilizing the Abilities of Veteran Employees

Canon Inc. makes full use of the wealth of knowledge and skills of its veteran staff. In 1977, Canon Inc. was one of the first companies in Japan to set its retirement age at 60. In 1982, we introduced a system for re-employing retired employees until the age of 63.

In 2000, we partially revised our system for re-employment after retirement and introduced a system of open recruitment internally for re-employment posts. Further, we raised the age limit for re-employment to 65 in 2007. As of the end of December 2018, there were 1,207 rehired employees in total.

Proactive Support for the Participation of People with Disabilities in Society

Respecting the ideal of normalization*¹ advocated by the United Nations, Canon proactively employs persons with disabilities at Canon Inc. and Canon Group companies in Japan.

For example, at Canon Inc., we have been proactive in employing persons with disabilities for many years. We are doing our utmost to make workplaces more comfortable and accessible for people with disabilities by improving our facilities, including providing greater barrier-free access. Additionally, we are working to expand the range and nature of jobs for people with disabilities, while also ensuring that they are settling into and becoming active members of their assigned workplaces. Canon has incorporated workplace experience and observation sessions into the selection process in some cases to ensure that new hires can contribute quickly after they are hired and assigned to a workplace. Canon Wind*² primarily hires people with intellectual disabilities. In addition to maintaining a high employee retention rate, this employment helps us realize our corporate philosophy of *kyosei*.

Canon Inc. and Group companies in Japan have set up onsite hotlines after the 2016 amendment of the Promotion of Employment of Disabled Persons Law prohibiting discrimination and mandating reasonable consideration for people with disabilities. Canon's measures to prevent discrimination against disabled people and ensure reasonable consideration at each site include providing individual consultations and personalized assistance or instruction during evacuation training drills and disaster preparedness training. In 2018, Canon Inc. established a dedicated internal unit and took other measures to bolster support for helping employees with disabilities to settle into their workplaces.

Since 2004, Canon Inc. and Canon Group companies in Japan have organized training courses and created e-learning modules to ensure workplaces are attentive to the needs of the hearing impaired. The training includes providing knowledge of hearing disorders and introducing sign language to help promote a smooth work flow. A total of 693 people participated in this training up to and including 2018.

*¹ The principle of normalization: According to the World Programme of Action concerning Disabled Persons adopted by the United Nations in 1982, society is made up of many different types of people and it is normal for people with and without disabilities to coexist in all settings. Therefore, we should create an environment in which all people can live and work together.

*² Canon Wind: A subsidiary of Oita Canon formed in 2008 as a joint venture with the Social Welfare Corporation Gyouon Welfare Association with the aim of promoting employment for persons with intellectual disabilities.

Occupational Safety and Health Support

We pursue initiatives aimed at improving occupational safety and health so employees can feel safe and secure in their work environment.

Policy and Structure

At Canon, the safety and health of employees form the foundation of our business activities. Adhering to the principle of “management without safety is not management,” labor and management work hand in hand to support safety and health. In line with this principle, we have established detailed rules and regulations regarding occupational safety and health (OSH), which are also reflected in agreements with labor unions.

Canon has established the Central Safety and Health Committee as its highest body overseeing safety and health. Chaired by the senior executive in charge of OSH, the committee establishes policies and plans regarding safety and health primarily at Group companies within Japan, while also promoting the elimination of occupational accidents, the maintenance and improvement of health, traffic safety, fire and disaster prevention, and the creation of pleasant workplaces. Overseas, mostly at production bases in Asia, we conduct safety and health activities with consideration given to specific circumstances in each region and at each company.

Occupational Safety

Creating Workplaces Where Employees Feel Safe and Secure

Canon Inc. and Group companies in Japan strive to create workplaces that are safe and secure. Currently, we are working on the following priority initiatives.

Priority Initiatives for 2018

1. Entrench the Canon Group Occupational Safety and Health Management System
2. Promote greater machine safety
3. Prevent accidents through enhanced promotion of risk assessment

Entrenching the Canon Group Occupational Safety and Health Management System

We are expanding the Canon Group Occupational Safety and Health Management System in an effort to promote autonomous safety and health activities at each of our operational sites in Japan. System requirements are based on the Occupational Safety and Health Management System (OSHMS) of the Japan Industrial

Safety and Health Association (JISHA) and reflect Canon’s standards and rules.

Canon Group companies in Japan that employ the system are working to cultivate best practices across all sites based on reciprocal supervision as well as develop measures to tackle a variety of issues.

Promoting Greater Machine Safety

We carefully conduct risk assessments, centered primarily on production bases in Japan, according to Canon’s uniform standards. Based on the results, we conduct follow-up checks with the aim of reducing residual risk. We are particularly focused on eliminating serious machinery-related accidents.

OSH representatives also conduct a training program for machinery and equipment technology to deepen employee understanding of production machinery and encourage workplaces to promote safer practices together. In addition, we take measures to mitigate accident risks, such as mechanical countermeasures and conducting orientation training.

Preventing Accidents Through Enhanced Promotion of Risk Assessment

Canon’s repeated risk assessments centered on its production bases in Japan enables us to identify operations with a high risk of injury, illness or accident. By taking appropriate measures to mitigate risk and manage residual risks, Canon endeavors to prevent occupational accidents.

To ensure that risk assessments are carried out properly, workplace managers and people in charge of operations and risk assessments undergo training to learn and enhance their understanding of assessment methods according to Canon’s uniform standards. By making regular visits to worksites and reviewing assessments, we work to maintain and enhance the risk management system.

To prevent the risk of illness arising from work that involves exposure to chemical substances, we have established specific procedures for handling chemicals in routine manufacturing operations. We have also introduced a system that achieves uniform standards across the Group for the management of chemical substances, and we strive to ensure they are managed properly at all times.

In addition, for tasks involving heavy manual labor, we have rules for worker safety that place limits on maximum permitted physical loads.

Initiatives to Improve Safety and Health at Overseas Group Companies

Canon is working to implement an occupational safety and health management system overseas, mainly at its production bases, on the same level as in Japan.

Three companies—Canon Zhuhai, Inc., Canon Hi-Tech (Thailand) Ltd., and Canon Opto (Malaysia) Sdn. Bhd.— have adopted an occupational safety and health management system based on the international standard OHSAS* 18001.

* OHSAS: Occupational Health and Safety Assessment Series

Health Support

Health Management Based on the “Health First” Principle

Canon believes that initiatives based on the “health first” principle can help individual members of the workforce reach their full potential. We therefore consider such initiatives a driving force for generating positive results, and systematically promote physical health-support measures.

We conduct various types of medical check-ups and stress checks in line with government regulations. We have established the Group’s internal standards for post-examination measures, and conduct individual follow-up checks as well. To prevent overwork, we coordinate with the health support department and human resources department on appropriate management of working hours. All employees with potential health issues have consultations with and receive instruction from a doctor according to certain standards, and we strive to prevent health issues or respond to them as soon as possible when they occur.

Employees of Canon Inc. and Canon Group companies in Japan have access to a website that brings together a range of health-related information. We also actively collaborate with the Health Insurance Union on effective measures to deal with medical fees, with a focus on preventing progression of lifestyle diseases.

Canon Inc. and Group companies in Japan are working on the following priority initiatives.

Four Key Items of Our Medium-Term Plan

1. Education and awareness activities for all employees by age group
2. Mental health-related measures
3. Measures against lifestyle diseases
4. Cancer-related measures (early detection and treatment of cancer, regular review of diagnostic systems to ensure effectiveness)

Education and Awareness Activities for All Employees by Age Group

As an awareness-raising and educational activity tailored to different age groups, Canon Inc. provides health-related information every month on the company intranet for all employees. The information includes e-learning and individual mails to raise awareness, and is targeted at specific age groups. We also conduct campaigns to promote nutrition, exercise, and rest.

Measures for Achieving Mental Health Through Self-Care

To promote comprehensive mental health measures in Japan, Canon conducts a variety of programs. These incorporate four care guidelines: self-care, care from workplace supervisors, care from occupational health staff, and care from organizations outside Canon. The programs also promote three prevention guidelines: primary prevention, (preventing illness and improving health), secondary prevention (early detection and appropriate treatment), and tertiary prevention (support for return to work, prevention of recurrence). In recent years, we have conducted stress checks and focused attention on employee and manager education and the training of occupational healthcare staff, including human resource staff members.

Measures to Prevent Lifestyle Diseases or Prevent Their Progression

Canon Inc. and Canon Group companies in Japan carry out lifestyle interviews during regular annual medical examinations with the aim of preventing lifestyle diseases. Based on the results of these checks, we have set improvement targets for each company in order to help employees improve their health and prevent the progression of lifestyle diseases that may already be present.

Cancer-Related Measures in Cooperation with Canon Health Insurance Union

Canon works together with the Canon Health Insurance Union based on the three prevention guidelines and strives to raise awareness of cancer screening and to maintain an environment that makes it easy for employees to undergo screening.

Expansion of Health Management Programs at Group Companies Outside Japan

Canon conducts various health management programs at its Group companies outside Japan as part of its health promotion initiatives for employees. Each Group company also actively conducts its own initiatives suited to its characteristics and needs.

Human Resource Development and Personal Growth

We provide all employees the opportunity to build and advance their career.

Human Resource Development System

One of the key strategies in Phase V of the Excellent Global Corporation Plan is to cultivate globally competent human resources that think and act with a global mindset. Under this key strategy, Canon is developing human resources that can contribute to its global operations in various fields, such as management, technology development, and manufacturing.

Developing Globally Minded Personnel

With 387 operational sites* worldwide as of the end of 2018, the globalization of Canon's operations is proceeding apace. Against this backdrop, we are stepping up training to develop human resources with leadership abilities that can be utilized on the international stage.

* Number of operational sites includes consolidated subsidiaries and equity-method affiliates.

Enhancing Senior Leadership at Group Companies Outside Japan

Canon offers Global Leadership Training to senior management of Group companies outside Japan in order to share the company's management philosophy and develop leaders that can spur innovation in a global environment.

Vitalizing Human Resources Through International Assignments

Canon established the Canon Global Assignment Policy (CGAP) as an international assignment system for its Group companies worldwide to stimulate international personnel exchanges, not only from Japan to other countries, but also from other countries to Japan, and internationally between the United States and Asia, for example. The goal of this program is to promote global business cooperation and the development of human resources capable of functioning at the global level.

CGAP is an international personnel dispatch policy shared by our Group companies, and personnel assignment policies in each respective region are based on it. Combining these policies allows us to further promote personnel exchanges and to share basic philosophies and structures, while providing for flexibility in dealing with the special characteristics of each region, such as laws and culture.

For example, in Europe and the United States we have the US/Europe Exchange Program, which enables

employees with at least three years of service to participate in a personnel exchange for a period of one year, and in Asia we have the ASIA CGAP, which is a one-year training program in Europe and the United States for developing executive management candidates from Asia.

As of the end of 2018, a total of 1,262 employees were deployed on international assignments under these programs.

Global Training for Young Employees

In order to help employees acquire language and international business skills, Canon Inc. has established a system to allow employees to gain overseas work experience early in their careers.

For example, the Asia Trainee Program enables recruits who are 30 years old or younger to engage in practical study at local companies in Asia. The program started in 1995, and by the end of 2018, a total of 113 employees had taken part. The program sends trainees to countries and regions where languages other than English are used on a regular basis in professional settings where they engage in about six months of language training at a local university, then spend about one year gaining practical experience at Asian affiliates. Meanwhile, the Europe-US Trainee Program dispatches young employees to Europe and the United States. Started in 2012, the program had thus far provided training to a total of 60 employees, up to the end of 2018. For employees dispatched to non-English speaking areas, we offer language education and practical training similar to the Asia Trainee Program.

The Overseas Study Program for Technicians is intended to develop engineers and technicians who can function internationally, as well as enable them to acquire skills that they can use to contribute to Canon's core businesses in the future. This program began in 1984, and up to the end of 2018, a total of 116 employees had participated in the program, studying at universities abroad. In line with our strategy to improve our R&D organization in the United States and Europe, we plan to select several employees each year for overseas study.

Fostering Experts in Various Fields

Development of Human Resources in Engineering

Canon promotes the retention and development of engineering human resources in order to continually generate innovation as a manufacturer.

For example, Canon Inc. has training systems in place for each of its specializations, including machinery, electronics, optics, materials, and software, to support the development of next-generation human resources in engineering.

A committee for the development of engineering human resources has been set up for each of the five core specializations noted above. These committees develop rank-based training programs, from new hires to junior engineers and all the way up to veteran leaders, as well as conduct courses and carry out other initiatives. We also offer training in specialized areas not represented by these committees, such as analytical technology.

In 2018, a total of 179 programs were held in these specializations, with 5,192 engineers from Group companies in Japan taking part.

Furthermore, in 2018 Canon Inc. established the Canon Institute of Software Technology (CIST) to cultivate software engineers. The institute makes it possible to undertake systematic and continuous human resource development, from increasing the skills of the engineers in charge of developing software for our products to providing foundational training for new employees and those seeking to work in a new field.



The newly established Canon Institute of Software Technology

Development of Global Human Resources in Manufacturing

At Canon, we are focusing on developing human resources who support production activities, mainly through the Monozukuri Advancement Center of Canon Inc.

In 2018, a total of 630 employees working at 10 overseas production bases took part in 74 training programs organized by the Monozukuri Advancement Center.

In order to promote training at overseas sites, Canon also focuses on instructor-development training that seeks to develop instructors for technological and technical skills training as well as workplace management training. In 2018, instructor-development training was held on 23 occasions, with a total of 89 employees participating.

A technical skills testing program, following the same standards as in Japan, has also been established at overseas sites. In 2018, testing was carried out for seven types of work skills, including injection molding, board mounting, and pressing, at a total of nine sites in Thailand, Vietnam, China, and Malaysia, with 392 employees participating.

Canon's Human Resource Development System

To motivate employees and enhance skill specialization, Canon Inc. maintains an educational system for rank-based, elective and self-development training.

Rank-based training enhances knowledge and skills required for carrying out the duties of each job grade, and fosters awareness of required actions defined by our guiding principles. Furthermore, as a supplement to rank-based training, elective training that includes e-learning programs and other programs to support self-development is available. These training programs also cover such issues as harassment prevention and compliance.

For the development of management personnel, we assess candidates at each level of management for suitability prior to promotion and provide training before and after promotion under the Canon Leadership Development Program (LEAD). This program is designed to help candidates switch to a management-oriented mindset and develop their leadership abilities while also reinforcing other strategic and practical capabilities. Our goal is to further reinforce efforts to systematically cultivate the next generation at Canon, concentrating on the development of management personnel as well as personnel for global, technological, and manufacturing roles.

On average, Canon Inc. employees spent about 19 hours in training in 2018. Related training costs per employee incurred by Canon amounted to ¥184,000.

Canon Inc.'s Career Development Support Programs

■ Regular Performance and Career Reviews

Since we evaluate the conduct and performance of employees under our position-based pay system, supervisors have meetings with their team members individually three times a year, at the start, interim, and end, to confirm duties and targets, monitor progress, and discuss career development.

When discussing the evaluation, supervisors offer advice and guidance on improving results and the employee's conduct. This enables employees to objectively understand their own strengths and weaknesses, which aids them in achieving further growth. Supervisors also use this information in future development plans for the employee.

■ Career Matching System

Canon Inc. has also established an internal career matching system to support its employees in pursuing satisfying careers. The system matches the right people to the right jobs, promotes internal mobility of human resources, and brings greater vitality to the company. In 2018, 160 employees were transferred through this system.

Since 2016, we have been providing a trainee-style career matching system featuring a combination of training and internal recruitment. Employees who wish to take on new work challenges in a field where they have no experience can receive training opportunities to gain requisite skills, and take up a position based on their skill level.

■ Other Career Development Support

To support career development for employees who are highly motivated for self-development, Canon Inc. provides a full complement of training, events, and e-learning programs. Some were held at weekends and others were held after work during the campaign period to promote work-life balance*. In 2018, participants in these programs exceeded 3,600.

* Campaign period to promote work-life balance: As part of a drive to reform work styles, from July to September, we set our work hours forward to enable workers to finish earlier.

■ Post-Retirement Career and Life-Plan Training

Canon holds Creative Life Seminars for employees when they reach the ages of 50 and 54 in order to help them plan for their retirement years. By providing employees with an opportunity to think about their life plan and career plan at an early stage, we help them to systematically plan and prepare for life after the age of 60.

Various Certification and Award Programs

Canon has established certification and award programs to honor Group employees for their outstanding achievements.

At the Canon Summit Awards, Canon honors Group companies, divisions, teams and individual employees who have made a major contribution to the development of the company in terms of activities or products. Canon recognizes employees with numerous other accolades: the Invention Award, the Quality Award, and the Production Innovation Award for outstanding activities; the Canon Meister Certification/ Commendation for contributions to advancements in manufacturing using a wide range of skills; the Canon Master Craftsman certification for outstanding skills that Canon should pass down; the Environment Award for excellent environmental practices; and the Procurement Innovation Award for activities that greatly contribute to enhancing procurement functions.

Canon Inc.'s Human Resource Development System

Position		Rank-Based Training	Invitational Programs	Elective Training (incl. e-learning)	Self-Development Support
Group Executive			Canon Management School		
Senior General Manager/ Plant Manager	Principal Staff Engineer	LEAD III	Global Leadership Training Training for Group company presidents	Global skills training (language, preparation for overseas transfer, TOEIC, etc.)	
General Manager	Senior Staff Manager	LEAD II	Training for production managers	PC training (MS-Office, OS/HTML, security, etc.)	
Manager	Staff Manager	LEAD I	Training for overseas managers	External training, lectures, etc.	
Assistant Manager/ Foreman	Senior Engineer/ Associate Staff Manager	Training for newly appointed assistant managers and foremen Training for newly appointed G4 level employees	Production-related department training	Manufacturing training	Interpersonal skills and conceptual skills training
General employee		Training for newly appointed G3 level employees	Training for global staff	Specialized technical training	PC training
		Training for newly appointed G2 level employees	Asia/Europe-US Trainee Program		Language training
		Training for newly appointed G1 level employees	Overseas Study Program for Technicians		Correspondence course
		Training for newly hired employees Training for mid-career hires			
Unofficial graduate hires		Training course for provisional hires			

Data Summary (As of December 31, 2018)

Number of Canon Group Employees

	2014	2015	2016	2017	2018
Japan	69,201	68,325	72,913	73,665	73,460
Europe	22,356	24,826	25,511	25,623	25,281
Americas	18,029	17,635	19,160	18,448	18,361
Asia and Oceania	82,303	78,785	80,089	80,040	77,954
Total	191,889	189,571	197,673	197,776	195,056

Breakdown of Employees (Canon Inc.)

		2014	2015	2016	2017	2018
Total Number of Employees		26,409	26,360	26,246	26,075	25,891
By Gender	Male	22,430	22,370	22,261	22,027	21,794
	Female	3,979	3,990	3,985	4,048	4,097
By Age Group	Under 30	3,404	3,193	2,922	2,853	2,938
	30s	7,764	7,508	7,253	6,924	6,462
	40s	8,072	7,843	7,772	7,419	7,218
	50s	6,409	6,919	7,280	7,747	7,991
	60 and over	760	897	1,019	1,132	1,282
By Classification or Contract Type	Regular Employees	26,384	26,335	26,227	26,002	25,779
	Non-regular Employees*	25	25	19	73	112

* Non-regular employees: Contract workers and part-time workers

Number of New Hires and Employees Leaving the Company (Canon Inc.)

		2014	2015	2016	2017	2018
Newly Hired Employees	Male	377	368	316	472	520
	Female	86	81	70	106	142
	Total	463	449	386	578	662
Employees Leaving the Company/Turnover Rate	Employees Leaving the Company	228	291	281	369	442
	Turnover Rate (%)	0.9	1.1	1.1	1.5	1.8

Breakdown of Executives (Canon Inc.)

		2014	2015	2016	2017	2018
By Gender	Male	41	43	46	48	46
	Female	0	1	2	2	2

Composition of Executives by Age (Canon Inc.)

		50s	60s	70s	80s
By Gender	Male	21	20	4	1
	Female	2	0	0	0

Percentage of Employee Membership in the Canon Workers' Union*¹

	(%)				
	2014	2015	2016	2017	2018
Canon Inc.	83	81	81	80	81
Key Group Companies in Japan* ²	89	87	91	87	85

*¹ Figures for Canon Inc. are as of the end of the year. Figures for the key Group companies in Japan are as of the end of August.

*² Key Group Companies in Japan: Member unions of the Canon Group Workers' Union Conference (19 companies).

Ratio of Internationalization in Canon Group Companies Outside Japan

	(%)		
	Americas	Europe	Asia (excluding Japan)
Presidents	35	93	25
Managers	90	97	93

* Share of non-Japanese appointed as presidents and managers.

Comparison of Canon's Minimum Wage to Local Minimum Wage

		Japan	U.S.	China
Local Minimum Monthly Wage		147,750 yen	1,257 dollars	1,770 renminbi
Canon	Standard Minimum Monthly Wage	167,900 yen	1,924 dollars	2,508 renminbi
	Ratio Compared to Local Minimum Wage	114%	153%	142%

* Figures represent wages for leading manufacturing companies in each region, not average wages.

Base Salary and Total Salary per Employee by Gender (Canon Inc.)

		Female : Male
Base Pay	Management	100 : 106
	Non-Management Employees	100 : 117
Total Pay	Management	100 : 106
	Non-Management Employees	100 : 121

* The compensation system is the same for men and women. Differences are due to such factors as age and grade level.

Annual Hours Worked per Employee (Canon Inc.)

	(hrs)				
	2014	2015	2016	2017	2018
Total Hours Worked, Canon Inc.*	1,751	1,762	1,721	1,735	1,737

* Regular/post-retirement employee survey data (Canon Inc.).

Number of Employees Taking Childcare and Nursing Care Leave (Canon Inc.)*^{1*2}

	2014	2015	2016	2017	2018
Taking Childcare Leave	168 (22)	184 (30)	186 (43)	186 (43)	216 (78)
Using Reduced Work Hours for Childcare	144 (7)	142 (10)	132 (4)	122 (11)	130 (9)
Taking Maternity Leave	27	34	30	21	29
Working Reduced Hours due to Pregnancy	6	7	5	2	4
Taking Nursing Care Leave	13	9	15	11	14
Using Reduced Work Hours for Nursing Care	6	6	4	4	5
Applications for Childbirth Support* ³	222	260	248	255	208

*¹ Number of employees in that year using the system for the first time.

*² () Number of male employees.

*³ Childbirth support includes leave and financial support for fertility treatment.

Return/Retention Rates and Number of Employees Returning from Childcare/Nursing Care Leave (Canon Inc.)

		2014	2015	2016	2017	2018
Returning from Childcare Leave	Number of Returning Employees	132 (22)	169 (30)	185 (37)	164 (38)	210 (79)
	Return Rate (%)	100	100	97.3	98.2	98.6
	Retention Rate (%)	98.4	99.4	98.8	97.3	98.2
Returning from Nursing Care Leave	Number of Returning Employees	13	9	18	6	14
	Return Rate (%)	100	100	100	100	87.5

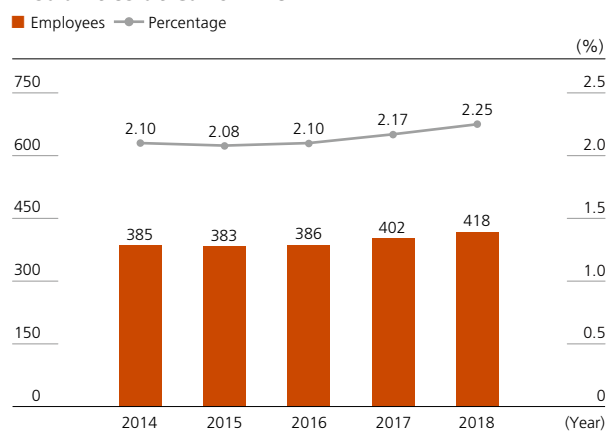
* () Number of male employees.

* Retention rate: (The total number of employees who are registered as of 12 months after returning from childcare leave) ÷ (The total number of employees who returned to work from childcare leave during a previous report period) × 100.

Percentage of Women by Position (Canon Inc.)

	2014	2015	2016	2017	2018
Employees	15.1	15.1	15.2	15.5	15.8
Managers	1.9	2.0	2.2	2.6	2.6
Executives	0.0	2.3	4.2	4.0	4.2

Number and Percentage of Employees with Disabilities at Canon Inc.



Numbers and Frequency of Occupational Accidents (Canon Inc., Key Group Companies in Japan)

	2014	2015	2016	2017	2018
Accidents Requiring Time off Work	19	25	18	22	24
Accidents not Requiring Time off Work	133	110	112	101	106
Frequency Rate* ¹ (%)	0.20	0.25	0.18	0.22	0.24
Severity Rate* ² (%)	0.108	0.007	0.006	0.006	0.009
Frequency Rate for the Manufacturing Industry (%)	1.06	1.06	1.15	1.02	— ^{*3}
Severity Rate for the Manufacturing Industry (%)	0.09	0.06	0.07	0.08	— ^{*3}

*¹ Frequency rate indicates the prevalence of occupational fatalities and injuries per 1 million working hours.

*² Severity rate indicates the degree of the disaster with the labor loss days per 1,000 total of working hours.

*³ The frequency rate and severity rate for the manufacturing industry for the year ended March 2019 has not been published as of April 2019.

Product Responsibility



One of the largest semi-anechoic chambers in Japan where tests on large products can be carried out (→P116)

Management Approach

At Canon, we do our utmost to ensure product safety and improve usability while at the same time working to add greater value to our products and build customer trust.

Canon's Approach

Increasing recognition of the UN Sustainable Development Goals (SDGs) is bringing greater awareness of safety and the environment. Expectations are also growing for technological innovation that will increase the performance of safety-conscious and environmental products.

Canon's basic mission when it comes to quality is to ensure that customers have "no complaints, no trouble," and we work hard to ensure "Canon Quality" throughout the entire Group. In line with this creed, we created a quality management system that follows the requirements of international standards, and we strive to improve quality across the entire product lifecycle, from planning and development to production and after-sales service. In the area of safety in particular, along with establishing in-house product safety technical standards that are stricter than regulatory requirements in each country, we created a system for gathering comments and requests from Canon users worldwide, which we share with relevant divisions, as

GRI102-11

GRI102-15

GRI103-1

GRI103-2

means to improve our products and ensure safety. As part of the goal of Canon's medium- to long-term business plan to "reinforce/expand new businesses while creating future businesses," we also aim to leverage our superior technical expertise to drive innovation in a range of areas in addition to consideration for safety and the environment.

Additionally, we are working to promote greater accessibility in Canon products worldwide by ensuring customers can use them easily and with confidence. These initiatives include designing product manuals to make them easier to understand and actively adopting Universal Design principles in product development.

Related SDGs



Canon's various activities relating to product responsibility contribute to the achievement of SDG 12, "Ensure sustainable consumption and production patterns."

Quality Management

We strive to improve quality across the entire product lifecycle in order to provide customers with satisfying products.

Approach to Quality

Canon's basic mission when it comes to quality is to ensure that customers have "no claims, no trouble." To achieve this, we promote our motto of "Canon Quality" both inside and outside the company, as part of our dedication to realizing customer safety, peace of mind, and satisfaction.

To realize this basic mission, we work to implement quality checks across the entire Canon Group at every stage, from product planning to design and development, production, sales, and after-sales service. We also ensure that continual improvements in quality are achieved through Group-wide activities, sharing quality information and customer feedback obtained from the market with divisions in charge of product planning, design, and development.

Quality Assurance System

In order to fully realize "Canon Quality," Canon has established a quality management system* that combines the requirements of ISO 9001, an international quality management standard, with work mechanisms unique to Canon.

Using our in-house quality management system as a base, the various Headquarters divisions at Canon Inc. work in cooperation with the Global Quality Management Center and Canon Group companies worldwide to implement optimal QA systems for the characteristics of each business in compliance with the legal and regulatory standards of each country and region.

Supplementing the vertically integrated activities of each business division to solve division-specific quality issues, in 2017 Canon Inc. established a committee to focus on improving quality at the product development stage. Chaired by the President and including members from top management of each business division, this body has launched activities across the company. Through these activities, management will share quality-related issues and actively promote shared problem-solving among businesses.

* The in-house regulations governing Canon's quality management system are recognized by the International Register of Certificated Auditors (IRCA) as an alternative standard to ISO9001.

Training and Educational Activities

Making a Total Commitment to Canon Quality

In order to maintain outstanding quality, each employee belonging to product-related divisions must always be mindful of quality in every aspect of their work.

At Canon, we strive to educate and foster greater awareness of quality among all employees by continually sharing our basic philosophy and motto on quality and by conducting Group-wide quality education and surveys on quality awareness. Canon Inc. has designated November as Quality Month, and each year in November holds the Quality Fair and Quality Awards to recognize exceptional activities that have improved quality, and share them throughout the Group.

Continuing and Expanding Quality Education

Canon provides the Canon Quality Course for employees through a Group-based tiered training curriculum, highlighting the importance of quality on an ongoing basis. We customized a training program for each division, taking into account specific situations and issues needing to be addressed, and also actively conduct on-site training. Furthermore, since it is important that employees have a clear understanding of the Canon way of thinking at all companies within the Canon Group, including overseas offices, we created multilingual versions of the Canon Quality Introductory Guide, which contains our philosophy on quality. We also developed an online version of the Canon Quality Guidebook, which is used to foster understanding of our quality activities.

We focus particular attention on product safety training. In addition to training that broadly covers product safety, such as product safety regulations, chemical safety regulations, product liability laws, and substantial safety technology, we also conduct a condensed product safety-training course for new employees covering topics from these courses. Canon Inc. conducts e-learning activities to promote thorough understanding of the Voluntary Action Plan for Product Safety on an ongoing basis. In addition, we continually provide safety information, such as safety cautions when making repairs or exchanging parts, to Group companies involved with product sales, repair, and service.

In 2018, these training courses were held a total of 11 times. Courses on accident-prevention strategies, which began in 2016, were held a total of eight times in 2018.

Ensuring Product Safety

We have set strict standards for managing quality that go beyond legal and regulatory requirements to ensure customers can use our products with complete peace of mind.

Voluntary Action Plan Based on the Basic Policy on Product Safety

Canon believes one of its most important missions as a manufacturer is to provide safe products that offer peace of mind and satisfaction. With this in mind, we formulated a Basic Policy on Product Safety that Group companies in Japan strictly adhere to.

Moreover, based on this policy, Canon Inc. and Group companies in Japan formulate and follow individual Voluntary Action Plans for Product Safety suited to their business format, working to ensure product safety while remaining customer-focused.

Moreover, we comply fully with government laws and notices, and have developed a system for immediate reporting, for example, in the unlikely event of an accident involving one of our products.

2018 Activities Scorecard for Canon Inc.

- Management review by the president based on the Voluntary Action Plan for Product Safety (conducted annually since 2008)
- Revised six in-house standards documents, including standards for product and chemical safety
- Continued efforts to raise awareness among customers about smoke emission from counterfeit batteries and the safe handling of electric cords and plugs, etc.
- Continued implementation of product safety training and emphasis on the importance of product safety during basic training on quality
- Continued implementation of updated e-learning course for all employees to promote understanding of the Voluntary Action Plan for Product Safety

Establishment of In-House Product Safety Technical Standards

Canon regards the provision of safe products as one of the most fundamental and important missions of a manufacturer. We therefore require that all Canon products comply with our own Product Safety Technical Standards (for substantial safety*), which take into account customer perspectives on product use, together with legally stipulated product safety standards.

For example, we employ plastics that are more flame resistant than the law requires, and we implement double-protection schemes for important safety-related components. We regularly revise these standards in light of technological advances as well as changes in how customers use our products, and changes in requests regarding safety and quality.

Based on these technical standards, we strictly enforce quality management in terms of safety at the design, evaluation, and production stages. We withhold from the market any products not meeting these exacting standards and ensure that all of our products are safe for use.

* Substantial safety: This means safety not only in terms of what is required by laws and statutes, but any safety issue that can reasonably be expected to arise during customer use.

Main Approaches to Safety Technology

- Conduct safety assessments that address human factors (physical function, abilities, thinking and behavior), taking into account the variety of possible operations a user may perform
- Engage in joint development with manufacturers of essential safety-related components, such as non-combustible parts and non-fail protective components
- Conduct safety-confirmation testing based on abnormal voltage waveforms in commercial power supplies confirmed in regions around the world where Canon products are sold
- Hypothesize abnormalities, such as failure, and conduct stricter safety-evaluation testing than is required by the laws of each country or region

Quality Assessment During Development Creation of Assessment Environment for the Delivery of Safe Products

Canon Inc. has set up testing facilities compliant with public standards and relevant laws to accurately and thoroughly assess the safety of products in terms of electromagnetic interference (EMI), noise, flame resistance ratings, volatile organic compounds (VOCs), genotoxicity, and electrical safety.

Canon has also obtained certification in public standards such as ISO*¹/IEC*² and UL*³, enabling certified testing to be carried out in-house according to highly precise measurements. Specifically, Canon is equipped with the industry's leading testing technology, including semi-anechoic chambers for EMI testing that are among the largest and best in Japan, a verification laboratory for testing the fire safety and ignition propensity of large products, shielded rooms, and semi-anechoic chambers for acoustic noise testing. In addition to EMC testing*⁴, Canon is able to conduct in-house all testing necessary for applying for Blue Angel*⁵ certification.

- *1 ISO: International Organization for Standardization, a non-governmental organization that formulates international industrial and commercial standards.
 *2 IEC: International Electrotechnical Commission, an international standardization group that formulates standards on electrical and digital technologies.
 *3 UL: Underwriters Laboratories, Inc., a company that conducts independent testing and certification of the safety of products that pass its assessment tests based on its own product safety standards established to standardize function and safety.
 *4 EMC (Electromagnetic Compatibility) testing: Consists of testing for electromagnetic interference caused by a product or its power source that may affect the operation of other equipment, and testing for electromagnetic susceptibility of the product itself that may result in malfunction.
 *5 Blue Angel: Launched in Germany as the world's first environmental labeling (ecolabeling) system.

Safety Assessment Initiatives Safety Assessments of Chemical Substances Released from Products

Canon assesses the chemical emissions from its printers, multifunctional devices (MFDs), projectors, and other products. Our assessments include measurements of data necessary for acquisition of Germany's Blue Angel environmental label.

We also measure volatile organic compounds (VOCs) for which exposure limits have been set both within Japan and internationally. We verify that emission levels meet our in-house standards, which match or even exceed those set worldwide.

The in-house laboratory conducting these assessments has received accreditation from Germany's Federal Institute for Materials Research and Testing (BAM) and is therefore capable of conducting the assessments required for applications for Blue Angel certification. It has also received ISO/IEC 17025 and 28360 accreditation to conduct measurements in a fair and neutral manner.

Since 2017, large equipment that had been excluded from the UFP-related standards for receiving the Blue Angel mark must meet those standards. Canon will continue to respond in a timely manner to other regulatory developments, such as the introduction of the stricter ECMA-328* standard.

We consider protection of our customers and the environment to be of the highest priority. We are currently reviewing our processes and promoting efficiency through automation in order to shorten the assessment period.

* ECMA-328: Ecma International is the organization that sets standards for the information and communications systems sector globally. -328 is a category that governs chemical emission rates from electronic equipment.

Safety Assessments of Ink, Toner, and Other Consumables

Canon assesses the safety of its ink, toner, and other consumables, enabling customers to use its printers and MFDs with confidence.

For example, with regard to the materials for ink and toner, we carry out assessments related to genotoxicity, thought to be closely linked to carcinogenicity, using bacterial reverse mutation tests and in vitro mammalian cell micronucleus tests. Regarding the latter, starting in August 2014, Canon has been able to conduct in-house assessments of the water-insoluble materials used in many Canon products.

Canon's testing laboratories are highly reliable and have been certified by Japan's Ministry of Health, Labour and Welfare as in compliance with Good Laboratory Practice (GLP)* standards in the Act on the Evaluation of Chemical Substances and Regulation of Their Manufacture, etc. (Chemical Substances Control Law). Canon's laboratories also comply with GLP standards set by the Organization for Economic Cooperation and Development (OECD). Furthermore, Canon became the first in Japan to have its in vitro mammalian cell micronucleus test certified as in compliance with the GLP standards in the Chemical Substances Control Law.

* Good Laboratory Practice (GLP)
 The standard for the management, testing and reporting of facilities and organizations that operate as testing agencies conducting chemical substance safety assessments. Testing according to GLP standards ensures reproducibility and data reliability. GLP standards set by the OECD were enacted in 1981, and since then, member countries have developed domestic laws and regulations based on these standards. Facilities certified as compliant under Japan's GLP standards in the Chemical Substances Control Law must have their certification renewed every three years, which involves receiving a new conformity screening prior to the expiration of the certification's validity period.

Assessing the Safety of Chemicals and Medical Equipment Through Animal Testing

In some cases, animal testing is an effective means of verifying the impact a chemical may have on human health or the environment. Certain laws and regulations in Japan and other countries require the submission of animal test data as part of statutory safety assessments of chemicals and medical devices.

In light of this, Canon conducts animal testing through a third-party specialist institution, but only in cases where it cannot obtain existing data externally with regard to the chemicals used in its toners and inks, and no alternative is available. This approach is stipulated in our in-house rules on the safety of chemical products and in the Three Rs* for animal testing. Furthermore, for certain components and materials used in medical equipment, we commission external specialist organizations to conduct animal testing if necessary to comply with standards.

Canon will continue to gather information and conduct analysis on novel approaches and evaluation methods that do not require animal testing so that alternative forms of evaluation can be conducted.

* The Three Rs: An internationally accepted set of guiding principles for the use of animals in testing proposed in 1959.
Reduction: Reduce the number of animals used in testing.
Refinement: Minimize the suffering of animals.
Replacement: Use alternative methods to animal testing.

Qualification System for Electronic Parts to Ensure Safety and Reliability

Canon considers it essential to maintain and improve the quality and reliability of every component, including integrated circuits and various electronic parts, to ensure products are safe and reliable. We have developed our own in-house quality certification system for electronic parts.

When selecting parts under this system, we evaluate reliability and structural soundness in accordance with standards for each type of part, ultimately using only electronic parts that meet these standards of quality.

In recent years, the market environment has undergone significant changes, including the consolidation or closure of electronic part manufacturers and the relocation of plants. In response, to ensure appropriate quality levels are maintained, we have upgraded the change management capabilities of Canon's in-house quality certification system. Canon is also working on enhancing its evaluation technologies to keep pace with advancements in electronic parts. This includes high-precision nondestructive evaluation technologies such as X-ray CT scans, and more detailed processing and observation technologies, as well as measurement technologies for higher-speed LSI.

Software Security and Response to Vulnerabilities

More and more of Canon's products, including multifunctional devices and cameras, are being connected to other products via networks, greatly enhancing convenience. At the same time, cybersecurity risks, such as leaks of personal or confidential information from a network-connected device, have increased.

In response to such risks, Canon installs security functions for network-compatible products during software development and conducts various types of vulnerability testing. We have also worked to raise awareness about security, vulnerabilities, and risks, and to standardize company-wide approaches to testing methods.

In 2018, Canon began implementing a Secure Development Process designed to allow accurate risk assessments about security risks in product development. We also introduced the Vulnerability Assessment Check-Sheet as a quality confirmation requirement at the time of production release approval. This parameter sheet is now used at Canon Inc. for vulnerability verification processes.

Moreover, recognizing the importance of minimizing the impact on customers when a vulnerability is found after products have been shipped, we strive to grasp and publish necessary information about any such issues in a timely manner. Accordingly, we have established a system to investigate market trends on vulnerability, including the products of other companies, and to quickly share information internally to prevent similar problems from occurring in our own products.

After-Sales Support Online Support Services

In order to facilitate the resolution of issues, Canon provides customer-support services globally through its websites.

On these websites, customers can access support information, including FAQs, product specifications, and user manuals, and can download the latest software and drivers. Support information and software based on common content for worldwide use, as well as local content that has been added by marketing subsidiaries, are made available on our company websites in their respective languages.

Customer usage is continuously monitored and survey information analyzed, with feedback going to the divisions that created the relevant content. We continuously update the content based on frequently searched keywords, making it easier for customers to find what they are looking for.

In connection with the spread of mobile devices such as smartphones in recent years, Canon is making efforts to optimize display screens, making online support services easier to use.

Enhancing After-Sales Service Worldwide

After-sales service is critical for customers to enjoy long-term use of Canon products. We are therefore expanding our after-sales service network on a global scale in order to offer the same level of prompt, reliable support in every market worldwide.

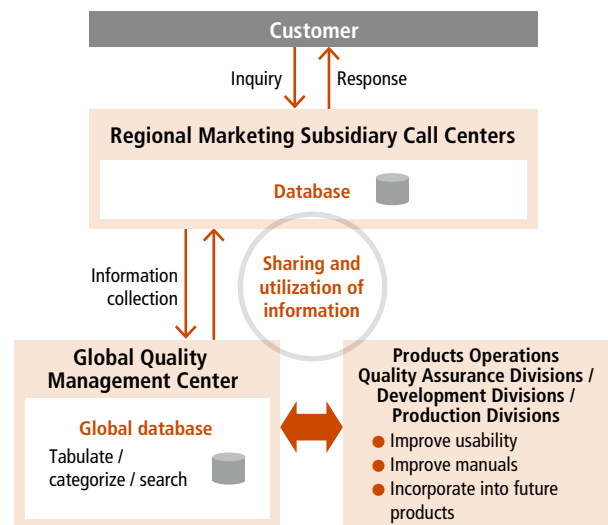
Utilizing Feedback from Market Data Analysis in Product Improvements

In order to achieve the highest level of customer satisfaction, Canon incorporates user feedback in addition to conducting product evaluations from the customer's perspective at the development stage.

One way we do this is through the Call Information Collection and Analysis System, updated in 2015. This is a system to collect customer feedback and requests received by call centers at our marketing subsidiaries worldwide. The development and production divisions and marketing subsidiaries can view this information at any time, helping them improve quality, revise user manuals, and develop better products. The results of call analyses are fed back to development teams who then use that information to improve customer convenience by, for example, improving displays on product control panels or simplifying methods for connecting to wireless LANs.

The system currently covers 29 countries and regions in Japan, the Americas, Europe, Asia, and Oceania.

Call Information Collection and Analysis System



Responding to Product Safety and Quality Issues

Although Canon strives to prevent product safety and quality issues, in the event that one does arise, it has in place a framework that ensures a prompt and appropriate response, including causal investigation, free repair, and information disclosure.

We keep our customers informed about product safety as well as quality issues and remedial procedures by placing product advisory statements in various newspapers and on our website.

In 2018, no product advisory statements were placed on our website. We did, however, post one quality notice.

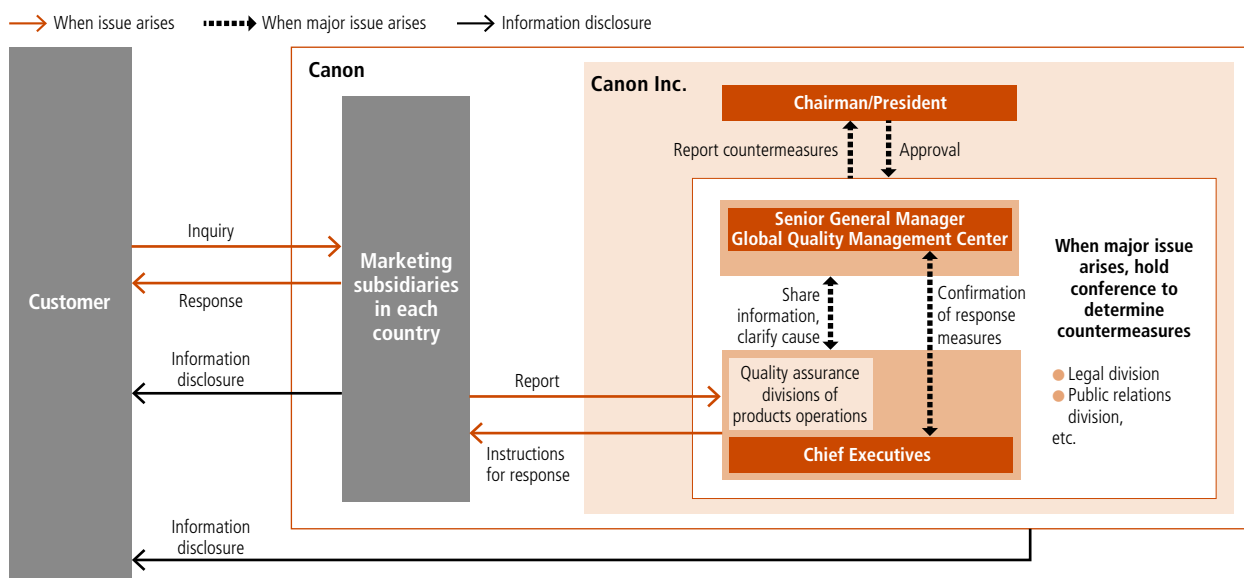
Process for Responding to Quality Issues

When quality issues arise, the marketing subsidiaries in each country, which serve as contact points for customers, file reports with the quality assurance division of the respective Canon Inc. products operations. The quality assurance division then investigates the cause of the issue and looks into countermeasures. Moreover, in the event of a major issue, related products operations, the Global Quality

Management Center, legal division, and public relations division are consulted concerning response measures, and the matter is reported to the chairman/president.

When notification is made to customers via a company notice or Canon websites, we provide instructions to each marketing subsidiary in regions where the relevant product is sold, and, as a general rule, simultaneously release the information worldwide.

Flowchart of Countermeasures to Quality Issues



Improving Product Usability

We strive to develop products that different customers can use easily and with confidence.

Providing Information on the Appropriate Use of Products

Pursuing Usability for Canon Products

With the aim of making products easy to operate, Canon conducts user tests through an in-house employee-based product tester system in the product development stage. We also ask in-house specialists to give us their assessment.

We objectively test human factors, including physical characteristics, perception, judgment, and operational skills, to develop products that customers can use comfortably and with ease. In a dedicated test room, we have installed equipment that allows clear, detailed observation and recording of the behavior and actions of testers as they operate devices.

Promoting Universal Design

Canon strives to create people-friendly products by pursuing functionality, operability, and convenience from the customer's perspective in actual usage situations. As part of this effort, we have adopted a universal design approach through which we endeavor to create products from a customer perspective from the design stage onward, facilitating use by all customers, regardless of age, gender, nationality, or physical ability. At Canon, we approach product design and development from the perspective of making the customer "look like a natural."

For example, we conduct user-centric testing of displays, audible alerts, and voice guidance in our product controls, and check the extent to which terminology, icons, and other features match the perceptions of customers, so as to evaluate usability, accessibility, safety, comfort, and other criteria. Information obtained via such testing is valuable in the development of more user-friendly products.

Moreover, aiming to encourage efforts in universal design, Canon established a universal design policy and a company-wide Universal Design Project (UDP).

Based on the policy and project, we prepared a booklet that addresses the physical characteristics of users and various issues that arise during product use, and distributed it to all development divisions. We also created pamphlets and set up a website to inform customers about the UDP initiatives under way at Canon.

Through such means, we are sharing information on universal design both inside and outside the company.

In partnership with the Japan Braille Library, Canon has conducted research into the everyday challenges faced by the visually impaired. We aim to use such feedback to develop better products.

Principles of Universal Design

- Ensuring Inherent Usability
After obtaining a thorough understanding of the customer's usage circumstances, we give every consideration to the inherent usability of the design in keeping with the product's purpose and usage environment.
- Creating Products and Services People Enjoy Using
We continually pursue innovative idea creation that goes beyond simple problem-solving in order to create products and services that customers want to use.
- Applying Cutting-Edge Technologies
We apply Canon's leading technologies to products to improve customer convenience and to create richer, more comfortable lives.

Reference: Canon's Universal Design
<https://global.canon/en/design/ud/>

Product Accessibility

Canon is working to increase the accessibility of its products in order to make them easy to use for the elderly and persons with disabilities.

Section 508 of the United States Rehabilitation Act requires that agencies of the federal government only purchase products that meet stipulated accessibility standards. The results of Section 508 accessibility evaluations of Canon products have been collected into a VPAT* and made available on the Canon U.S.A. website.

Similar legislation is now being developed in Europe as well. Canon is committed to regularly gathering the latest information, and to developing products that are compliant with the accessibility requirements of each country.

* VPAT: Voluntary Product Accessibility Template, a document that evaluates how accessible a particular product is according to Section 508 standards.

Social Contribution



Miraisha Programme developing imaging skills in Africa (→P122)

Management Approach

Under its corporate philosophy of *kyosei* and through community relationships, Canon seeks to find solutions to issues faced by communities around the globe.

Canon's Approach

GRI102-11 GRI102-15 GRI103-1 GRI103-2

Our world today is rife with complex social issues that include climate change, frequent natural disasters, poverty and inequality. As expressed in the Sustainable Development Goals (SDGs) adopted by the United Nations, companies have an increasingly important role to play in addressing these issues.

The spirit of contributing to society has been a part of Canon's corporate culture since its founding. Based on the philosophy of *kyosei*, and in line with the Canon Group CSR Activity Policy (→P42), we seek to meet social expectations by engaging in activities tailored to characteristics and issues of regions worldwide. This involves drawing on Group resources such as advanced technological capabilities, global business deployment expertise, and diverse, specialized human resources.

Besides reinvesting business profits into local communities, we are committed to addressing social issues not only to strengthen trust with the communities where we develop business, but also because we believe such activities are essential to sustainable development.

Related SDGs

Canon's social contribution activities assist to achieve the following SDGs.



Social Contribution Activities

We contribute to the sustainable development of local communities using technology and knowledge gained in business.

Miraisha Programme Aims to Increase Employment Opportunities for the People of Africa by Improving Their Skills in Imaging Technology

Canon Europe has been promoting its *Miraisha* Programme, a social investment initiative in Africa, since December 2014. *Miraisha* is a portmanteau of the Japanese word *mirai*, meaning future, and the Swahili word *maisha*, meaning life. Through the program, Canon aims to improve the technical skills of and increase employment opportunities for local young people in Africa's growing photography, video and print industries. Workshops in photography, film-making and professional printing have been conducted in several African countries, including Kenya, Ghana, Nigeria, Ethiopia, Uganda, Cameroon and Ivory Coast. Through partnerships with local organizations, educational institutions and event organizers, and with the assistance of Canon Ambassadors, the *Miraisha* Programme has so far provided training to more than 4,800 workshop participants. Canon has also organized a training program to develop local photographers and video producers as Canon-accredited trainers for the *Miraisha* Programme. In 2018, a total of 10 people were accredited as Canon Certified *Miraisha* trainers, with one becoming a Canon Group employee.

Young People Programme Harnesses the Power of Positive Visual Storytelling

As part of helping to realize a sustainable society, Canon Europe is developing the Young People Programme (YPP) to provide workshops that equip young people with the skills and tools to harness the power of positive visual storytelling, focusing on themes related to the Sustainable

Development Goals (SDGs). In 2018, the YPP was held in 18 countries, including the UK, Belgium, Nigeria, Germany and Poland. In Germany, local YPP participants displayed their photographic work on panels in the UN-sponsored booth as part of the UN SDG Action Campaign at the German Federal Government open day in Berlin on August 25-26. Many people visited the booth during the open day weekend event, which attracted over 130,000 visitors.

And, YPP ambassadors Marcin Jankowski and Mashid Mohadjerin joined three student participants from the 2018 YPP to make special photograph and video presentations at the United Nations Framework Convention on Climate Change (COP24) conference held in Katowice, Poland in December 2018.

The 4E's Project in India

Canon India carries out the 4E's Project in cooperation with a local NGO, Humana People to People, India. The project provides various forms of assistance in the fields of eye care, education, environment, and empowerment to less privileged villages in the vicinity of the Canon India office.

As a manufacturer of ophthalmic equipment, Canon is dedicated to making advancements in the field of eye care to assist people with vision impairment. In India, where cataracts are a major cause of visual impairment, it is thought that 80% of such cases are preventable or treatable. Canon India opens vision centers in select villages to give eye examinations and provide treatment. A total of 1,845 people visited these centers in 2018, with 193 receiving free eyeglasses. A further 248 patients were referred for treatment in hospital, with 59 receiving minor surgery.

Sharing CSR Information Through Instagram

From July 2017, Canon began sharing the CSR activities of Group companies using the popular global social media platform Instagram, which is optimized for sharing photos. The photos posted on Canon's official CSR Instagram account help convey the mood of our CSR activities in each region as well as the enthusiasm of participants. The links between each activity and the SDGs are indicated in the posts to help stimulate a sympathetic response to, and deeper understanding of, our CSR activities.



(Ref.) Canon's official CSR Instagram account @canon_csr

In addition, mobile treatment centers, known as “eye checkup camps,” made a total of 11 visits to four villages to treat 897 people. Invitation pamphlets were distributed in each village to encourage people to attend to receive treatment.

These various activities were recognized in the CSR Leadership Awards organized by UBS Forums, an organization that supplies platforms for leadership development for both individuals and industry.



An eye camp at a school in India

Support for Education in Asia

Canon is helping to support the education of the next generation across Asia.

In China, Canon funds the construction of Canon Hope Elementary Schools to provide local children in disadvantaged regions with educational opportunities. To date, ten schools have been built under this program. Each year, employees of Canon Dalian Business Machines assist with educational activities to broaden the knowledge of students from Hope Elementary Schools, including classes on environmental protection and tours of metropolitan cultural sites. The company also provides financial donations and other assistance. In 2018, activities were provided for Grade 4 students at four schools, and a total of approximately RMB107,000 was raised in donations for three schools.

In Vietnam, targeting schools in regions with lagging infrastructure development, Canon is involved in constructing classrooms and donating items such as desks and chairs. Employees regularly visit recipient schools to assist in the renovation of toilets, bathrooms and other facilities, and to present donations of school supplies. Canon Vietnam also provides scholarships to talented high school and university students from underprivileged families, and organizes bicycle loans for students needing to commute long distances. These activities provide Canon employees who volunteer for such projects with valuable opportunities to deepen connections with the community.

Elsewhere, Canon employees can make donations under a matching gift program. For example, since

1997 Canon Inc. has organized an annual Charity Book Fair to allow employees of the Canon Group in Japan to donate unwanted books, CDs, and DVDs for sale at an in-house bazaar. The company matches the proceeds generated by the sale, and these funds are donated to organizations supporting education and medical services in Asia. Approximately ¥1.14 million was donated to four NGOs/NPOs in 2018.



Young program beneficiaries in Vietnam

Light & Color Laboratory Educational Program

Canon Inc. hosts a children’s educational program, Light & Color Laboratory, in partnership with the Japan Science Foundation. The program aims to spark children’s interest in science and technology by providing a place where they can enjoy learning. It explains the science behind the optics and color technologies in Canon products via an entertaining show format featuring various experiments. In 2018, a total of 7,550 children participated in the program.

Preserving Japanese Cultural Assets for the Future Through the Tsuzuri Project

Canon and the Kyoto Culture Association (NPO) launched the Cultural Heritage Inheritance Project, commonly known as the Tsuzuri Project, in 2007.

The initiative seeks to make facsimiles of Japanese cultural assets such as folding screens and *fusuma* (Japanese sliding doors) by first photographing them with a digital camera, then processing the image with precise color-correction technology using a proprietary system, and printing the image on a large-format inkjet printer. Finally, with the application of traditional craft techniques from Kyoto, such as applying gold leaf and mounting, the facsimile, which is as close to the original as possible, is complete. These facsimiles are presented to former owners, related temples, museums, and local governments. The project has been highly acclaimed for both preserving important Japanese cultural assets and making use of high-resolution facsimiles.

In 2018, the Tsuzuri Project created high-resolution facsimiles of select artworks owned by the British Museum. “Birds and Flowers of Autumn and Winter” was donated to Tanzan Shrine (Nara Prefecture) and is now permanently displayed there. “River Festival at Tsushima Shrine” was donated to the cities of Tsushima and Aisai (Aichi Prefecture) and was exhibited in both cities in turn. “Battles of Ichi-no-tani and Yashima, from Tales of the Heike” was donated to the National Center for the Promotion of Cultural Properties (NCPCP), part of the National Institutes for Cultural Heritage and went on display at the Tokyo National Museum.

By undertaking joint research with the NCPCP to support the creation of high-resolution facsimiles, and by organizing artwork displays and educational programs with the Tokyo National Museum, Canon hopes to afford many people the opportunity to see these cultural assets and experience a deeper understanding of Japanese culture.

Reference: The Tsuzuri Project
<https://global.canon/en/tsuzuri/>

The Tsuzuri Project (Cultural Heritage Inheritance Project) has been certified as a “Tokyo 2020 Official Programme (Cultural Olympiad)” by the Tokyo 2020 Organising Committee.



Experience-type exhibition of *Pine Trees* (projection display using high-resolution facsimile)

Supporting Research Activities that Contribute to the Sustainable Development of Humankind Through the Canon Foundation

The Canon Foundation was established in 2008 with the aim of contributing to the ongoing prosperity and well-being of humankind. Operating completely independent from Canon’s business activities, the goal of the foundation is to promote research into science and technology and contribute to its broad development.

The foundation has established two research grant programs, the Creation of Industrial Infrastructure grant and Pursuit of Ideals grant, which are open to researchers working at universities and other public research institutions across Japan. Over the past 10 years, the foundation has disbursed a total of 147 research grants totaling ¥2.5 billion.

In 2018, the foundation disbursed 18 grants totaling ¥275 million, comprising 14 Creation of Industrial Infrastructure grants and four Pursuit of Ideals grants for food-related research. Research findings were presented on completion of the grant period, in June for Pursuit of Ideals and in July for Creation of Industrial Infrastructure grants.

Reference: Please refer to the Canon Foundation website for the details of FY2018 research grants (<https://www.canon-foundation.jp/eng/index.html>).

Canon Institute for Global Studies, Dedicated to Conquering the Problems Faced by Humankind

The Canon Institute for Global Studies is a non-profit private-sector think tank established in 2008 as a general incorporated foundation in commemoration of Canon Inc.’s 70th anniversary.

In this age of globalization, the Canon Institute for Global Studies actively measure Japan’s current position within the global economy and the direction it should take in the future, and then to draw up strategic policy proposals based on analysis of present world situations. The institute brings together researchers with diverse backgrounds in business, academia, and government to exchange ideas and information and to expand its global activities. Focused on three main research areas—macroeconomics; natural resources, energy, and the environment; and foreign affairs and national security—the institute disseminates information and policy proposals based on scientifically valuable research. Symposiums, conferences, lectures, and seminars are held to post results, and also to facilitate active discussions between researchers and policymakers among Japan and other countries.



Symposium on healthcare/welfare system reform organized by Canon Institute for Global Studies

Collected Data

Focusing on the following six areas, Canon's social contribution activities seek to meet the needs of communities in countries and regions worldwide (as of December 31, 2018).

Major Social Contribution Activities (not including those featured on P122-124)

Area	Name of Activity	Overview	Notes
Humanitarian Aid and Disaster Relief	Disaster Relief Fundraising	Canon organizes fundraising activities to help those in regions affected by natural disasters worldwide. In 2018, we donated a total of about ¥31 million in response to disasters such as floods in western Japan and earthquakes in Hokkaido and Taiwan.	
	Disaster Recovery Support Programs	"Fukushima Community Support" and "Smile for the Future Project" are some of the programs aimed at reinvigorating local communities affected by the Great East Japan Earthquake.	
	Cooperation with UN Support Programs	Canon is a special sponsor of the UNHCR Refugee Film Festival, organized annually by UNHCR Representation in Japan and Japan for UNHCR*1. Canon also participates in "WFP Walk the World," a charity walk in support of the activities of the Japan Association for the World Food Programme*2.	*1 The national partner of UNHCR in Japan *2 The national partner of the World Food Programme (WFP) in Japan
Environmental Conservation	Environmental Outreach Classes	Accredited by the Organising Committee of the Tokyo 2020 Olympic and Paralympic Games as part of the "Tokyo 2020 Official Programme (Sustainability)," these classes teach the importance of recycling by using experiments to sort materials with different characteristics to help promote deeper understanding of environmental issues.	
Social Welfare	American Cancer Society	Since 1998, Canon USA has been a supporter of the American Cancer Society initiative "Making Strides Against Breast Cancer" to raise funds for cancer research. Canon employees participate in walks and other fundraising activities.	
Local Communities	Canon Image Bridge Project	This program involves children from across Asia creating "exchange cards" that include photographs they have taken, along with brief messages. Students from elementary schools in China and Japan took part in 2018 to commemorate the 40th anniversary of Treaty of Peace and Friendship between Japan and the People's Republic of China.	
Education and Science	Canon Junior Photographers	This project organizes photography classes for children on the theme of nature with the aims of raising environmental awareness and fostering richer artistic sensitivity.	URL: https://global.canon/en/jr-photographers/
	Internship Program for Students	This internship program aims to support the career development of students. Canon Inc. offered a total of approximately 1,700 internships to students on administrative, technical or specialist tracks in 2018.	
Art, Culture and Sports	New Cosmos of Photography	This project aims to discover, nurture, and support up-and-coming photographers through exploration of the potential of photographic expression.	URL: https://global.canon/en/newcosmos/