


Canon Europe Ltd. – UN Global Compact (UNGC) Communication on Progress

Canon Europe Ltd. became a signatory to the Global Compact in 2014. We reaffirm our commitment to the UNGC and its Ten Principles in the areas of human rights, labour, environment and anti-corruption.

This is our third Communication on Progress, summarising the actions the company has taken to implement the Ten Principles. We provide links to the more detailed information on our website and in the Canon 2017 Sustainability report.



President & CEO
Canon EMET.

Principle	Canon Europe's response	References
HUMAN RIGHTS		
1. Business should support and respect the protection of internationally proclaimed human rights.	<p>We support and defend human rights across our business. Respecting human rights is fundamental to Canon's corporate philosophy <i>kyosei</i>. <i>Kyosei</i> is the aspiration to create society in which all people, regardless of race, language or culture, harmoniously live and work for the common good into the future.</p> <p>The Canon Group Code of Conduct includes human rights criteria such as prevention of harassment and discrimination. Canon prohibits discrimination based on race, nationality, gender, religion, and creed.</p> <p>Canon Group promotes the active participation of woman under VIVID (Vital workforce and Value Innovation through Diversity).</p> <p>Canon Group supports LGBT (Lesbian, Gay, Bisexual, and Transgender) community and other sexual minorities.</p> <p>In line with Canon Group's CSR Basic Statement, we respect human rights, prohibit human trafficking and request that our business partners align with this statement.</p> <p>Canon Europe takes allegations of modern slavery and human trafficking very seriously and developed an Anti-Slavery and Human Trafficking Policy in 2016. This is in response to the Modern Slavery</p>	<p>2017 Canon Sustainability Report, p. 94-96</p> <p>Canon Europe website</p> <p>Canon Group Code of Conduct (clause III, 5)</p> <p>2017 Canon Sustainability Report, p. 82</p> <p>2017 Canon Sustainability Report, p. 83</p> <p>2017 Canon Sustainability Report, p. 7</p> <p>Canon Anti-Slavery and Human Trafficking Policy 2016</p>

	<p>Act 2015, providing transparency in our operations and supply chains. In addition to Canon Inc.'s due diligence programme to review suppliers, Canon Europe launched a supplier assessment programme in 2016.</p> <p>Canon Europe has local grievance mechanisms in place for employees that are unable to raise their concerns on any issue, including human rights.</p> <p>In 2013, Canon Europe introduced a Supplier Code of Conduct that applies to all its suppliers and is embedded in our General Purchase Terms and Conditions.</p>	<p>Canon Europe website</p> <p>Canon Europe website</p> <p>Canon Europe website</p> <p>Canon Supplier Code of Conduct p. 6</p>
<p>2. Business should make sure that they are not complicit in human rights abuses.</p>	<p>We manage our operations and supply chain responsibly. Our Supplier Code of Conduct aligns with the Universal Declaration of Human Rights, International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights.</p> <p>In addition, Canon Group's CSR Basic Statement complies with International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises.</p> <p>Our suppliers are carefully selected and evaluated with regards to the supplier code of conduct and Canon Group's CSR Basic Statement.</p> <p>We also address the issue of Conflict Minerals. As of May 31, 2017, Canon has conducted a full-scale inquiry on this matter. No specific parts or materials have been found to have contributed to funding armed</p>	<p>2017 Canon Sustainability Report, p. 129-130</p> <p>2017 Canon Sustainability Report, p. 7</p> <p>2017 Canon Sustainability Report, p. 129-130</p> <p>2017 Canon Sustainability Report, p. 131</p>

	<p>groups in conflict regions as defined by U.S. legislation. In addition, Canon Inc is a member of the Conflict Free Sourcing Initiative (CFSI) which plays a leading role in response to the conflict minerals.</p> <p>Our Anti-Slavery and Human Trafficking Policy (2016) explains our commitment to transparency and non-complicity in human rights.</p>	<p>Canon Anti-Slavery and Human Trafficking Policy 2016</p> <p>Canon Europe website</p>
LABOUR		
3. Business should uphold the freedom of association and the right to collective bargaining.	<p>Canon Europe respects basic workers' rights including freedom of association, from work councils to trade unions.</p> <p>Canon's employees have the right to collective bargaining and the right to engage in labour disputes.</p>	<p>2017 Canon Sustainability Report, p. 95</p> <p>2017 Canon Sustainability Report, p. 95</p> <p>Canon Europe website</p>
4. Business should uphold the elimination of all forms of forced and compulsory labour.	<p>Canon Europe emphasises the importance of the elimination of forced labour in: Anti-Slavery and Human Trafficking Policy (2016), Canon Group's CSR Basic Statement (clause 14) and Canon's Supplier Code of Conduct (clause 1).</p>	<p>2017 Canon Sustainability Report p. 95</p> <p>p. 7 (clause 14)</p> <p>Canon Anti-Slavery and Human Trafficking Policy 2016</p> <p>Canon Supplier Code of Conduct p. 6</p> <p>Canon Europe website</p>

<p>5. Business should uphold the effective abolition of child labour.</p>	<p>Canon Europe prohibits child labour throughout its operations and supply chain. Our policies outline our position on this matter: Anti-Slavery and Human Trafficking Policy (2016), Canon Group's CSR Basic Statement (clause 14) and Canon's Supplier Code of Conduct (clause 2).</p>	<p>2017 Canon Sustainability Report p. 95 p. 7 (clause 14)</p> <p>Canon Anti-Slavery and Human Trafficking Policy 2016</p> <p>Canon Supplier Code of Conduct p. 6</p> <p>Canon Europe website</p>
<p>6. Business should uphold the elimination of discrimination in respect of employment and occupation.</p>	<p>Canon Group maintains and improves its working environment. The executives and employees of Canon Group must respect each other as individuals and must not discriminate against others for reason of race, religion, nationality, gender, age, or any other improper classification. We embedded discrimination in Canon Group Code of Conduct (clause 5), Canon Group's CSR Basic Statement (clause 12) and Anti-Slavery and Human Trafficking Policy (2016).</p> <p>In 2012, Canon Inc. established Vital workforce and Value Innovation through Diversity (VIVID) to promote diversity. VIVID carries out company-wide activities.</p> <p>Canon Global actively promotes participation of women and offers women's leadership training.</p> <p>Canon Global supports LGBT and other sexual minorities.</p>	<p>2017 Canon Sustainability Report, p. 7 (clause 12); 83; 95; 123; 130</p> <p>Canon Group Code of Conduct (clause III, 5)</p> <p>Canon Anti-Slavery and Human Trafficking Policy 2016</p> <p>2017 Canon Sustainability Report, p. 82</p> <p>2017 Canon Sustainability Report, p. 82-83</p>

	With regards to discrimination or any other issue, Canon has an internal hotline for employees wishing to speak with a specialist counsellor.	
ENVIRONMENT		
7. Business should support a precautionary approach to environmental changes.	<p>Canon Europe has established Environmental Management System (EMS) and is certified ISO 14001:2015. Our EMS ensures continual improvement and helps to anticipate environmental issues.</p> <p>Canon Europe follows Canon's Global Environmental Charter in tandem with its EMS.</p> <p>Canon Group's CSR Basic Statement emphasises our responsible approach towards environmental changes.</p> <p>Our Code of Conduct and General Purchase Terms and Conditions including Supplier policies include environmental aspects.</p> <p>We developed environmental value propositions that support our business. We communicate them directly with our customer.</p> <p>Canon Global gives attention to the operations and of partners that supply parts and raw materials. Suppliers must comply with Canon's Green Procurement Standards.</p> <p>Canon Global recognises biodiversity as essential for a sustainable society. Under our Biodiversity Policy, we carry various activities to conserve and protect species.</p>	<p>Canon Europe website</p> <p>2017 Canon Sustainability Report p. 45</p> <p>2017 Canon Sustainability Report, p. 40</p> <p>2017 Canon Sustainability Report, p.7 (clause 5)</p> <p>Canon Group Code of Conduct (clause II, 3)</p> <p>General Purchase Terms and Conditions</p> <p>Green Procurement Standard 2017 Sustainability Report, p. 47</p> <p>2017 Sustainability Report, p. 66</p>

<p>8. Business should undertake initiatives to promote greater environmental responsibility.</p>	<p>Canon Europe contributes to a circular economy. Canon aims to use resources responsibly and recycle or remanufacture its products. Canon creates energy-saving products and improves energy efficiency at operational sites. It also remanufactures its devices and recycles toner and ink cartridges.</p> <p>Canon Europe monitors Green House Gases (GHG) emissions and aims to decrease CO2 emissions every year.</p> <p>In recognition of Canon Group's effort on climate change, the CDP has selected Canon for the inclusion in its "Climate A List", CDP's highest ranking.</p> <p>Canon Global fully supports the concept of Earth Hour and encourages all sites to take part in the initiative.</p>	<p>2017 Canon Sustainability Report, p. 55-60</p> <p>Canon Europe website</p> <p>2017 Canon Sustainability Report, p. 54</p> <p>2017 Canon Sustainability Report, p.49</p>
<p>9. Business should encourage the development and diffusion of environmentally friendly technologies.</p>	<p>Canon Group strives to improve quality across the entire product lifecycle. A Lifecycle Assessment (LCA) methodology has been introduced in the product development stage to help reduce environmental impact. This system ensures that CO2 emissions can be calculated from the development and design stages.</p> <p>Canon Group endorses the development of a low-carbon society by introducing smaller and lighter equipment, using recycled materials, and using energy-saving designs.</p> <p>In 2017 in Europe Canon has received the Award for iF Design for the 23rd consecutive year and the Award from Technical Image Press for the 13th consecutive year.</p>	<p>2017 Canon Sustainability Report, p.46</p> <p>2017 Canon Sustainability Report, p. 50</p> <p>2017 Canon Sustainability Report, p. 147</p>

ANTI-CORRUPTION		
10. Business should work against corruption in all forms, including extortion and bribery.	<p>Canon Europe employees are trained internally on the aspect of bribery and anti-corruption. This training is mandatory and is supplemented by face-to-face training in higher risk areas.</p> <p>Canon Global has a zero-tolerance policy on bribery and corruption and expects the same from its suppliers.</p>	<p>Canon Europe website</p> <p>Canon Supplier Code of Conduct (clause 10)</p> <p>General Purchase Terms and Conditions (clause 19.5)</p>