

Canon Inc.

TICKER

TSE:7751

MARKET CAPITALIZATION

US\$43 billion

HEADQUARTERS

Japan

COMPLIANCE
UK Modern Slavery Act: [Disclosure available, but not compliant](#)
California Transparency in Supply Chains Act: [Not applicable](#)
COMMITMENTS
[None](#)
COMPANY'S OVERALL RANKING

29 out of 40

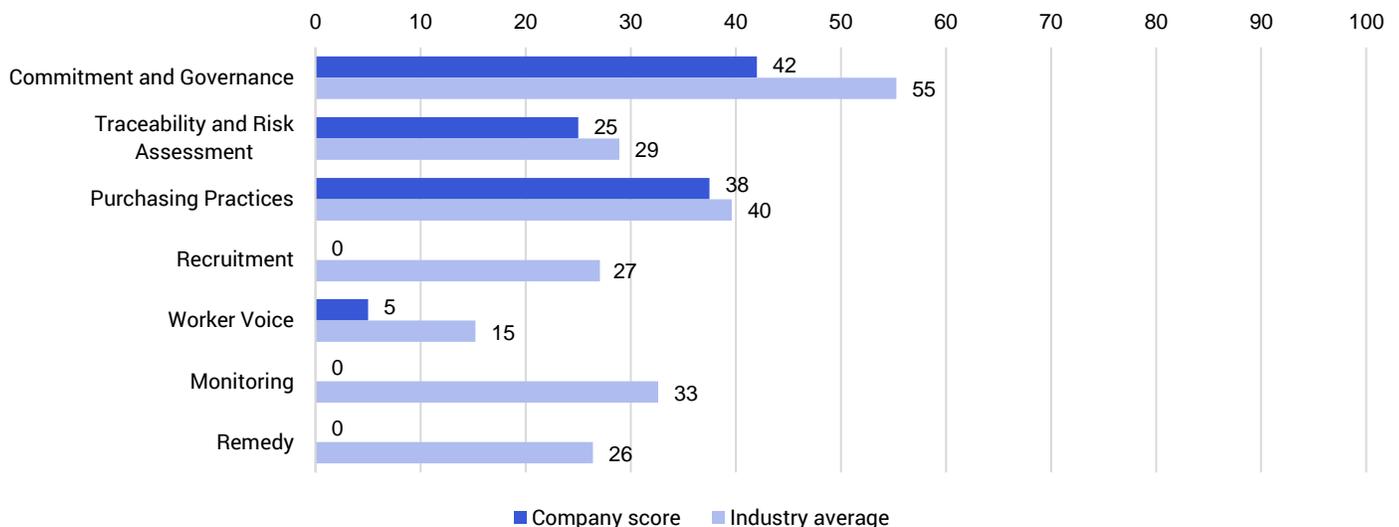
(2016: 18 out of 20)

COMPANY'S OVERALL SCORE

16 out of 100

SUMMARY

Canon Inc. (Canon) ranks 29th out of 40 companies, disclosing less information on its forced labor policies and practices than its peers. Since 2016, its score has improved from 12 to 16. This is because it has developed and disclosed policies and processes that include forced labor, such as CSR guidelines for its suppliers, internal accountability for CSR topics, internal CSR training, and a supplier selection process. It has also set up a "channel for feedback" where anyone can submit grievances regarding forced labor in the company's supply chain. The company has an opportunity to improve its performance and disclosure on the themes of recruitment, monitoring, and remedy.

THEME LEVEL SCORES


LEADING PRACTICES

None

NOTABLE FINDINGS

Supplier Code of Conduct: Canon has published Supplier CSR Guidelines which cover forced labor, child labor, and discrimination. The guidelines were approved by a senior executive, are easily available on the company's website, and include a revision history.

Supplier Selection: The company has put in place a qualification check that includes forced labor and that potential suppliers have to undergo before the company enters into a "Master Purchase Agreement."

Grievance Mechanism: The company states that it has set up a publicly available "channel for feedback" on its CSR activities. Via its supplier guidelines, the company invites "anyone... [to submit] concerns or information regarding human rights, labor, health and safety and other similar issues in Canon's supply chain, including but not limited to the occurrence of child labor or forced labor."

OPPORTUNITIES FOR IMPROVEMENT

Recruitment: To address the risk of exploitation of migrant workers through recruitment agencies in its supply chains, the company may consider requiring recruitment agencies used by its suppliers to uphold workers' rights and ensuring that workers in its supply chains are not charged fees during any recruitment-related process. The company is also encouraged to ensure recruitment agencies used by its suppliers are audited, and to work with suppliers to guarantee migrant workers' rights are respected (e.g., to ensure workers' passports or other personal documents are not retained).

Monitoring: The company may consider adopting and disclosing a supplier monitoring process to verify that its suppliers are compliant with its supply chain standards. Implementing specific practices, such as interviewing workers and conducting unannounced audits of suppliers may help the company detect forced labor risks in its supply chains. Disclosing information on the results of its supplier audits, such as the percentage of suppliers audited annually or a summary of findings, assures stakeholders that the company has strong monitoring processes in place.

Remedy: The company may consider establishing a process for creating corrective action plans with suppliers that are found to be in violation of workers' fundamental rights and freedoms (those articulated in the ILO Declaration on Fundamental Principles and Rights at Work). It may also consider designing a procedure to ensure remedy is provided to suppliers' workers in cases of human trafficking and forced labor.

COMPANY PROVIDED ADDITIONAL DISCLOSURE

[Yes, including on its business model](#)