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# ENVIRONMENT



Remanufacturing of office MFDs

## Providing products and services that further enrich people's lives while also reducing environmental impact

### Basic Approach

In 2008, Canon formulated an environmental vision called "Action for Green." In keeping with this vision, we aim to realize a society in which affluent lifestyles and the global environment coexist. With this goal in mind, we are providing products and services that further enrich people's lives and are working to reduce environmental impact by employing measures across the entire product lifecycle. Our focus is on four key areas: (1) climate change; (2) resource efficiency; (3) chemical substances; and (4) biodiversity. In particular, we endeavor to take heed of, and reduce, CO<sub>2</sub> emissions

and other environmental impacts not only in our own business activities such as development, production, and sales, but also at each stage of a product's lifecycle, including those of suppliers and customers. To further accelerate these activities, we have established the Group-wide slogan "*Minimum Energy 360*," which reflects our commitment to minimize energy use in every direction (360°). Through this initiative, we aim to foster a heightened level of environmental awareness among all employees.

## Contributing to a Circular Economy

Canon has established recycling sites in Japan, Germany, France, the U.S., and China, creating a system in which used products and parts collected from the market are transported to their respective recycling centers. Through this system, we are promoting not only the efficient use of limited resources, but also waste reduction. We are pursuing resource circulation by reusing materials, including the remanufacturing of office multifunction devices (MFDs) and the material recycling of toner cartridges through both closed loop and open recycling processes.

In our remanufacturing operations, data obtained from the used equipment that is collected—such as years in service, failure history, and total print volumes are analyzed to determine, with a high degree of accuracy, which components can be reused. Units are then disassembled and

cleaned in accordance with rigorous production standards, and degraded or worn parts are replaced. This process enables us to deliver product quality equivalent to newly manufactured machines, even while incorporating reused components. In Japan, these models are marketed as the “Refreshed” Series, while in Europe, they are sold as the “ES” Series.

Furthermore, at the Canon Eco Technology Park in Japan, which opened in 2018, we consolidate the recycling processes for multifunction printers and toner cartridges to realize more advanced resource circulation.

Canon will continue to contribute to the development of a circular economy by maintaining and expanding the production of remanufactured multifunction devices.

## Contributing to a Society in Harmony with Nature

Canon recognizes that biodiversity is critical to a sustainable society. Guided by its Group-wide Biodiversity Policy and under the slogan of “Nature Positive,” Canon is engaged in various initiatives aimed at protecting biodiversity. In doing so, Canon aims to contribute to a society that is in harmony with nature. As part of these activities, Canon is rolling out the Canon Bird Branch Project on a global scale. The site of Canon’s global headquarters in Tokyo is home to the thickly wooded Shimomaruko Forest of approximately 1,000 trees. Efforts are underway to enhance habitats for wild birds through the installation and maintenance of nest boxes and surveys of wild bird visitation. This initiative marked its 10th anniversary in 2025. The number of wild bird species confirmed in the area has increased from 23 in 2014 to 45 in 2025, demonstrating a diversification of species inhabiting the site. In recognition of this initiative, the Shimomaruko Forest has been certified by the Ministry of the Environment of Japan as a Natural Symbiosis site. As part of the project to certify such sites, the Japanese government recognizes areas where biodiversity is being protected with the aim of achieving the 30by30 target, a worldwide initiative to

effectively conserve at least 30% of the earth’s land and oceans as healthy ecosystems by 2030. These certified areas are then registered in an international database.

Canon will continue to promote biodiversity conservation under the Nature Positive concept as it works toward the realization of a society that coexists harmoniously with nature.



Bird Branch Project activity in the Shimomaruko Forest on the grounds of Canon’s global headquarters

# ENVIRONMENT

## Elimination of Hazardous Substances and Pollution Prevention

Canon thoroughly manages chemical substances in products and those used in manufacturing processes to prevent pollution of the global environment and adverse effects on people's health. Our basic approach to management involves prevention measures to ensure that products do not contain regulated chemical substances that exceed the prescribed standards and that production sites do not discharge regulated chemical substances that exceed such standards. We also take steps to confirm that we are in compliance with these standards. Particularly with regard

to chemical substances in products, we have built a Group-wide environmental assurance system, and we develop products in conformity with the in-house standards that have been established in line with the most stringent regulations in the world. To further ensure thorough management and more reliable legal compliance, the Canon Green Procurement Standards prohibit the procurement of parts and materials containing chemical substances subject to regulation beginning one year prior to the enforcement of applicable laws.

## Climate Change

Canon Group is working to reduce greenhouse gas emissions by assessing the impact of climate changes on the entire product lifecycle, from the manufacturing of materials and parts at suppliers, transportation to retailers, use by customers, and disposal and recycling.

The company aims to reduce its GHG emissions to net zero by 2050, and to reduce its Scope 1 and 2 emissions by 42% compared to 2022 and Scope 3 (category 1 and 11)

### ▪ Climate Change (Governance)

The impact of climate changes on Canon Group, response plans and targets were discussed at the Climate Change Working Group (WG) under the Sustainability Committee. The Climate Change WG is comprised of senior managers from each business and corporate division. The content of discussions is reported to the Sustainability Committee, and after approval, it is reported to the CEO.

emissions by 25% compared to 2022 by 2030. The target was verified by SBTi, an international initiative that recommends setting scientifically based CO<sub>2</sub> emissions reduction targets. To this end, Canon is promoting various initiatives, including the development of products using recycled materials, product downsizing and weight reduction, energy saving activities at production sites, energy saving during product use, product recycling, and efficient logistics.

### ▪ Climate Change (Strategy)

Canon Group conducts scenario analysis based on the TCFD\*<sup>1</sup> framework recommended for non-financial disclosure, and recognizes the importance of a dual approach that includes "mitigation" to reduce GHG emissions across the value chain as well as "adaptation" to physical risks. Canon group is committed to achieving its GHG emission reduction targets and building a resilient and sustainable business model that can withstand climate-related impacts. Canon uses Theme-based Sustainability Disclosure Standard No. 2 "Climate-related Disclosures" (Climate Standard) issued by SSBJ\*<sup>2</sup> as a reference for this section on climate change.

\*1 Task force on Climate-related Financial Disclosures

\*2 Sustainability Standards Board of Japan

## Climate Change (Indicators and Targets, Graphs)

### Targets and Achievements

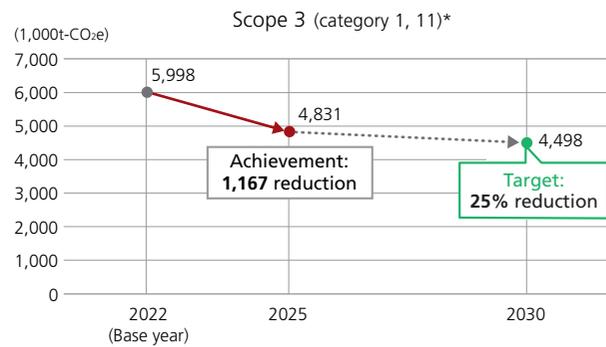
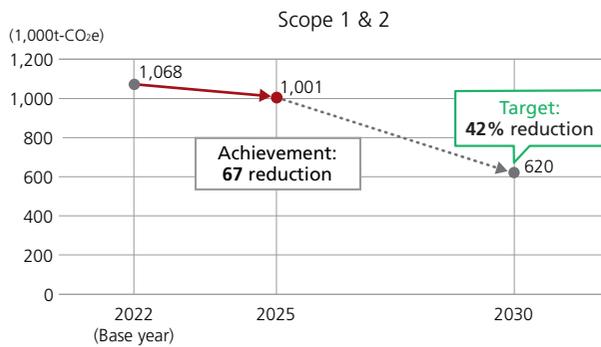
2030 Targets		2025 Achievements
GHG emissions (compared to 2022)	42% reduction for Scope 1 & 2, 25% reduction for Scope 3 (category 1 and 11)	Scope 1 & 2: 6.3% reduction; Scope 3: 19.4% reduction
Improvement in per-unit lifecycle CO <sub>2</sub> emissions index (compared to 2008)	50% improvement	45.5% improvement

2024-2026 Targets		2025 Achievements
Overall (Lifecycle)	3%-per-year average improvement in lifecycle CO <sub>2</sub> emissions improvement index per product	Average annual 3.59% improvement (2008–2025)

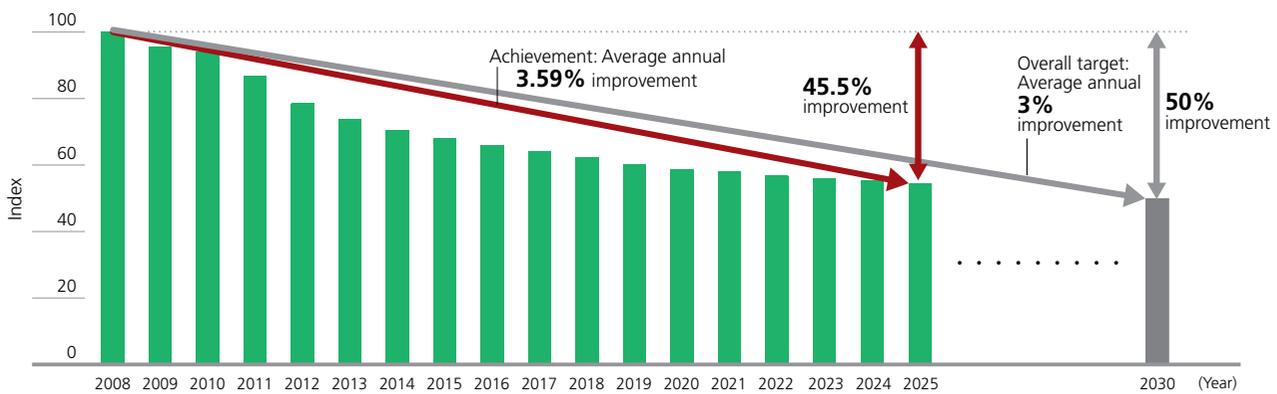
\* For scope of data collection: <https://global.canon/en/sustainability/report/pdf/data-2025-e.pdf>

### GHG Emissions



\* Some of the data for 2022 has been recalculated in line with the 2025 calculation method.

### Improvement in Per-Unit Lifecycle CO<sub>2</sub> Emissions Index



\* Assuming 2008 baseline of 100

# SOCIAL



High-resolution facsimiles of precious Japanese cultural assets, whose public viewing opportunities are limited, created as works of the Tsuzuri Project to share their beauty

## Guided by our corporate philosophy of *kyosei*, we aim to achieve a society where all people harmoniously living and working together in happiness into the future

### Basic Approach

Canon adopted *kyosei* as its corporate philosophy in 1988 with the aim of achieving a society where all people, regardless of culture, customs, language, or race, live and work harmoniously together in happiness into the future. Under this corporate philosophy, we are implementing various initiatives for the benefit of people and society such

as respecting human rights, promoting diversity, upholding occupational health and safety standards, developing human resources, and lending our support to sociocultural activities. Through these efforts, Canon contributes to the attainment of the SDGs and the achievement of Canon's own sustainable growth and development.

### Human Capital

Based on the corporate DNA of "Respect for Humanity" that has been handed down since its founding, Canon believes that the source of value creation lies in human resources, and it is actively investing in maximizing human resource value. In Phase VII of the Excellent Global

Corporation Plan, which commenced in 2026, we aim to achieve a new stage of growth by decisively advancing productivity innovation. To realize this, the Company aims to build a human resource portfolio to promote R&D of new technologies, as well as the company-wide automation and

in-house production of operations.

Specifically, the Company is working to recruit and develop human resources who can create innovation, and to foster a free and open organizational culture that makes the most of diverse human resources and ideas. In addition, Canon has introduced a job-based “position-based pay system” and has supported achieving the right combina-

tion of talent and job position regardless of age or gender. Furthermore, Canon supports the physical and mental health of its employees through various health support measures to enable each employee to fully demonstrate his or her abilities. Furthermore, the Company is realizing growth for both individuals and the Company by improving engagement through ease of work and job satisfaction.

## DE&I

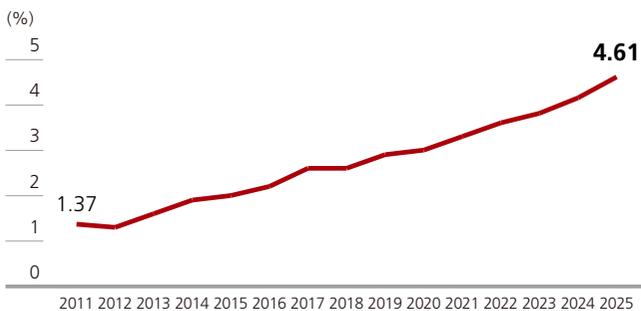
Canon promotes DE&I\* to generate innovation while incorporating diverse values and ideas. In 2012, the Company established VIVID (Vital workforce and Value Innovation through Diversity), a cross-sectional organization to promote DE&I. It conducts a variety of activities with the promotion of women’s success and support for men’s participation in childcare as key measures.

\* Diversity, Equity and Inclusion

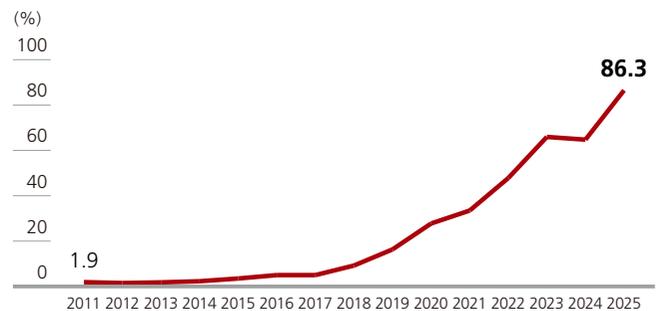


Leadership training course for women that aims to nurture female candidates for managerial positions

### Ratio of female managers



### Rate of men taking childcare leave



## Respect for Human Rights

Under the corporate philosophy of *kyosei*, Canon Group respects the human rights of employees, business partners and other stakeholders involved in its business activities. Canon group ensures human rights using the following measures: (1) formulating and reviewing the human rights policy; (2) undertaking human rights due diligence; (3) instituting and operating a grievance mechanism; (4) conduct-

ing human rights awareness training; (5) activities aimed at engaging with stakeholders on human rights issues; and (6) addressing human rights risks in the supply chain. In 2021, Canon Group Human Rights Policy was established as a part of promoting efforts to respect human rights. This policy is available to our stakeholders in various countries and regions worldwide via our website.

# SOCIAL

## Sociocultural Support Activities

To commemorate Canon's 70th anniversary, in 2008, we established the Canon Institute for Global Studies and the Canon Foundation. The Canon Institute for Global Studies is a think tank that researches and analyzes issues from a global perspective and makes policy proposals with an eye on the future of Japan and the world, mainly in the fields of macroeconomics, energy, environment, foreign policy, and national security. In addition, the Canon Foundation provides grants to assist a broad range of science and technological research with the goal of contributing to the advancement of science and technology.

Furthermore, since 2007, Canon and Kyoto Culture Association (NPO) have operated the Tsuzuri Project (officially named the Cultural Heritage Inheritance Project). By combining Canon's advanced imaging technologies—from input to image processing and output—with traditional Kyoto craftsmanship, we have produced high-resolution facsimiles of time-honored Japanese cultural assets for which viewing opportunities are rather limited, such as folding screens and sliding doors known as *fusuma*. By widely exhibiting these high-resolution facsimiles, we can provide opportunities for people to become more familiar with cultural assets.

### Canon Young People Programme

As one measure to help bring about a sustainable society, Canon Europe is running the Canon Young People Programme in 32 countries across Europe, the Middle East, and Africa. Based on the concepts of the SDGs, the program conducts workshops that aim to provide young people with opportunities to express themselves through photographs and videos incorporating creative visual storytelling and critical thinking. The program marked its 10th anniversary in 2025, and a total of 10,000 young people have participated to date.



Canon Young People Programme photo and video workshop for youth

### Miraisha Programme

Canon Central and North Africa is promoting its *Miraisha* Programme with the aim of improving the technical skills of young people in the region and expanding their opportunities for employment in the photography, video production, and printing industries. *Miraisha* is a portmanteau of the Japanese word for future, *mirai*, and the Swahili word for life, *maisha*. So far, workshops have been held in Kenya, Ghana, Nigeria, and other African countries in collaboration with local government agencies and other creative organizations, professional photographers selected as Canon ambassadors, and Canon-certified *Miraisha* trainers.



Participants of the *Miraisha* Programme in Nigeria

### 4E's Project

Canon India is implementing the 4E's Project to provide various forms of support to underprivileged villages in the four fields of eye care, education, environment, and empowerment.

In the field of eye care, vision centers have been established in villages where there is insufficient medical infrastructure to provide eye examinations using the Canon Group's fundus examination equipment. In 2025, 5,746 people visited the centers, 707 of whom were provided with eyeglasses free of charge, and 408 received further examinations at hospitals.



A patient undergoing an eye examination as part of the eye care project in India

# GOVERNANCE



Chairman & CEO Fujio Mitarai making a speech at an executive meeting

## Canon is working to enhance corporate governance with the aim of continuously raising corporate value

### Fundamental Approach

In order to establish a sound corporate governance structure and continuously raise corporate value, Canon believes

that it is essential to improve management transparency and strengthen management supervising functions.

### Governance Structure

#### ▪ Basic Policy

Canon is globally expanding its businesses in various business fields, including printing, medical, imaging, and industrial, and aims to aggressively expand into new business fields in the future. In order to make prompt decisions in each business field, and make important decisions for the

entire Canon Group or on matters that straddle several business fields from a company-wide perspective and at the same time secure appropriate decision making and execution of operation, Canon judges the corporate governance structure below to be effective.

#### ▪ Board of Directors

While the focus of the organizational structure of the Board of Directors is on Representative Directors that oversee company-wide business strategies or execution such as the CEO, COO, CFO, CTO, and Representative Directors or Executive

Directors that oversee multiple business fields or headquarters functions, at least two Independent Outside Directors are appointed while also assuring that they account for one third or more of the total number of Directors, in order to

# GOVERNANCE

secure sound management. The Board of Directors, in accordance with laws and regulations, makes important decisions and supervises the execution of duties.

Except for the above, the CEO and other Representative Directors are active in decision making and execution, and under the command and supervision of the Representative Directors, Executive Officers that are elected through resolution of the Board of Directors make decisions and execute operations of each business field or function.

As of the date of submission of this report, the Board of Directors consists of 10 members: six Directors from inside Canon Inc., including three Representative Directors, and

## ▪ Audit & Supervisory Board

As a body which is in charge of the audit of operations, under the principles of autonomy, which is independent from the Board of Directors, Canon has full-time Audit & Supervisory Board Members that are familiar with Canon's businesses or its management structure, and Independent Outside Audit & Supervisory Board Members that have extensive knowledge in specialized areas such as law, finance and accounting, and internal control. The Audit & Supervisory Board, which is composed of these individuals, cooperates with the Canon Accounting Auditors and internal audit division, oversees the status of duty execution of operations and corporate assets to secure the soundness of management.

There are five Audit & Supervisory Board Members of which three are Outside Audit & Supervisory Board Members, designated as Independent Directors and Audit & Supervisory Board Members.

In accordance with auditing policies and plans decided at Audit & Supervisory Board meetings, the Audit & Supervisory

## ▪ Procedures in the Nomination of Directors etc.

Canon Inc. established the "Nomination and Remuneration Advisory Committee," a non-statutory committee, which consists of the CFO, four Independent Outside Directors, and one Independent Outside Audit & Supervisory Board Member. With regard to the nomination of candidates for Directors and Audit & Supervisory Board Members and the election of Executive Officers (including the selection of a successor to the Chief Executive Officer position), the CEO rec-

ommends candidates from among those who are recognized to meet predetermined requirements, and after confirming the fairness and appropriateness of the recommendation by the Nomination and Remuneration Advisory Committee, the proposal of candidates is submitted to the Board of Directors for deliberation.

ommends candidates from among those who are recognized to meet predetermined requirements, and after confirming the fairness and appropriateness of the recommendation by the Nomination and Remuneration Advisory Committee, the proposal of candidates is submitted to the Board of Directors for deliberation.

four Independent Outside Directors, one of which is female. The CEO serves as the chairman of the board. Additionally, there will be 40 Executive Officers as of April 1, 2026, including one female and one non-Japanese.

At the Ordinary General Meeting of Shareholders scheduled for March 27, 2026, Canon Inc. will submit a proposal for the "Election of Eleven Directors," as an agenda item (matter for resolution). If this resolution is approved as proposed, the Board of Directors will consist of 11 members: six Directors from inside Canon Inc., including four Representative Directors, and five Independent Outside Directors, two of which will be female.

Board Members attend Board of Directors' meetings and other important gatherings such as Corporate Strategy Committee meetings. They are also able to listen to reports from Directors and employees, review documents related to important decisions, and conduct audits by investigating etc. the situation of businesses and property of Canon Inc. and affiliated companies. Additionally, the Office of Audit & Supervisory Board Members is independent from the control of the Directors etc., and it has a dedicated staff. The Audit & Supervisory Board Members can order headquarter management and other operations to conduct investigations in cases of necessity. In this way, the Audit & Supervisory Board plays a role in monitoring management, conducting strict audits of Directors' execution of duty, including the status of development of the internal control system. Furthermore, the Audit & Supervisory Board Members cooperate closely with the Accounting Auditors and Canon Inc.'s internal auditing arm, and such cooperation services to improve each monitoring function.

ommends candidates from among those who are recognized to meet predetermined requirements, and after confirming the fairness and appropriateness of the recommendation by the Nomination and Remuneration Advisory Committee, the proposal of candidates is submitted to the Board of Directors for deliberation.

Additionally, as for Audit & Supervisory Board Member candidates, prior to deliberation of the Board of Directors,

consent of the Audit & Supervisory Board shall be acquired.

At the Ordinary General Meeting of Shareholders scheduled for March 27, 2026, Canon Inc. will submit a proposal for the "Election of Eleven Directors," as an agenda item (matter

### ■ Requirements of Director Candidates

Director candidates are people that have the ability to fairly and effectively execute duties and, in principle, are selected from people that have met the following requirements,

#### Representative Directors and Executive Directors

Have a true understanding of the corporate philosophy and code of conduct of the Canon Group. At the same time, have broad familiarity with Canon Inc.'s businesses and operations, gained through, for example, Executive Officer experience. Have the ability to make effective decisions that overlook multiple businesses and functions. In addition to this, the CEO shall be a person with the ability to lead the Canon Group, having, in particular, a wealth of knowledge and skill related to management and a clear vision and a strong sense of responsibility.

#### Independent Outside Directors

In addition to meeting the independence standard that is separately determined by the Board of Directors, have an abundance of experience and superior insight into areas that cannot be adequately covered by internally appointed Directors into fields such as risk management, law, and economics.

for resolution). If this resolution is approved as proposed, this committee will consist of seven members, the CFO, five Independent Outside Directors and one Independent Outside Audit & Supervisory Board Member.

regardless of personal attributes such as gender, nationality, age etc.

### ■ Skills of Board of Directors

Canon Inc. operates businesses globally with very different market environments. As a whole, the Board of Directors, which oversees important decision-making and execution, needs to possess skills in the following seven areas.

At the Ordinary General Meeting of Shareholders scheduled for March 27, 2026, Canon Inc. will submit a proposal

for the "Election of Eleven Directors," as an agenda item (matter for resolution). If this resolution is approved as proposed, the skills of each Director will be as follows.

Note: The table below indicates up to five areas in which we expect each person to particularly demonstrate their skills. It does not represent the entirety of each person's experience, knowledge, or skills.

Skills Possessed by the Board of Directors Overall							
Directors	Corporate Management	Global Understanding	Business Experience	Technology and Development	Finance and Accounting	Risk Management	ESG
<b>* Outside Director</b>	Skills as a senior level executive of a listed company that does business globally, and the like	Global awareness /experience obtained through working overseas, global marketing, etc.	Business management skills in Canon Inc.'s business domain	Knowledge and R&D experience in Canon Inc.'s core competence technologies	Skills as a financial accounting expert, derived from being a financial accounting officer of a listed company, a certified public accountant, etc.	Skills as an expert in risk management, including compliance, and internal control systems	Knowledge and experience in ESG
Fuji Mitarai	●	●			●	●	●
Toshizo Tanaka		●			●	●	●
Toshio Homma	●	●	●	●			
Kazuto Ogawa	●	●	●			●	
Hiroaki Takeishi	●	●	●	●			
Minoru Asada	●	●			●	●	
Yusuke Kawamura *					●	●	●
Masayuki Ikegami *						●	●
Masaki Suzuki *					●	●	●
Akiko Ito *						●	●
Atsumi Arima *						●	●

### ■ Corporate Strategy Committee, Sustainability Committee, Risk Management Committee, and Disclosure Committee

Canon Inc. established the Corporate Strategy Committee, consisting of Directors, including Independent Outside Directors, Audit & Supervisory Board Members, and some

Executive Officers. Among items to be decided by the CEO, the Committee undertakes prior deliberations on important matters pertaining to Canon Group strategies.

# GOVERNANCE

Canon established the Sustainability Committee to share information and conduct preliminary deliberations with the aim of ensuring appropriate and effective judgment by the CEO or Board of Directors regarding the sustainability-related matters that the Canon Group should respond to or address.

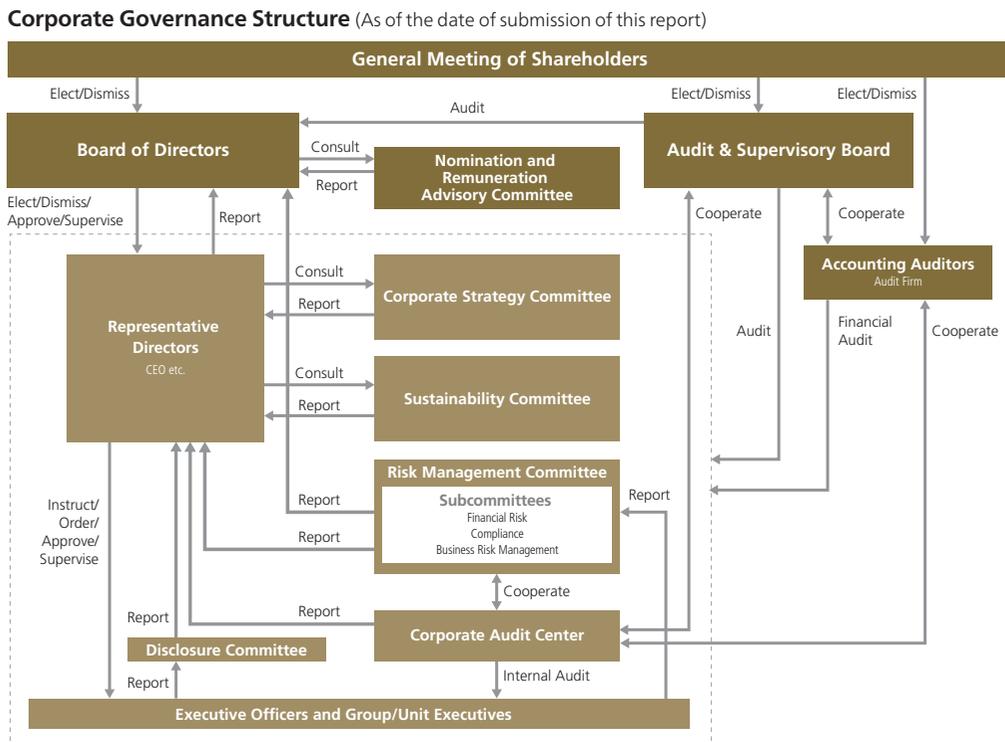
Based on a resolution passed by the Board of Directors, Canon Inc. set up the Risk Management Committee, which formulates policy and action proposals regarding improvement of the Canon Group risk management system. The Risk Management Committee consists of three entities: the Financial Risk Management Subcommittee, which is tasked with improving systems to ensure reliability of financial

reporting; the Compliance Subcommittee, which is tasked with promoting corporate ethics and improving legal compliance systems; and the Business Risk Management Subcommittee, which is charged with developing a management system for risks to business operations. The Risk Management Committee verifies the risk management system's improvement and implementation and reports the status to the CEO and the Board of Directors. In addition, the Disclosure Committee was established to undertake deliberations pertaining to information disclosure, including content and timing, to ensure important corporate information will be disclosed in a timely and accurate manner.

## ▪ Corporate Audit Center

Canon Inc. established the Corporate Audit Center as its internal auditing division, which audits each division and subsidiary of Canon Inc. on overall operations and management as well as on various topics such as finance, procurement, asset management, contracts, health and safety, quality, etc., and makes recommendations for improvements as necessary. Audit results are reported not only to the CEO, COO and CFO, but also to the Audit & Supervisory

Board Members and the Audit & Supervisory Board. In addition, Canon Inc. established a system in which reports are also regularly given to Outside Directors and those Outside Directors can request submission of proposals to the Board of Directors, as necessary.



Details of Canon Inc.'s corporate governance structure are available on Canon Inc.'s website under "An Overview of Corporate Governance at Canon Inc." <https://global.canon/en/ir/strategies/governance.html>