



## Product Responsibility

### Quality Management

#### Approach to Quality

In 1964, Canon determined that its basic quality concept\* is to ensure that customers have “no claims, no trouble,” and has since striven to earn the trust and heartfelt satisfaction of customers around the world by providing products and services of surpassing quality. Based on this mindset, the Canon Group’s firm commitment is to adhere to the Canon Quality motto that incorporates the three keywords “Safety + Smartness + Satisfaction” — the elements we view as essential to product and service quality. We are dedicated to improving the quality of products and services over their lifecycles.



\* “To contribute to the growth of the company and prosperity of the world, with the realization of ‘no claims, no trouble’ as our goal, based upon the company’s corporate philosophy and aims.” (Canon Quality Assurance Basic Regulations, Article 2)

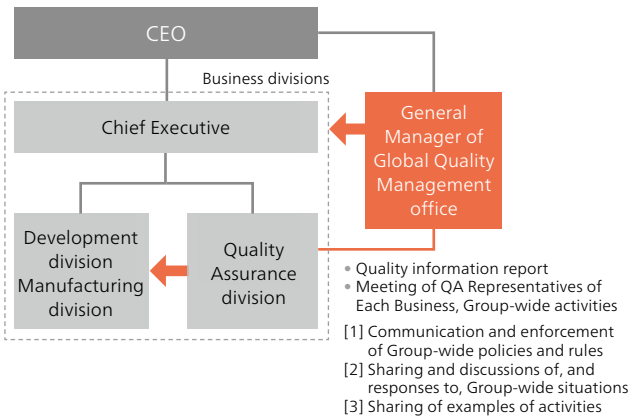
#### Quality Assurance System

At Canon, we have developed an in-house quality management system that we follow assiduously. The system has three defining characteristics, as outlined below.

- (1) Fulfills all the requirements of the international quality assurance standard ISO 9001\*<sup>1</sup>
- (2) Incorporates the concept of “substantial safety”<sup>\*2</sup> as standard for quality management
- (3) Introduces a framework for checking quality in product commercialization processes to ensure reliable product safety standards<sup>\*3</sup>

Using our in-house quality management system as a base, the various Headquarters divisions at Canon implement rigorous quality control by building quality assurance (QA) systems that are optimized for the characteristics of each business, as well as in compliance with the legal and regulatory standards of each country and region.

Under Canon’s quality governance set-up, the quality assurance division within each business division works independently of the development and manufacturing divisions. The Global Quality Management Office, a separate entity reporting directly to the CEO, also oversees quality assurance activities by each business division.



\*<sup>1</sup> The in-house regulations governing Canon’s quality management system are recognized by the International Register of Certified Auditors (IRCA) as an alternative standard to ISO 9001.

\*<sup>2</sup> This means safety not only in terms of what is required by laws and statutes, but also any safety issue that can reasonably be expected to arise during customer use even if not regulated or mandated by law.

\*<sup>3</sup> This involves setting QA standards that must be satisfied for each of the stages in the development of Canon products from development and design to production and shipping. At each checkpoint along the development path, the QA framework requires a decision on whether the QA standard is satisfied to ensure rigorous control of product quality.

### Education and Raising Quality Awareness

Canon employs a range of measures to instill high employee awareness of the need to maintain outstanding quality and attain further quality improvements, and to help employees gain related knowledge.

We continually communicate our basic concept and motto on quality, while also conducting annual Group-wide surveys of employees to ascertain the degree of quality awareness. We have designated November as Quality Month, and each year in November hold the Quality Fair and Quality Awards to raise quality awareness and recognize exceptional activities that have improved quality.

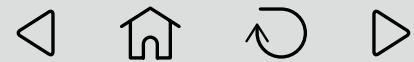
In addition, we provide online educational courses on quality for all employees and have developed a tiered training curriculum for Group companies in Japan and abroad. Alongside this, we have training programs customized to the specific circumstances and issues of each division, and we also conduct on-site training at production sites.

We also focus attention on training related to product safety, including a wide range of online and other training courses aimed at all levels from new employees to managers on product safety regulations and technology used in creating designs for safe products.

In 2024, we invited an outside expert on the serious quality issues uncovered at other companies to give a lecture to directors and all senior managerial staff at Canon Inc. on how to prevent such quality issues.

#### ■ Training Completion for Canon Inc. (2024)

- Basic Online Course on Quality (6 parts): 14,245 people
- Tiered Course on Quality (new employees, general/ managerial staff): 6,920 people
- Online Course on Product Safety Regulations (4 parts): 9,081 people
- Training Course on Technology for Safety Design (4 parts): 147 people



## Ensuring Product Safety

### Voluntary Action Plan Based on the Basic Policy on Product Safety

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

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

Besides using online training courses to help ensure such information is disseminated and followed, we continually update every Canon Group company involved in the sale, repair or servicing of products with the latest safety information for repairs and part exchanges.

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.

#### ■ 2024 Activities Scorecard for Canon Inc.

- Carried out review by senior management based on the Voluntary Action Plan for Product Safety (conducted annually since 2008)
- 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 e-learning course for all employees to promote understanding of the Voluntary Action Plan for Product Safety
- Revised the internal standards relating to product/chemical safety

### Establishment of In-house Product Safety Technical Standards

Canon has established its own safety standards (for substantial safety) for all Canon products, which take into account customer safety as well as legally stipulated product safety standards.

For example, Canon's safety-conscious standards call for the use of 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 customer demands regarding safety.

We use our proprietary safety standards to apply rigorous quality controls to all products within a framework for checking quality across product commercialization processes. Ensuring that all our products are safe to use, we never release to market any product not meeting the standards.

#### ■ 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
- Conduct safety-confirmation testing based on abnormal voltage waveforms in commercial power supplies confirmed at marketing sites in each country and region
- Hypothesize abnormalities, such as glitches or malfunctions, 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 has testing facilities for accurate and detailed evaluation of all aspects of product safety in line with

official standards and any applicable laws or regulations, including the measurement of chemical emissions, noise, biological safety, EMC\*1, and flame resistance ratings.

ISO and IEC\*2 accreditation enable Canon to use in-house facilities for the rigorous testing required to apply for safety/environmental labels for Canon products worldwide. This includes one of the largest, most advanced electromagnetic anechoic chambers in Japan, as well as various other world-class facilities. High-level, reliable quality evaluation is built into Canon's product development process.

\*1 Electromagnetic Compatibility testing. 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.

\*2 International Electrotechnical Commission, an international standardization group that formulates standards on electrical and digital technologies.

### Varied Safety-oriented Initiatives

#### ■ Safety Assessments of Chemical Emissions from Products

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

To ensure the safety of customers using Canon products, we have also defined our own internal safety standards based on the guidelines for indoor air quality and indicators as set by major bodies in Japan, the US and Europe, along with the related international standards. We also check that our products conform to these standards.

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 accreditation to conduct measurements in a fair and neutral manner.

Our evaluation protocols appropriately reflect the most up-to-date knowledge, such as the adoption of the ISO/



IEC 28360-1 international standard for measuring chemical emissions, which was revised in November 2021.



Chemical emission evaluation testing laboratory

■ Biological Safety Assessments for 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.

Canon's testing laboratories are highly reliable and have been certified by Japan's Ministry of Health, Labor and Welfare as in compliance with Good Laboratory Practice (GLP)\*1 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.

Canon is actively working on the use of alternatives to

animal testing in chemical safety assessments. Besides researching and utilizing information on Integrated Approaches to Testing and Assessment (IATA) including the use of alternative testing data\*2, we are making progress in conducting in-house testing according to OECD Test Guidelines.

\*1 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.

\*2 Canon does not conduct animal tests on ink, toner, or other consumables, unless required by laws or regulations, or requested by authorities, or where such testing is essential to safeguard customer safety. When conducting animal tests, we must comply with the "3Rs (Three Rs)," which are the basic principles of animal testing worldwide. This is stipulated in our internal rule regarding chemical safety.

■ Assessing the Safety of Medical Devices

Canon assesses the safety of medical devices based on ISO 14971 standards for the risk management of medical devices to ensure the health and safety of patients and users. For example, we do not simply identify hazards related to electrical, mechanical, or thermal energy in general. We also identify various related hazards such as biological safety, use error due to inappropriate usability, and cybersecurity, confirming throughout the lifecycle that anticipated risks have been reduced to an acceptable level.

Ensuring Quality and Reliability in Parts Procurement

Canon actively pursues activities to ensure the quality and reliability of procured parts and materials used in products, so that they can be used for years with confidence.

To ensure product quality, we have devised technical checklists by type for important procured components; we also maintain a quality assurance framework to ascertain the technical capabilities of suppliers prior to

any new parts procurement. To enhance quality, we work together with suppliers to optimize quality control systems and manufacturing processes. We also utilize high-precision nondestructive analysis technologies such as X-ray CT scans and thermal analysis to evaluate electronic components and isolate defects. In addition, to detect and resolve quality defects at an early stage, we strive to apply and upgrade technical solutions based on chemical analysis to elucidate the causes of material degradation, component damage or contamination with impurities.

Product/Service Security Measures

Measures to Address Vulnerabilities in Canon Products/Services

Network connectivity via the cloud or smartphones is increasingly enhancing the benefits from Canon products and services. On the other hand, there is a growing need for measures against the increasing cybersecurity risks, including the risk of loss of personal information or confidential data. Canon focuses on the potential cybersecurity risks from the product development stage to prevent any problems. In case specific security issues are identified, a system is set up to prevent or mitigate any negative impact on customers.

■ Development Process

We formulate the security requirements for Canon Group products and services based on regulatory information and the technology trends adopted by industry bodies, software vendors and other parties. The requirements are reflected in the development process by utilizing a secure development process that must include compulsory review checks and vulnerability testing. To prevent recurrence of past vulnerabilities, final quality sign-off requires prior completion of a vulnerability assessment stage within a company-wide process.



■ Education and Training

Product/service vulnerabilities response is a highly specialized area in which it is necessary to acquire and track the latest technical progress as well as increasingly sophisticated attack methods. Canon defines career and skill levels for its new software engineers, customer service engineers and security specialists, and has designed a level-specific security training curriculum to develop human resources. Support to the onsite vulnerability testing is provided as a follow-up to also build practical skills alongside the theoretical knowledge base.

■ Activities of Product Security Incident Response Team (Canon PSIRT)

We created the in-house Canon PSIRT team to respond to security issues as they arise in the field.

Working in the framework of METI's Early Warning Partnership and collaborating with the external groups such as JPCERT\*<sup>1</sup> Coordination Center and FIRST\*<sup>2</sup>, Canon PSIRT pays close attention to vulnerability related developments in the field, and gathers the latest information. Canon PSIRT website is published as a window to receive vulnerability information from researchers worldwide, and to release customer advisories on vulnerabilities of Canon products and services in a timely manner, thus ensuring cybersecurity response is on a world standard level.

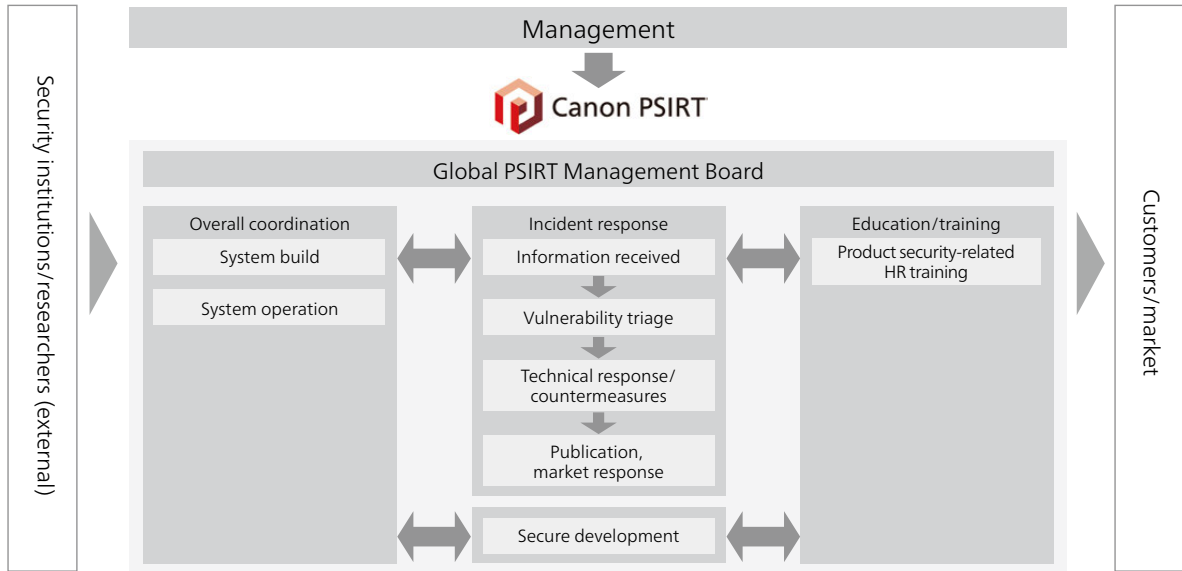
\*1 JPCERT: Japan Computer Emergency Response Team

\*2 FIRST: Forum of Incident Response and Security Teams (a global community of cybersecurity incident response teams from government entities, educational institutions and companies worldwide)

Reference: Canon PSIRT  
<https://psirt.canon>



Canon PSIRT



After-sales Support

Enhancing After-Sales Services in Various Countries and Regions

After-sales service is crucial to enabling customers to use our products with confidence. Canon is putting efforts into expanding the after-sales service network to be able to provide the same level of prompt, reliable support anywhere in the world.

For example, to enhance customer usability and more easily resolve issues, we are expanding customer support services globally through our website. In addition to posting FAQs, product specifications, user manuals, and other support information, the latest driver software is also available for download. Support information and software are both based on content shared worldwide, while including needed local content for each country or region. Group marketing companies then localize the content in various languages.

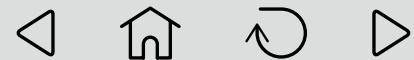
We continually monitor how customers use content and analyze survey responses and other data, feeding back the results to divisions producing content to constantly make updates and improve customer usability. We are also working to offer more user-friendly services by optimizing content to support the greater use of a wider range of information devices.

Market Information Collection and Analysis, Feedback

In order to achieve even greater customer satisfaction, Canon conducts product evaluations from the customer's perspective at the development stage, and incorporates customer feedback and requests in its development and design processes.

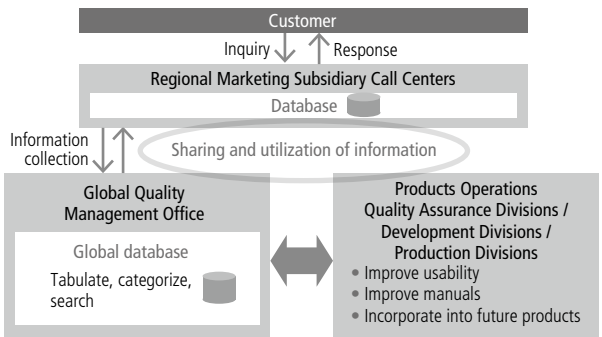
For example, using a framework called the Call Information Collection and Analysis System, we built a database of customer feedback and requests received by call centers at our marketing companies worldwide,





and manage this data centrally. Development divisions take advantage of this data to enhance customer usability, such as improving display methods on product control panels or simplifying the steps needed to connect to wireless LAN. Information gleaned from customers is shared internally throughout the Group, including development divisions, production divisions and marketing companies, and used to improve each local site.

#### Call Information Collection and Analysis System

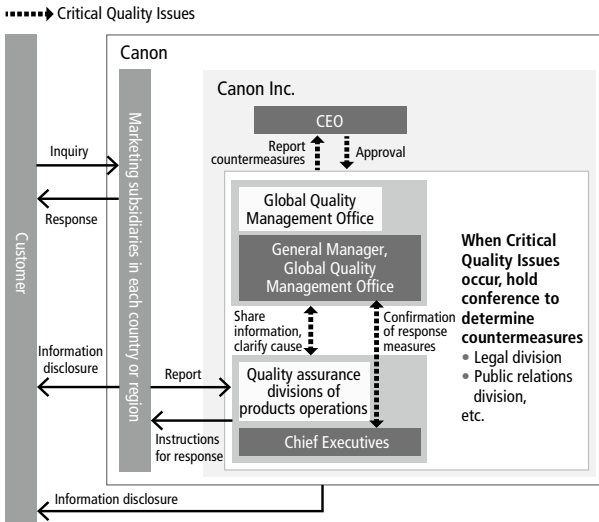


#### Process for Responding to Quality Issues

Should a quality issue arise, Canon has systems in place to promptly and appropriately investigate the cause, repair products free of charge, and disclose quality information. We also keep our customers informed about product quality issues and remedial procedures by placing product advisory statements in various newspapers and on our website.

There were no such statements in 2024. Should a quality issue arise, our marketing companies in each country or region, which serve as the contact point for customers, file a report with the quality assurance division of the respective Canon Inc. Headquarters division (products operations). The quality assurance division then investigates the cause of the issue as well as countermeasures. Moreover, in the event of a major

issue, related Headquarters divisions (products operations), the Global Quality Management Office, legal division, and public relations division are consulted concerning response measures, and after the matter is reported to the CEO, action is promptly taken.



#### Improving Product Usability

##### Providing Information on the Appropriate Use of Products

##### ■ Pursuing Usability for Canon Products

From consumer products to industrial equipment, to ensure the greatest possible ease of understanding and use for customers with a wide range of needs, Canon carries out usability tests using both internal and external monitors, web-based surveys, and expert staff evaluations at the product development stage.

We objectively test human factors, including physical characteristics, perception, judgment, and operating burden, to develop products that customers can use comfortably and with ease. We built a dedicated monitoring test room equipped to allow

detailed observation and recording of the behavior and actions of testers as they operate devices, including even hand movements.

Moreover, we are working to create safer testing environments by implementing measures to prevent infection such as a mechanism to broadcast testing scenarios for remote observation and the installation of clear plastic panels to block air-borne droplets.

##### ■ Promoting Universal Design

Canon strives to develop 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 evaluate and test usability, accessibility, and comfort from various perspectives, regarding aspects such as text sizes that are easy to read and color designs that are easy to recognize for people with various visual sensitivities. Information obtained from these activities is valuable in the development of more user-friendly products.

Moreover, aiming to encourage efforts in universal design, we distribute a guidance booklet to all development divisions that addresses the physical characteristics of users and various other issues that arise during product use, and also conduct e-learning courses to enhance knowledge in this area. We also create customer-oriented pamphlets and post website content among other steps to share information both inside and outside the company about the universal design initiatives underway at Canon.



Universal Design Action Guidelines

- Ease of use in every aspect  
Beginning with a complete understanding of customers’ usage scenarios, we use every means in our designs to provide usability suitable for the customers’ usage objectives and situations.
- Aim for products and services that people want to use  
We seek out and generate innovative ideas that go beyond mere improvements in order to create products and services that customers naturally want to use.
- Put the latest technologies to use  
We take advantage of Canon’s most advanced technologies to enhance customer convenience and realize richer and more comfortable living and working conditions.

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. To facilitate ready access for our developers, content on Section 508 stipulations is also made available internally in the form of Accessibility Evaluation Guidelines. Over in Europe, the European Accessibility Act, an EU Directive, was promulgated in 2019. European Standard EN 301 549, which is consistent with Section 508 standards, is

now beginning to be adopted for government procurement, not only in Europe but also globally.

Canon is committed to continuously gathering the latest information, and to developing products that are compliant with the accessibility requirements of each country and region.

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

## Corporate Governance

### Fundamental Policy

In order to establish a sound corporate governance structure and continuously raise corporate value, Canon Inc. believes that it is essential to improve management transparency and strengthen management supervising functions. At the same time, a sense of ethics and mission held by each executive and employee of a company is very important in order to achieve continuous corporate growth and development.

Reference: An Overview of Corporate Governance at Canon Inc.  
<https://global.canon/en/ir/strategies/governance.html>

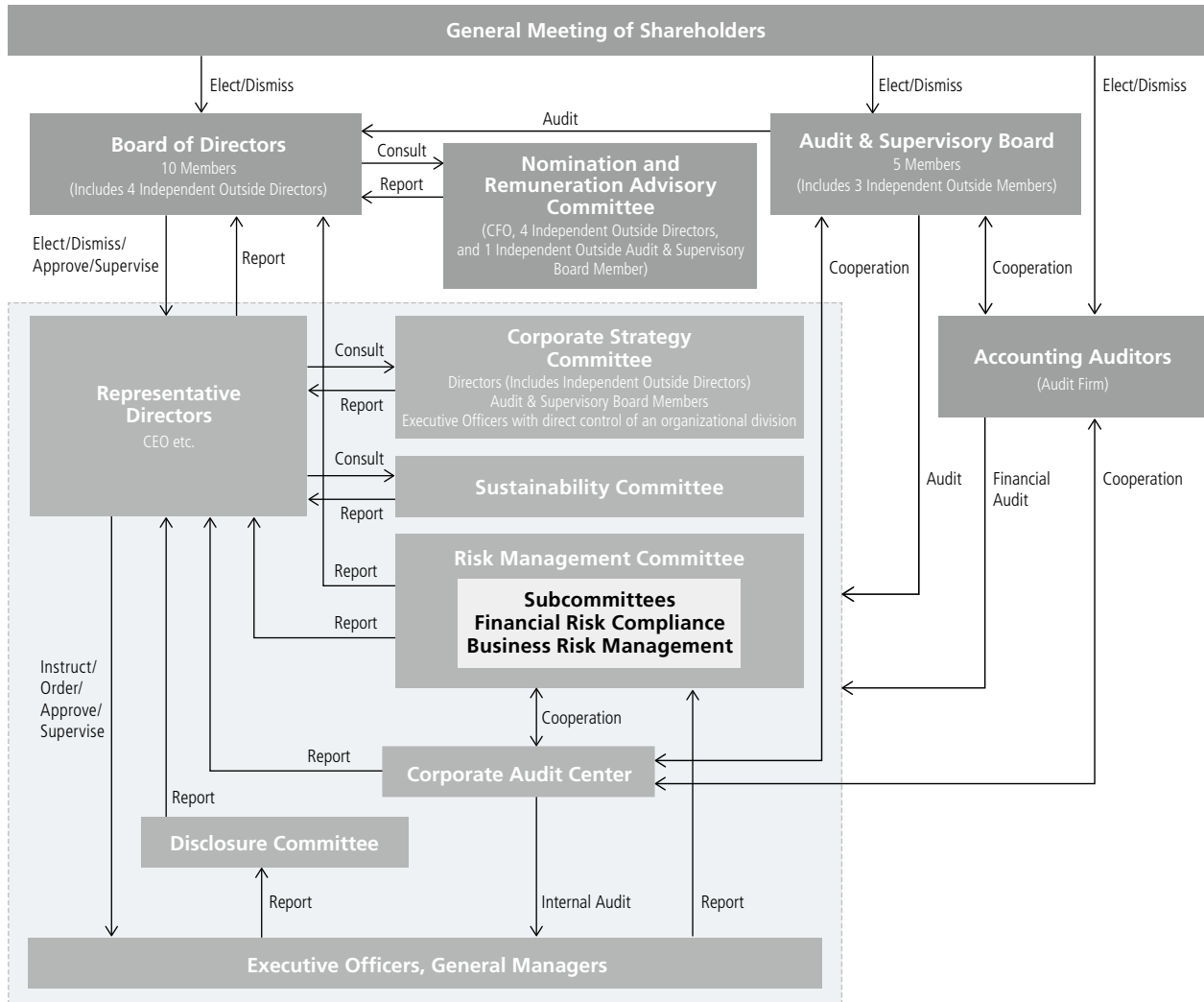
### Governance Structure

Canon Inc. 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 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 Inc. judges the corporate governance structure shown on the right to be effective.

#### Change in Corporate Governance Structure

Year	Item
2010	• Reduced the number of Directors (from 25 to 17)
2014	• Appointed Outside Directors (two)
2015	• Appointed female Executive Officer • Measures to assess effectiveness of Board of Directors
2016	• Reduced the number of Directors (from 17 to 6) • Established Nomination and Remuneration Advisory Committee • Established the Independence Standards for Independent Directors/Audit and Supervisory Board Members
2024	• Appointed a female Director • Increased the number of Directors (from 5 to 10)

#### Corporate Governance Structure (as of April 1, 2025)



\* The grey boxes represent the Organizations executing operations

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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, to ensure sound management the Board also includes at least two Independent Outside Directors accounting for one-third or more of the total number of directors. Chaired by the CEO, 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. The Board of Directors consists of ten members, six internal Directors including three Representative Directors and four Independent Outside Directors. The Board of Directors met 10 times in fiscal 2024.

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 Inc. has full-time Audit & Supervisory Board Members that are familiar with Canon Inc.’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 Canon Inc.’s 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 Independent Outside Audit & Supervisory Board Members. In accordance with auditing policies and plans decided at Audit & Supervisory Board meetings, the Audit & Supervisory Board Members attend Board of Directors’ meetings and other internal 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 its subsidiaries. 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 headquarters 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. The Audit & Supervisory Board met 21 times in fiscal 2024.

Nomination and Remuneration Advisory Committee

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 recommends 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.

In particular, Canon Inc. regards the succession plan for the CEO as one of the key themes that will lead to sustainable growth and medium- to long-term enhancement of corporate value. The CEO, under his own responsibility, assigns tasks to candidates, checks and evaluates the progress, and selects and develops candidates, through a training system for senior management, training programs

for selected executive officers, a system for accumulating management experience through the transfer of persons who have been selected as executive officers and involvement in company-wide projects. And the process is confirmed by the Nomination and Remuneration Advisory Committee.

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. The committee met four times in fiscal 2024.

Corporate Strategy 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.

Sustainability Committee

To support appropriate and effective related decision-making by the CEO and the Board of Directors, the Sustainability Committee was established on April 1, 2024 to share information and conduct preliminary deliberations into the sustainability-related matters in which Canon Group is either engaged or should address.

Risk Management Committee

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 improving systems to manage overall business risks. 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.



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Disclosure Committee

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.

Internal Audit Division

Canon Inc. has established the Corporate Audit Center as its internal auditing division, which audits each division and subsidiary of the Company 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 and CFO, but also to the Audit & Supervisory Board Members and the Audit & Supervisory Board as described in “Cooperation between Audit & Supervisory Board Members and Internal Auditing,” above. In addition, the Company has 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.

Board Policies in the Appointment of Senior Management and the Nomination of Director and Candidates

Director and Audit & Supervisory Board Member candidates and Executive Officers 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, regardless of personal attributes such as gender, nationality, age, etc.

Requirements of Director Candidates

■ **Representative Directors and Executive Directors**  
Have a true understanding of the corporate philosophy and code of conduct of the company. At the same time, have broad familiarity with the company’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 fields such as risk management, law, and economics

Attendance at Meetings of Board of Directors, Nomination and Remuneration Advisory Committee and Audit & Supervisory Board (Jan–Dec 2024)

Directors/Audit & Supervisory Board Members		Attendance		
		Board of Directors	Nomination and Remuneration Advisory Committee	Audit & Supervisory Board
Directors	Fujio Mitarai	(10/10) 100%	—	—
	Toshizo Tanaka	(10/10) 100%	(4/4) 100%	—
	Toshio Homma	(10/10) 100%	—	—
	Kazuto Ogawa	(7/7) 100%	—	—
	Hiroaki Takeishi	(7/7) 100%	—	—
	Minoru Asada	(7/7) 100%	—	—
Outside Directors	Yusuke Kawamura	(3/3) 100%	(2/2) 100%	—
	Kunitaro Saida	(10/10) 100%	(4/4) 100%	—
	Masayuki Ikegami	(7/7) 100%	(2/2) 100%	—
	Masaki Suzuki	(7/7) 100%	(2/2) 100%	—
	Akiko Ito	(7/7) 100%	(2/2) 100%	—
Audit & Supervisory Board Members	Chikahiro Okayama	—	—	(15/15) 100%
	Hideya Hatamochi	—	—	(21/21) 100%
	Katsuhito Yanagibashi	—	—	(6/6) 100%
Outside Audit & Supervisory Board Members	Yutaka Tanaka	—	(4/4) 100%	(21/21) 100%
	Hiroshi Yoshida	—	—	(21/21) 100%
	Koichi Kashimoto	—	—	(21/21) 100%

Note: Kunitaro Saida and Katsuhito Yanagibashi retired effective March 28, 2024.



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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 seven areas shown in the table on the right.

\* The table (right) 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.

Directors	Directors Skills to be Possessed by the Board of Directors Overall						
	Corporate Management	Global	Business Experience	Technology and Development	Finance and Accounting	Risk Management	ESG
	As a senior level executive of a listed company that does business globally, and the like Global awareness	Global mindset and experience obtained through working overseas, global marketing, etc.	Business management skills in the Company's business domain	Knowledge and R&D experience in the Company'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
Fujio Mitarai	●	●			●	●	●
Toshizo Tanaka		●			●	●	●
Toshio Homma	●	●	●	●			
Kazuto Ogawa	●	●	●			●	
Hiroaki Takeishi	●	●	●	●			
Minoru Asada	●	●			●	●	
Yusuke Kawamura*					●	●	●
Masayuki Ikegami*						●	●
Masaki Suzuki*					●	●	●
Akiko Ito*						●	●

\* Outside

Name		Reasons for Appointing
Outside Directors	Yusuke Kawamura	Yusuke Kawamura has a wealth of experience as an Outside Director along with capacity as an expert with respect to financial and securities systems as well as strategy for managing financial institutions, given that he worked at a securities company and subsequently served in various positions, including as a university professor, a commissioner of councils of Japan’s Ministry of Finance and Financial Services Agency, and an Executive Counselor of the Japan Securities Dealers Association. The Company elected him as an Outside Director in hopes that he will furnish particularly useful advice, drawing on his wealth of experience and high level of expertise regarding finance and securities, especially when taking part in discussions on M&A and ESG-related topics from a shareholder and investor perspective.
	Masayuki Ikegami	Masayuki Ikegami has been involved in various matters, including corporate cases, in legal professions over many years, having served in important roles at the High Public Prosecutors Office in both Nagoya and Osaka and as a Justice of the Supreme Court for seven years. The Company has selected him as a candidate for Outside Director in hopes that he can provide insightful opinions and supervision, particularly regarding internal control systems and corporate governance, including from the perspective of ensuring corporate compliance, based on his abundant experience and advanced knowledge.
	Masaki Suzuki	Masaki Suzuki worked for many years at the Ministry of Finance, before transferring to the Ministry of the Environment, where he held important positions such as Vice-Minister. After retiring from the ministry, he also served as the representative director of a private financial institution. The Company has selected him as a candidate for Outside Director in hopes that he can provide insightful opinions particularly concerning the areas of corporate finance and environment, in addition to opinions and supervision based on his managerial experience at financial institutions which require a high degree of appropriateness and compliance.
	Akiko Ito	Akiko Ito joined the Ministry of Construction (currently the Ministry of Land, Infrastructure, Transport and Tourism) as a technical official, served as its first female Director (Director of Housing Bureau), and was responsible for policies for regional revitalization, including human resource development and job and town development, before becoming Commissioner of the Consumer Affairs Agency. Since retiring from the Consumer Affairs Agency, she has continued to participate in research in related fields, while serving as the Outside Director of a corporation. The Company has selected her as a candidate for Outside Director in hopes that she can provide insightful advice and supervision particularly from the perspective of clients and consumers, as well as advice related to the active promotion of diverse human resources.

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Analyzing and Evaluating the Effectiveness of the Board of Directors

Once a year, a questionnaire survey of Directors and Audit & Supervisory Board Members on the items shown on the right is conducted. Based on the result of the questionnaire survey, analysis and evaluations regarding the effectiveness of the entire Board of Directors are carried out at the Board of Directors’ meeting.

- As for the operation of Board of Directors (including the appropriateness of when documents are distributed, how often meetings are held, and the time spent deliberating)
- As for the decision making and supervisory function of the Board of Directors (including the appropriateness of agenda items and agenda criteria of the Board of Directors as well as appropriateness, etc., of content that is reported)
- As for the roles of Outside Directors and Audit & Supervisory Board Members (including the necessity of training, etc., regarding the understanding of company affairs and corporate structure)

In fiscal 2024, the Board of Directors made continuous efforts to vitalize deliberations at the Board of Directors, such as providing advance explanations on proposals to Outside Directors and the Board of Corporate Auditors, sharing information on management through the attendance of Outside Directors at Corporate Strategy Meetings, etc., regular exchanges of opinions between Outside Directors and the Board of Corporate Auditors, individual explanations and exchanges of opinions on business strategies from each business division to Outside Directors and the Board of Corporate Auditors, explanations and exchanges of opinions on specific initiatives from the division in charge of sustainability to Outside Directors and the Board of Corporate Auditors, and providing opportunities for Outside Directors to visit business sites. As not only directors in charge of business execution but also Outside Directors and the Board of Corporate Auditors made positive and useful comments, the at the Board of Directors meeting held in February 2025 evaluated that there were no problems with the effectiveness of the Board of Directors.

In the future, yearly analysis and evaluations will be continued and an overview of the results will be disclosed. At the same time, when necessary, efforts will be made to improve the running, etc., of Board of Directors meetings.

Training Policy for Directors and Audit & Supervisory Board Members

Canon Inc. conducts training for directors and Audit & Supervisory Board members on appointment for the purpose of ensuring that they understand their roles and job responsibilities and that they have the knowledge necessary or useful to appropriately fulfill their duties. In addition, the Company has established a system in which they can attend

internal and external training sessions at the Company’s expense after taking office.  
In addition, to help Outside Directors and outside members of the Audit & Supervisory Board gain a deeper understanding of Canon operations, we afford them opportunities to attend important internal meetings (such as the Corporate Strategy Committee), meet with divisional heads, and visit business facilities.

Executive Compensation

The remuneration of Representative Directors and Executive Directors consists of basic remuneration, a bonus and stock-type compensation stock options as described below.

Basic Remuneration	Basic remuneration consists of a fixed amount of monetary remuneration paid monthly as consideration for the performance of duties of Directors. The amount is prescribed according to each Director’s position and the degree to which the Director contributes in this role and the total remuneration amount is within the limit approved at the General Meeting of Shareholders. (Total remuneration amount here refers to the total basic remuneration of all Directors including Outside Directors.)
Bonus	As a reward for Director service over a one-year term, Directors receive a bonus once a year for which “consolidated income before income taxes” is used as a financial indicator to measure the results of annual group-wide corporate activities. The total amount of the Director’s bonus is determined by multiplying such consolidated income with a given predetermined coefficient that corresponds with the Director’s position. It is also determined through individual assessment based on the degree to which the Director contributes in this role. Matters including whether a payment is allowed or the total amount of bonus as calculated above, are deliberated during the General Meeting of Shareholders every year.
Stock-type Compensation Stock Options	Once a year, stock acquisition rights on Canon Inc.’s shares are granted with the intent of providing an incentive for Directors to further contribute to the improvement of medium- and long-term performance and raising corporate value through sharing the benefits and risks of share price fluctuations with Canon Inc.’s shareholders. The total amount of the stock acquisition rights is within the amount approved at the General Meeting of Shareholders and the number of those stock acquisition rights granted is calculated based on the amount determined by the Director’s position, the consolidated income before income taxes in the previous year, as well as the degree to which the Director has contributed in this role (the amount of monetary compensation claims granted to Directors for the payment in exchange for the stock acquisition rights), and the stock price level at the time of granting. As remuneration is linked to the achievements throughout one’s term in office, Canon Inc. has a system in place that allows the exercising of acquisition rights at the time of retirement.

As for Outside Directors and Audit & Supervisory Board Members, remuneration is limited to the basic remuneration, which is a fixed amount, paid each month.

# Risk Management

## Basic Approach

At Canon, we recognize that to ensure proper operations and to continually improve corporate value, implementation and maintenance of a risk management system to deal with significant risks that the Group may face in business operations is vital.

## Risk Management System

Canon Inc. has established a risk management committee based on a resolution of the Board of Directors. Chaired by the CFO, the committee has established three subcommittees: the Financial Risk Management Subcommittee, Compliance Subcommittee, and Business Risk Management Subcommittee.

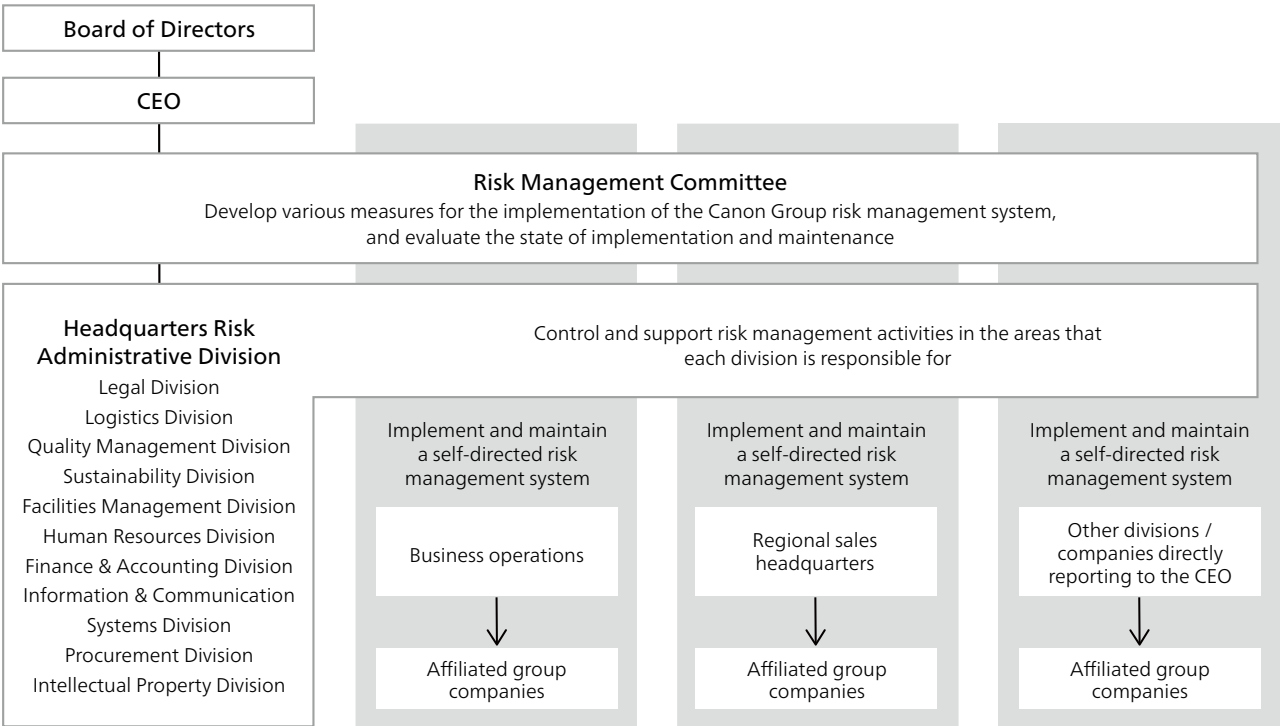
The Risk Management Committee develops various measures to implement Canon’s risk management system, including identifying any significant risks (violations of laws and regulations or corporate ethics, inappropriate financial reporting, environmental issues, quality issues or information leaks, etc.) that the Group may face in the course of business.

Canon Inc. administrative divisions responsible for various risks associated with business activities, including the Legal Division, Logistics Division, Quality Management Division, Human Resources Division, Finance & Accounting Division, belong to the relevant subcommittee and according to their areas of responsibility, control and support the risk management activities of each Canon Inc. division and Group company.

## Processes for Implementation and Maintenance of Risk Management System

P	D	C	A
<b>Risk Management Committee and Board of Directors</b> <ul style="list-style-type: none"><li>Develop various measures including the identification of significant risks</li></ul> <b>Divisions and Group companies</b> <ul style="list-style-type: none"><li>Formulate annual risk management policies and plans</li></ul>	<b>Divisions and Group companies</b> <ul style="list-style-type: none"><li>Establish appropriate rules and work flows</li><li>Carry out employee education</li><li>Conduct audits and checks</li></ul>	<b>Divisions and Group companies</b> <ul style="list-style-type: none"><li>Evaluate the state of implementation and maintenance</li></ul> <b>Risk Management Committee, CEO and Board of Directors</b> <ul style="list-style-type: none"><li>Confirm results of evaluation</li></ul>	<b>Risk Management Committee and Board of Directors</b> <ul style="list-style-type: none"><li>Discuss various measures of the risk management activity in the next fiscal year</li></ul>

## Risk Management System



Under this system, each Canon Inc. division and Group company implements and maintains a self-directed risk management system and makes a yearly report to the Risk Management Committee on the results of its activities.

Having received the report of each subcommittee, division, and Group company, the Risk Management Committee evaluates the state of implementation and maintenance of the risk management system and reports its findings to the CEO and Board of Directors. The evaluation conducted in 2024 found no material flaws in the system.

### Group-wide Risk Management Communication

At Canon Inc, during training for newly appointed executives of Group companies, participants are educated on the importance of autonomously implementing and maintaining a risk management system at each company, and the role of executives in implementing and maintaining such a system.

We also distribute the Canon Group Risk Management Handbook to executives and senior managers of Canon Inc. and Group companies in Japan. Moreover, the handbook is used in training for newly appointed general managers and section heads to emphasize the importance of risk management and the role played by managers in building our risk management system.

In addition, an intranet website provides employees of Canon Inc. and Group companies with timely information, including our approach to risk management and updates on activities.

### Financial Risk Management

The internal controls for financial reporting used at Canon Inc. are consistent with the basic framework outlined in the On the Revision of the Standards and Practice Standards for Management Assessment and Audit concerning Internal Control Over Financial Reporting (Council Opinions) issued by the Business Accounting Council; these controls are maintained and operated accordingly. The Financial Risk Management Subcommittee also conducts activities to strengthen internal controls pertaining to financial risks for the entire Canon Group, including compliance with Japan's Companies Act and Financial Instruments and Exchange Act.

Specifically, we support each Group company to implement independent initiatives and self-driven educational activities, with each company implementing its own PDCA cycle on financial risk-related business procedures to target qualitative improvement in the reliability of the Group's financial reporting.

As a result of these initiatives, we determined that our internal controls over financial reporting as of December 31, 2024 were effective.

### Promoting Compliance

The Compliance Subcommittee works to promote corporate ethics across the Group in accordance with the Canon Group Code of Conduct, developing and regularly reviewing the Group's compliance system. As a result of these initiatives, Canon had another year free from material fines or other sanctions in 2024.

### Sections of the Canon Group Code of Conduct (Extract)

#### Management Stance

##### 1. Contribution to Society

- Provision of excellent products • Protection of consumers
- Preservation of the environment
- Social and cultural contributions • Communication

##### 2. Fair Business Activities

- Practice of fair competition
- Observance of corporate ethics
- Appropriate disclosure of information

#### Code of Conduct for Executives and Employees

##### 1. Compliance with Corporate Ethics and Laws

- Fairness and sincerity • Legal compliance in performance of duties
- Appropriate interpretation of applicable laws, regulations and company rules

##### 2. Management of Corporate Assets and Property

- Strict management of assets and property
- Prohibition against improper use of company assets and property
- Protection of the company's intellectual property rights

##### 3. Management of Information

- Management in compliance with rules
- Prohibition against personal use of confidential and proprietary information
- Prohibition against insider trading
- Prohibition against the unlawful acquisition of confidential or proprietary information pertaining to other companies
- Appropriate use of confidential and proprietary information pertaining to other companies

##### 4. Conflicts of Interests / Separation of Personal and Company Matters

- Avoidance of conflicts of interests
- Prohibition against seeking, accepting or offering improper gifts, entertainment, or other benefits
- Prohibition against acquisition of pre-IPO shares

##### 5. Maintenance and Improvement of Working Environment

- Respect for the individual and prohibition against discrimination
- Prohibition against sexual harassment
- Prohibition against bringing weapons or drugs to the company workplace



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■ Canon Group Code of Conduct and Compliance Card

We have established the Canon Group Code of Conduct to clarify the management stance of the entire Group and the standards that executives and employees must comply with in their duties. To ensure that its content is understood by executives and employees in countries and regions worldwide, in addition to Japanese, the Code of Conduct is translated into more than 20 languages, including English, French, and Chinese, and adopted by a resolution of the Board of Directors of each Group company. A copy of the Code is issued to Group executives and employees worldwide and/or its text is posted on our intranet system as part of further efforts to ensure that it is known and practiced by all.

In addition, a Compliance Card that employees can carry with them is created in Japanese and more than 20 other languages, including English, French, and Chinese, and issued to Group executives and employees worldwide. Written on one side of the card is the *San-ji* (Three Selves) Spirit, which has been a guiding principle since our founding, and on the other side is a compliance test that enables employees to conduct a daily self-evaluation.

**CANON "San-Ji" Spirit**

**Ji-hatsu (Self-Motivation)**  
Take the initiative and be proactive in everything you do

**Ji-chi (Self-Management)**  
Conduct yourself responsibly and be accountable for all of your actions

**Ji-kaku (Self-Awareness)**  
Understand the situation you find yourself in and your role in that situation

Our commitment under the "San-Ji" Spirit:

- We must observe and act in accordance with all applicable laws and rules.
- We must always conduct ourselves in a fair, honest and ethical manner.

**Canon**

**Compliance Test**

**Would your actions**

- ☐ violate any laws or rules?
- ☐ leave you feeling guilty?
- ☐ disappoint your family, friends or co-workers?
- ☐ embarrass you if reported publicly in the news?
- ☐ cause trouble for the community?
- ☐ harm the Canon Brand?

When in doubt, always consult your superior or the designated department.

Compliance Card

■ Corporate Ethics and Compliance Training

Canon carries out corporate ethics and compliance training for employees suited to the circumstances and conditions of the region where they operate.

For example, Canon Inc. and Group companies in Japan conduct relevant training for executives and employees as part of new recruit training, etc. Additionally, we have since 2004 designated a Compliance Week twice a year—once in the first half of the year and the other in the second half—in order to foster discussions in the workplace about compliance issues. Through these efforts, we strive to develop and improve operational processes to ensure that employees are aware of compliance and abide by the law.

■ Compliance Hotline System for Internal and External Whistleblowers

Canon Inc. has a compliance hotline system to handle reports of compliance issues, including violations of laws, bribery and other forms of corruption, and other breaches of the Canon Group Code of Conduct. We encourage appropriate use of the system by using the intranet, compliance training and other means to build awareness.

Canon Inc. also has a hotline for external stakeholders, which they can use to report specific human rights-related concerns and information in connection with Canon's corporate activity or other specific concerns relating to various risks in the supply chain.

With both the internal and external hotlines, due care is taken to protect the privacy of informants and to ensure they do not suffer disadvantageous treatment as a result, including the option of anonymous reporting.

When a report containing a possible compliance violation is received, an investigation is launched to establish the facts and a final decision is made as to whether there is a compliance violation. If a compliance violation is found, the necessary corrective action is taken along with measures to prevent recurrence.

Nearly all Group companies worldwide have a compliance hotline.

Canon Inc. receives biannual reports from Group companies on the operational status of their respective compliance hotline systems. These biannual reports from each Group company include not only the number of cases they received but also a summary of each case, investigation results and responses, and measures to prevent recurrences. Reports for which Canon Inc. and Group companies completed investigation are analyzed statistically by category of case, including those where a compliance violation is found. The analysis results are reported on a yearly basis to the Risk Management Committee and fed back to each Group company.

The table below shows the numbers of whistleblowing reports, whistleblowing cases and compliance violations recognized after investigation into each case of whistleblowing, over the past three years. There have been no serious compliance violations.

Reports, cases and compliance violations (no.)			
	2022	2023	2024
Reports of whistleblowing during year	284	298	374
Cases of whistleblowing during year (at year-end)	311	336	409
Compliance violations recognized after investigation into whistleblowing (at year-end)	52	43	66

### Compliance System

We have identified the significant compliance violation risks that Canon may face in the course of business (for example, violations of competition laws, anti-bribery laws and export control regulations) based on an assessment of the likelihood of the risk materializing and the scale of its potential impact on our business. To reduce these risks, we are working to improve the system to ensure legal compliance by improving operational workflows and rules, providing compliance training to applicable employees, and conducting audits and checks.

#### ■ Strict Compliance with Security Trade Control

Canon implements a security trade control framework headed by the President. The framework ensures that we comply with regulations on the export of goods and technologies that could be diverted for use in weapons of mass destruction or conventional weaponry. Specifically, prior to entering into business we strictly check such issues as whether export goods and technologies are controlled by regulations, or whether counterparties are engaged in the development of weapons of mass destruction.

Security Trade Control is insufficient if undertaken by a single country or region. It is important to have international cooperation based on international treaties and export control regime agreements. To provide a unified policy and standard in the field of Security Trade Control, we established the Canon Security Trade Control Guidelines, which is implemented at Group companies worldwide.

In recent years there has been a move to use regulatory frameworks for security trade control in order to restrict the transactions of certain countries, regions, or corporations, mainly for reasons related to competition in the development of advanced technologies, information security, and protection of human rights. As it expands its range of business fields, Canon has also seen an increase in business transactions that require careful attention. We will pay close attention to the international situation and to the latest regulatory trends in our activities to ensure full compliance with Security Trade Control.

#### ■ Compliance with Competition Laws

Business divisions of Canon Inc. and Group companies worldwide with sales and service functions conduct regular training for employees of divisions exposed to the risk of competition law violations to educate them about competition laws, give examples of legal violations, and provide everyday operational compliance guidance. Employees are encouraged to make use of Canon's competition law hotline (connected to the Legal Division) when unsure of how to interpret or apply competition laws.

#### ■ Prevention of Corruption

The Canon Group CSR Basic Statement includes "9. Prevent corruption in all its forms including bribery," making clear to all stakeholders, both internal and external, the management stance adopted by Canon on bribery and other forms of corruption. In addition, the Canon Group Code of Conduct (→P85) clearly stipulates that Group executives and employees are prohibited from receiving benefits from business partners and corporate customers in the form of gifts or entertainment, etc., that exceed the social norm, and from providing similar benefits to government agencies, business partners and corporate customers. It also clearly prohibits actions that may cause conflicts of interest or constitute insider trading. In line with the above Basic Statement, we have formulated the Canon Supplier Code of Conduct, which requires our suppliers to refrain from engaging in any form of corruption, including bribery.

Based on the above policy, following identification and assessment of the risks that Canon may face in conducting business, the Risk Management Committee has identified violation of anti-corruption laws as a significant risk. As a countermeasure, corruption risk is assessed based on the country/region and type of business using such references as the Corruption Perceptions Index published by Transparency International, and then depending on such risk, anti-corruption systems are established in accordance with laws and guidelines related to anti-corruption in major countries, such as the Foreign Corrupt Practices Act

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(FCPA) of the United States and the Bribery Act of the United Kingdom. Specifically, for businesses and regions assessed as high risk, each Group company has established a responsible division and has clarified its management stance on anti-corruption and matters to be observed through the formulation of basic policies and company rules on anti-corruption. We are also putting in place systems to prevent corruption among suppliers, intermediaries, and other third parties outside Canon (performance of due diligence and inclusion of an anti-bribery clause in the contract) and conduct annual training for employees engaged in high-risk duties to deepen their understanding of the anti-corruption laws and regulations in major countries and regions. Moreover, we not only conduct audits depending on the risk of corruption but also conduct an annual survey (→P90) of suppliers as part of our supply chain management to check whether measures are in place to prevent the acceptance of bribes or inappropriate benefits. Finally, the Risk Management Committee undertakes an annual evaluation of the implementation and maintenance of the risk management system, which includes such anti-corruption systems, and reports the results of such evaluations to the CEO and Board of Directors.

Reference: Canon Suppliers Code of Conduct  
<https://global.canon/en/procurement/pdf/coc-e.pdf>

■ Protecting Personal Information

Based on its Personal Information Protection Policy, Canon Inc. has drawn up and is improving its internal rules for processing of personal information, including its Personal Information Protection Regulation.

The Risk Management Committee has also identified violation of the Protection of Personal Information Act as a significant legal risk for Canon. Accordingly, besides keeping abreast of related regulatory trends, Group companies worldwide are working to build systems where all personal information is properly acquired and utilized, based on the application of internal controls and use of regular self-audits and education programs.

Recent privacy legislation affecting Canon

Japan	Act on the Protection of Personal Information
EU	General Data Protection Regulation (GDPR)
The State of California, U.S.	California Consumer Privacy Act
China	Personal Information Protection Law

Promoting Business Risk Management

The Business Risk Management Subcommittee is responsible for identifying significant operational risks in terms of their potential impact and managing them.

Action policies and plans for each identified significant risk are decided in cooperation with the responsible divisions across the Group, and system implementation and risk mitigation activities are promoted through each business division and the responsible division at each Group company.

Business Continuity Plan

Canon's Headquarters building and core facilities for information systems and research and development are concentrated in suburban areas of Tokyo. As the incidence of earthquakes in Japan is relatively high, it is also at greater risk of earthquake damage than other countries and regions. Canon also has a global network of facilities and offices. The occurrence of earthquakes, floods, other natural disasters, or terrorist attacks could cause disruption of the infrastructure for such facilities and offices. Canon believes that establishing a system to ensure that business operations can continue in the event of such a natural disaster or emergency represents one of the most important social responsibilities of any company. Based on this recognition, we have formulated a business continuity plan (BCP)\*1 and Canon Group Disaster Preparedness Guidelines, and are taking other measures to ensure business continuity in the event of a disaster. Such measures include putting in place a backup system based on parallel production of similar models at a number of sites, upgrading buildings constructed according to old aseismic design standards, concluding disaster agreements with local communities, and developing systems for collecting information and reporting.

Due to the critical importance of our Shimomaruko headquarters in Tokyo, Japan, as the home base for all Group operations, we have established a crisis control center, installed backup generators, stockpiled fuel, equipment, and supplies, and established a multiplex communication system. Moreover, we set up a Disaster Recovery Center\*2 to back up information systems to ensure that the core IT system will operate securely in the event of a large-scale disaster such as an inland earthquake in the Tokyo capital region.

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We have updated all Group company facilities in Japan, setting up emergency communications equipment and support structures, and inculcated a sense of readiness in our employees through practical disaster-preparedness training. We also have systems that use data from surveillance cameras installed at each Group site so that any damage caused by natural disasters or other emergencies can be evaluated swiftly. Furthermore, we have prepared a leader's manual in order to safeguard human life immediately following a natural disaster or fire, prevent secondary disasters, and protect company assets. Using this manual as a model, Group companies are also creating localized manuals based on the unique risks in the areas where they operate to facilitate the smooth restoration of services in the event of a disaster. Last year, 45 operational sites conducted emergency drills based on these manuals.

\*1 An action plan that includes measures to provide for the continuation of a minimal level of business in the event of disaster, accident, or other such event, and to restore operations promptly.  
 \*2 A facility prepared for data backup in the event of a system breakdown due to a disaster.

Economic Security Initiatives

In response to the recent rise in geopolitical risk, activities to promote economic security by maintaining and reinforcing factors such as strategic autonomy and strategic necessity –the stated aims of Japan's Economic Security Promotion Act, enacted in May 2022 – have gained in importance. This includes stronger initiatives to prevent technology outflows and the introduction of new export controls with expanded geographical scope.

Canon Inc. is addressing economic security issues systematically at the divisional level. Besides coordinating company-wide activities; the Economic Security Office collates, researches and analyzes related internal and external information, sharing and reporting appropriately with management and the relevant divisions to promote the Group's economic security activities while bolstering related risk mitigation capabilities.

Proper Payment of Taxes

Canon believes that, as a multinational corporation with operations spanning the globe, the proper payment of taxes in the countries and regions where it operates is one of its most fundamental and important social responsibilities. Accordingly, Canon Inc.'s Finance & Accounting Headquarters operates an integrated tax management system in accordance with the principles set out below. As a result, Canon did not receive any negative tax-related judgments or assessments in 2024, nor was it subject to any major punitive measures, such as fines.

- 1. Pay taxes properly in accordance with the letter and the spirit of tax-related laws and ordinances without employing tax planning for tax avoidance purposes.
- 2. Ensure that tax accounting and other related processes are carried out unfailingly, according to law.
- 3. Develop tax-related governance systems and work to raise awareness about tax compliance.
- 4. Adhere to common international rules on international taxation (guidelines set by the Organization for Economic Co-operation and Development and the United Nations) and ensure that actions are in compliance with the tax laws of each country.

Corporate Income Taxes

	2020	2021	2022	2023	2024
Taxes on income before income taxes (hundred million yen)	343	719	924	1,063	1,183
Effective tax rate on income before income taxes (%)	26.4	23.7	26.2	27.2	39.3

## Supply Chain Management

### Basic Approach

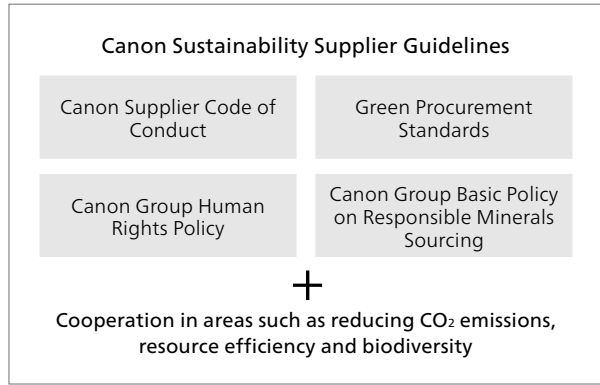
Having formed partnerships with suppliers worldwide, from whom it purchases considerable numbers of components, such as electronic parts, mechanical parts, units and materials, Canon believes it has a responsibility as a global manufacturer to consider the social and environmental impact of its procurement activities. In 2019, in line with this approach, Canon joined the Responsible Business Alliance (RBA), a coalition of companies that promotes socially responsible global supply chains.

Besides focusing on legal and regulatory compliance related to procurement from a global standpoint, Canon believes in the importance of dealing with suppliers in a fair and transparent manner. We promote an open procurement approach utilizing a broad base of suppliers worldwide.

### Policies

Canon's Procurement Policy establishes our basic stance on procurement, with the emphasis placed on observing corporate ethics, environmental conservation, and fair and equitable business conduct. We are working to develop a socially responsible global supply chain on issues such as labor, occupational health and safety, the environment, corporate ethics and management systems. We have also formulated the Canon Supplier Code of Conduct, based on the RBA Code of Conduct that has been translated into more than 20 languages, including English, Chinese, Japanese, Thai, and Vietnamese. In July 2024, we also formulated and distributed to suppliers the Canon Sustainability Supplier Guidelines, which summarize our initiatives for addressing climate change, human rights, and other important issues related to sustainability; requests for supplier cooperation and surveys; and the standards set out in the Canon Supplier Code of Conduct and Green

Procurement Standards. Based on these guidelines, we will continue to strengthen sustainable procurement in our supply chain. Our Procurement Policy and the Canon Sustainability Supplier Guidelines are published on our website to inform all stakeholders.



To strengthen cooperation with suppliers, the procurement annual meeting with our major suppliers is utilized to explain procurement policies, request compliance with the Canon Sustainability Supplier Guidelines, and report on related activities. In addition, we raise awareness of the code by conducting an annual survey of our suppliers worldwide, while also asking first-tier suppliers to ensure their supply chain (Canon's second-tier suppliers) understand and comply with the Canon Sustainability Supplier Guidelines.

Reference: Procurement Policy  
<https://global.canon/en/procurement/policy.html>  
Reference: Canon Supplier Code of Conduct  
<https://global.canon/en/procurement/pdf/coc-e.pdf>  
Reference: Canon Sustainability Supplier Guidelines  
<https://global.canon/en/procurement/pdf/ssg-e.pdf>

### Promotion System

The Procurement Headquarters at Canon Inc. oversees and promotes procurement activities across the Group. A central unit has been established to manage internal procurement-related controls, including setting rules, monitoring operational status, and training staff.

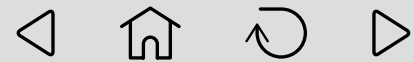
Policy items and significant matters regarding legal violations and risks relating to business operations are deliberated by the Risk Management Committee (→P80) in terms of ways of responding to business risks and opportunities and needed measures, with relevant reporting to the CEO and Board of Directors.

### Initiatives with Suppliers

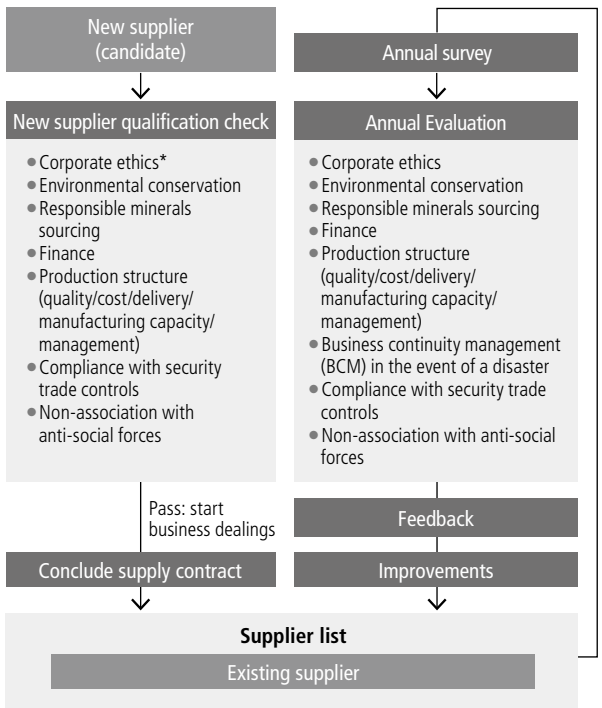
#### Supplier Evaluation

Before starting business dealings with a new supplier, Canon conducts an assessment based on the Canon Sustainability Supplier Guidelines and other reference standards of whether the company fulfills all requisite standards in terms of corporate ethics, environmental conservation (chemical substance management, prevention of air pollution and water pollution, proper disposal of waste, initiatives aimed at conserving energy and resources, reduction of GHG, and biodiversity conservation), finance, and production structure. Only those suppliers who meet these criteria are accepted as suppliers. We aim to preferentially deal with suppliers evaluated highly in our comprehensive assessment including our annual supplier survey as well as each supplier's trade performance. In addition, we conduct on-site audits of suppliers with low evaluations, providing guidance and instruction for improvement. In particular, Canon may choose to terminate business with suppliers if they are not complying with laws and social norms covering areas such as human rights, labor, and the environment.





Supplier Evaluation System



\* Corporate ethics covers areas including legal compliance, product safety, management of confidential information, human rights, labor, health and safety, and intellectual property right protection.

For parts and materials suppliers of its main business products ("major suppliers"), Canon uses an RBA-approved SAQ to identify their labor, health and safety, environmental, and ethical risks. Our 2024 survey of 378 companies elicited responses from 372 companies (representing 98.4%). Suppliers that did not reply to the survey were followed up individually. No businesses were identified as high risk among these suppliers, but we provided feedback on the results to our major suppliers and requested that they identify weaknesses and improve on them.

We also conduct online meetings and arrange site visits to help verify the SAQ responses of a select number of major suppliers around the world. During on-site inspections, we check that suppliers have instituted proper policies and internal regulations relating to labor, health and safety, the environment, ethics and supplier management, and that the systems for formulating and managing annual plans for environmental performance targets are functioning effectively. Recognizing the need to reinforce systems for compliance with the RBA Code of Conduct, we also confirm that suppliers and Canon should be committed to working together to achieve continuous improvements.

- **Example of Items Checked in On-site Inspection**
  - Availability of hotline for reporting harassment and related compliance processes
  - Condition of firefighting and fire protection equipment/systems and emergency exits
  - Regulations for using personal protective equipment and managing chemicals; implementation of OHS education activities
  - Records of target-setting and plans for cutting usage of energy and hazardous substances, plus related reviews
  - Whether code of conduct and policies are widely known

We also request major suppliers to sign an agreement concerning the RBA Code of Conduct. In 2024, agreements were signed with 371 of 378 major suppliers, equating to a consent rate of 98.1%.

Since 2022, at our core business production sites, we have also been carrying out risk assessments relating to labor, health and safety, the environment, and ethics, for the major onsite service providers related to security, cleaning, and cafeteria, labor agencies, and facility or dormitory management companies. The assessments conducted in 2024 identified risks mainly in the

following areas, and we worked for improvement in collaboration with suppliers.

- **Charge for Expenses Incurred for Employment**

In line with a company rule, employees were being charged for essential work items such as uniforms and tools. After requesting that charges be refunded and the company regulations revised, we checked that the rule had been changed.
- **Prohibition on Punitive Fines**

Disciplinary regulations included fines and pay cuts. Since these are not permitted under RBA standards, we requested that the company revise its regulations. Later, we checked that the rules had been revised.
- **Appropriate Pay Slips**

Since short-term workers were not receiving details of their paid hours or rates, we advised the company to provide them more detailed wage statement.
- **Physically Demanding Work**

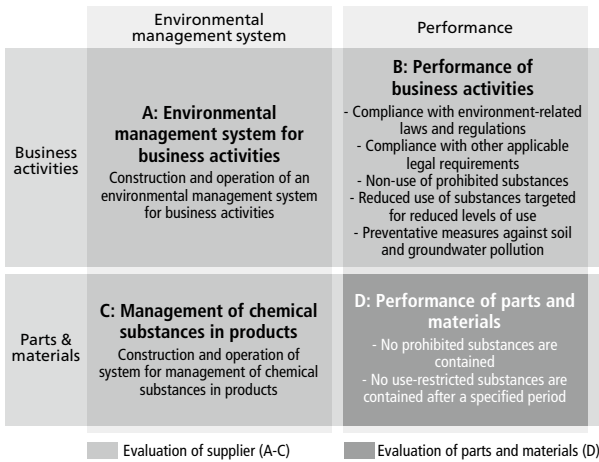
We requested a review of the work standards to ensure that tasks requiring the transportation of heavy objects (over 50 pounds) are carried out by two or more people. Additionally, we confirmed that pregnant women are not assigned tasks involving heavy objects.
- **Management of Personal Information**

With a supplier where the access to personal information about employees was not restricted properly, we requested that a framework of appropriate access controls be created. Later, we checked that a system involving password-setting had been established.

Green Procurement and Guidance to Suppliers

In the environmental area, Canon has established Canon Green Procurement Standards, which outline its environment-related requests to suppliers. Suppliers must comply with these standards to do business with Canon. Specifically, we view a supplier's environmental management as consisting of two interrelated elements: management of business activities, and management of parts and materials. We require that the supplier must operate effective environmental management in each of the four frameworks labeled A–D in the diagram below. If a supplier is found to have a negative impact on the environment, we immediately demand corrective action be taken and check the status of improvements made.

Requirements of the Canon Green Procurement Standards



To promote environmental conservation activities, we require Canon suppliers throughout the supply chain to work for environmental impact reduction in their business activities by putting in place and operating an environmental management system. Specifically, regarding the chemical substance content of products, alongside the requirements of our Green Procurement Standards, we have designed and deployed a system for managing information on the content of such substances in parts and materials to prevent the possibility of

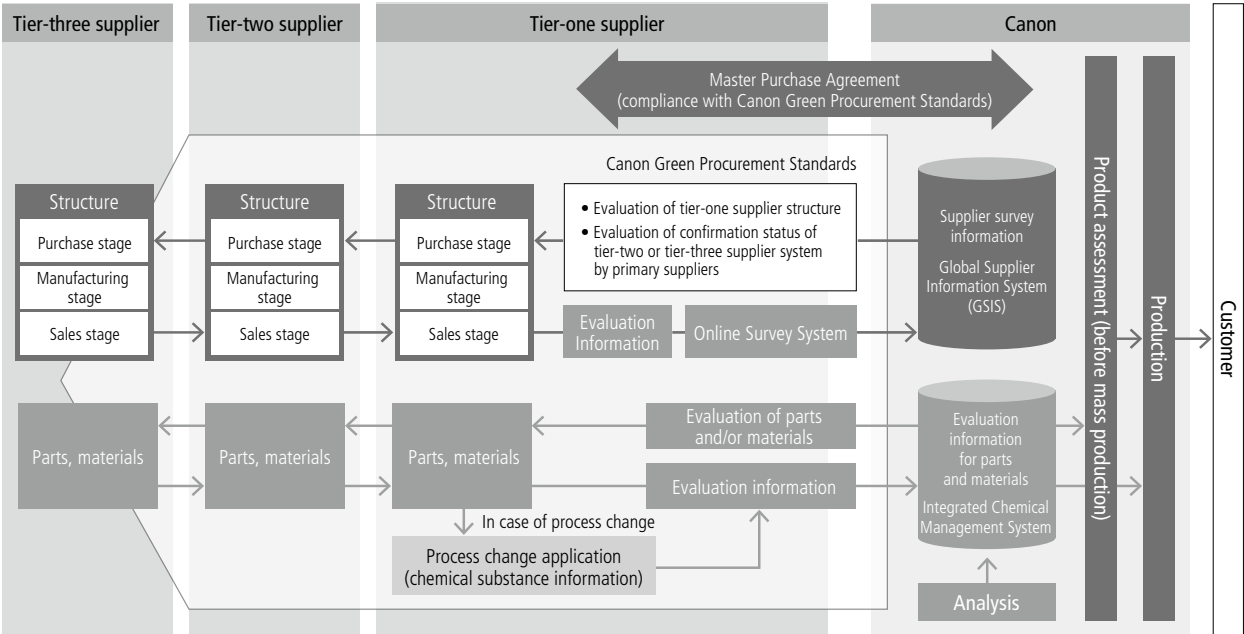
product contamination with prohibited substances.

It was already Canon's practice to check the organization and environmental performance of a supplier's business activities and any corrective measures taken. Now, we have further strengthened our risk management to help prevent pollution in our supply chain. For example, in order to ensure compliance with stricter regulations, we are taking measures to boost information gathering and analysis activities regarding

laws and regulations on wastewater and emissions in emerging countries. We also conduct risk management in plating processes, where there is a relatively high risk of environmental pollution associated with wastewater treatment as a certain volume of heavy metals is used. Expanding the scope of risk management in this way helps ensure pollution prevention.

Reference: Green Procurement  
<https://global.canon/en/procurement/green.html>

Hazardous Chemical Substances Management System



Reduction of Supply Chain Environmental Risk in Partnership with China's Institute of Public & Environmental Affairs (IPE)

Based on supply chain information published by the Institute of Public & Environmental Affairs (IPE), a Chinese environmental NGO, we help secondary and tertiary suppliers and other Chinese businesses located in the upstream of the supply chain to reduce environmental risk by making recommendations and carrying out improvements. By sharing information regularly and communicating with the IPE on best practice, we contribute to reducing environmental risk throughout the supply chain.

### Cooperation with Suppliers

Canon is enhancing its cooperative relationships with suppliers through implementation of the EQCD concept (→P12).

Specifically, as part of our environmental initiatives, we are working in partnership with suppliers to reduce CO<sub>2</sub> emissions using varied measures such as emissions visualization and the adoption of parts and materials with lower CO<sub>2</sub> emissions; to promote materials recycling; and to promote regulatory compliance relating to chemical substances.

In addition, as part of our initiatives to improve quality, besides clarifying evaluation standards, we are looking at cooperative approaches that utilize supplier feedback to help raise quality.

Through these types of communication, we aim to share information with suppliers, strengthen collaboration, and grow together.

### Hotline for Risks in the Supply Chain

Canon has set up a hotline to allow anyone inside or outside the company to anonymously report any concerns about the supply chain. This enables whistleblowers to share any specific concerns or information relating to human rights or other responsible business practices, such as instances of child labor or forced labor. This process is detailed in the Canon Supplier Code of Conduct and publicized.

Reference: Responsible Business Conduct Hotline  
<https://global.canon/en/contact/csr/csr-form-e.html>

### Addressing the Issue of Responsible Minerals Sourcing

Products manufactured and sold by the Canon Group and numerous other corporations contain materials that originate from a variety of minerals. These materials are sourced through diverse supply chains from their places of origin throughout the world. Mineral mining sites, smelters or other processing sites for some of those materials have been shown to have links to armed groups, serious human rights violations or environmental destruction. Corporations are therefore being called upon to exercise their social responsibility by identifying conflict/high-risk regions and avoiding the use of materials supplied from business operators disrespecting human rights or environmental conservation in those regions.

To reassure customers using Canon products, we are working with suppliers and industry bodies on responsible mineral sourcing initiatives.

Reference: Canon Group Basic Policy on Responsible Minerals Sourcing  
<https://global.canon/en/sustainability/society/conflict/policy/>

### Due Diligence

Canon investigates the countries of origin of minerals and exercises due diligence, following the 5-step framework recommended by the Organization for Economic Co-operation and Development (OECD) in its Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD Guidance).

Based on a common Group-wide policy and survey reporting system, Canon identifies products that could contain certain metals or minerals and then conducts investigations of the parts and materials in question, tracing up the supply chain to determine places of origin. Canon exercises due diligence to identify human rights and environmental risks in conflict-affected and high-risk areas around the world.

### Risk Identification and Evaluation

Tin, tantalum, tungsten and gold (3TG) produced in the Democratic Republic of the Congo (DRC) and neighboring countries are said to have been used in some cases to provide funding for armed groups allegedly responsible for serious human rights violations, environmental destruction, illegal mining, and other issues. These are generally referred to as “conflict minerals.” Canon conducts research and risk assessments for 3TG sourced from high-risk regions around the world due to conflict or other factors, including the DRC and neighboring countries.

Moreover, there has been heightened worldwide attention in recent years to the procurement risk associated with non-3TG mineral substances. Specifically, cobalt—used in lithium-ion batteries and other applications—is the focus of concern over potential human rights violations, including child labor, at mining locations. Canon began assessing cobalt procurement risks in 2021.

In identifying and evaluating the above risks, Canon uses the Conflict Minerals Reporting Template (CMRT) and the Extended Minerals Reporting Template (EMRT) published by the Responsible Minerals Initiative (RMI\*), as well as internally developed formats based on survey indicators where necessary. We use the results of these surveys to inform risk-mitigation efforts in this area.

\* An international program that plays a leading role in the response to conflict minerals.

Initiatives to Reduce Risk

Supplier cooperation is essential in identifying places of origin for minerals and related smelters. Besides assisting eligible suppliers by compiling a guidance manual for our surveys, we also encourage suppliers to ascertain and use only those smelters confirmed as conformant by the RMI. Where significant risk is found, we seek to mitigate it by requesting that suppliers switch to a supply chain with lower mineral procurement risk.

Canon established a page entitled “Procedure for the Submission of Concerns Regarding Mineral Risk” on its official website to recognize such risks in the early stage. Parties with specific concerns and/or information regarding circumstances of extraction, trade, handling and export of minerals in conflict-affected and high-risk areas as they pertain to Canon product supply chains (such as facts indicating that those minerals are the source of funds for armed groups in conflict-affected areas and human rights violations) can contact Canon through this page.

Reference: Procedure for the Submission of Concerns Regarding Mineral Risk  
<https://global.canon/en/contact/conflict/conflict-form-e.html>

Cooperation with Industry Groups

Since April 2015, Canon has supported the activities of the RMI, an international program focused on addressing the issue of conflict minerals.

In Japan, Canon is active as a leading member of the Responsible Minerals Trade Working Group (RMTWG) of the Japan Electronics and Information Technology Industries Association (JEITA).

2024 Surveys and Disclosure

In 2024, Canon requested CMRT/EMRT-based surveys relating to 3TG and cobalt sourcing from eligible suppliers. The response rates were approximately 90% for 3TG and 83% for cobalt (tentative response rate as of March 14, 2025).

Based on the survey responses, there is no evidence pointing towards significant human rights or environmental risks in Canon’s supply chain. However, the complex nature of the supply chain makes it difficult to identify specific smelters or in many cases to obtain clear responses. Given these and a range of other survey challenges, Canon is working for further risk identification and improvement.

In line with OECD Guidance, the assessment framework of Canon Group surveys, the results, risk analyses and information relating to specific smelters are published annually in the Conflict Minerals Report on Canon’s website.

The Responsible Minerals Sourcing Report (3TG) is audited by independent private-sector experts to provide some assurance that the Group’s initiatives on conflict minerals investigation conform to international standards in the form of the OECD Guidance.

A total of 22 Canon Group production sites underwent VAP audits by the RBA in 2024. Canon was recognized as being compliant with standards for ‘D. Ethics 7. Responsible Mineral Sourcing’ of the RBA Code of Conduct.

Reference: Responsible Minerals Sourcing Report (3TG)  
<https://global.canon/en/sustainability/society/conflict/>

Compliance with Modern Slavery Act

Modern slavery laws mandate enterprises of a certain scale that operate in a target jurisdiction to publish annual statements detailing the risk of forced labor, human trafficking and child labor in their own operations and supply chain. Such laws have been enacted in the UK (2015), Australia (2018) and Canada (2024). Canon group companies falling within the scope of the laws publish annual statements, based on the information on human rights risk assessments conducted by Canon Group production sites and suppliers.

Annual statements are also published by Canon Medical and Axis in compliance with this legislation.

Reference: Canon Europa N.V., Canon Europe Ltd., and Canon (UK) Ltd. Modern Slavery Act Statement

[https://canon.a.bigcontent.io/v1/static/modernslaverystatement2023\\_cabfb9e7d97a4ceca42e0669b12d60e5](https://canon.a.bigcontent.io/v1/static/modernslaverystatement2023_cabfb9e7d97a4ceca42e0669b12d60e5)

Reference: Canon Australia Pty Ltd. Modern Slavery Statement

<https://www.canon.com.au/about-canon/compliance/csr>

Reference: Canon Canada Inc. Modern Slavery Statement

[https://www.canon.ca/dam/about/Org/Corporate-Profile/Statements/Forced-Labour-and-Child-Labour-in-the-Supply-Chain-Report\\_052224\\_EN.pdf](https://www.canon.ca/dam/about/Org/Corporate-Profile/Statements/Forced-Labour-and-Child-Labour-in-the-Supply-Chain-Report_052224_EN.pdf)

Reference: CMSC Slavery and Human Trafficking Statement

[https://global.medical.canon/about/corporate/Slavery\\_and\\_Human\\_Trafficking\\_Statement](https://global.medical.canon/about/corporate/Slavery_and_Human_Trafficking_Statement)

Reference: Axis Modern Slavery Act Transparency Statement

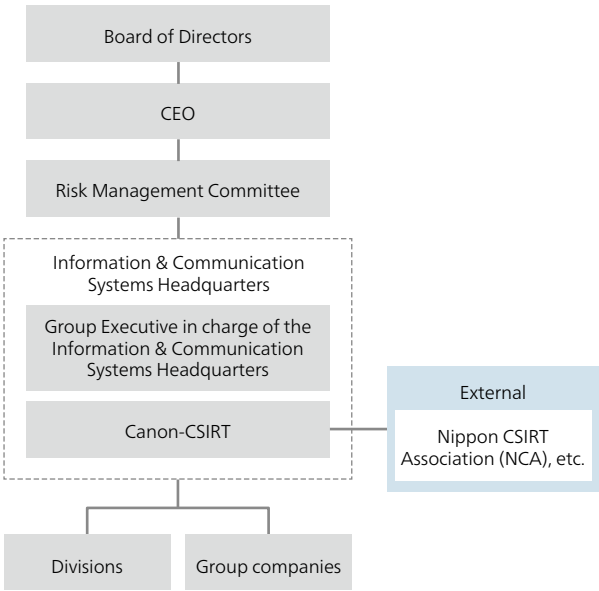
<https://www.axis.com/dam/public/9b/3c/fd/axis-modern-slavery-act--transparency-statement-2023-en-US-436358.pdf>

## Information Security

### Basic Approach

Recognizing it as a vital management issue, Canon conducts Group-wide information security initiatives in line with the fundamental principles of information security regulations. Since information security poses potentially major and direct business risks to Canon operations, we have created an information security promotion system as part of our risk management approach (→P84).

#### Information Security Promotion System



### Information Security Promotion System

Canon has constructed a system for the rapid collection and reporting of information on any information security-related incidents, based on the Risk Management Committee (→P80) established through a Board resolution.

Any incidents that occur must be reported to the Information & Communication Systems Headquarters. Depending on the circumstances and the business implications, they are also reported to the CEO and Board of Directors via the Risk Management Committee. Moreover, the Group Executive in charge of the Information & Communication Systems Headquarters is the senior executive in charge of information security at Canon Inc. and has decision-making responsibility for information security measures. The executive oversees the Information & Communication Systems Headquarters, which is the organization responsible for managing information security across the Canon Group.

The Information & Communication Systems Headquarters is also responsible for any input into medium-term business planning relating to information security, prior to CEO approval.

CSIRT\* is a dedicated team for dealing with information security incidents established inside the Information & Communication Systems Headquarters. Canon CSIRT joined the Nippon CSIRT Association (NCA) to strengthen collaboration with CISRTs of other companies.

The Information & Communication Systems Headquarters formulated the Canon Group Information Security Rules to ensure that uniform measures and a consistent approach to information security are applied across the Group, both in Japan and overseas.

Each Group company creates regulations and guidelines based on these rules in line with its needs and conducts related training and awareness activities.

\* Computer Security Incident Response Team. This is a dedicated, organized group that deals with incidents involving computer security.

### Information Security Management System

#### Information Security Training & Development

In order to maintain and improve information security, Canon is focusing on raising awareness among employees who use information systems.

Canon executives and all employees undergo annual information security training using an online platform. Roughly 23,000 employees of Canon Inc. received the information security training in 2024. Course content focused on improving information security literacy, including vulnerability risks and related mitigation measures, and critical points to consider when web conferencing.

In addition, special training sessions based on a targeted email attack were conducted involving roughly 60,000 Canon Inc. and Group company employees. This was intended to provide practical instruction in how to respond appropriately to suspicious emails and thus avert widespread damage. Specifically, newly hired employees unaccustomed to using email in the work environment received separate training to reinforce their awareness.

#### Information Security Audits

The status of each Group company's information security measures is confirmed by means of internal inspections based on the Canon Group Information Security Rules as well as through periodic audits by the Information and Communications Systems Headquarters, and improvements or revisions are made as needed.

In 2024, information security audits were conducted at 23 Group companies in Japan and 27 Group companies overseas. No major security risks with business implications were detected through these audits.



External Certification

Canon Inc.’s information security division has acquired ISO 27001 certification, the international standard for building and operating information security management systems.

Information Security Initiatives

Information System Security Measures

As part of measures to prevent the leakage of confidential data, we ensure that critical information is stored using a dedicated, access-controlled system with reinforced security and auto-recorded user activity. In addition, we have established an environment in which employees can safely access the company’s information assets from outside the office, and we also carefully manage email attachments as well as the taking of company computers and storage media offsite.

As a measure against cyber-attacks, we use monitoring systems to identify any suspicious emails with possible malware attachments. We also monitor unauthorized online communications from internal sources to try and prevent attacks from causing more widespread damage.

In addition, we have participated each year since 2017 in cyber-attack response training (NISC\*/NCA affiliated cross-field company-wide training), in order to strengthen our system for countering obstructions.

\* National center of Incident readiness and Strategy for Cybersecurity.

Security Measures for Production Facilities

Canon implements security measures for its production facilities to ensure malware, cyberattacks or other information security issues do not reduce productive capacity or otherwise disrupt production plans.

In the past, corporate mainframes or online information systems were the major targets for cyberattacks. Today, the growing use of off-the-shelf OS software and IoT means that production facilities attract the same level of information security risk. A separate approach is needed for production systems because production lead-times are longer than the customer support periods for off-the-shelf OS software. To ensure that Canon Inc. and Group manufacturing companies in Japan and overseas do not have to suspend operations due to a virus infection or similar attack, we also monitor the networks linked to important facilities and production lines for any unauthorized activity.

We also conduct security audits of production facilities to maintain a safe production environment.

Product/Service Security Measures

Canon is engaged in initiatives to prevent any cyber-security risks with products or services before they appear. In addition, our systems are designed to try to minimize the customer impacts if a cyber-security incident occurred.

See Product/Service Security Measures (→P75).

Security Measures for Supply Chain

Risks have grown in recent years of an attack against one part of the supply chain impacting the entire chain, leading to interruptions in the supply of products and services or the leaking of confidential information. In turn, this could result in economic losses, the loss of credibility and brand value, or other negative outcomes.

To mitigate such risks, Canon Inc. is promoting to eliminate information security risks throughout the entire supply chain by the cooperation of suppliers in information sharing and other activities.