

Canon Inc.

TICKER
 TKS:7751

MARKET CAPITALIZATION
 US\$43 billion

HEADQUARTERS
 Japan

DISCLOSURES
UK Modern Slavery Act: Yes (Disclosure of Subsidiary)

California Transparency in Supply Chains Act: Not applicable

TARGETS

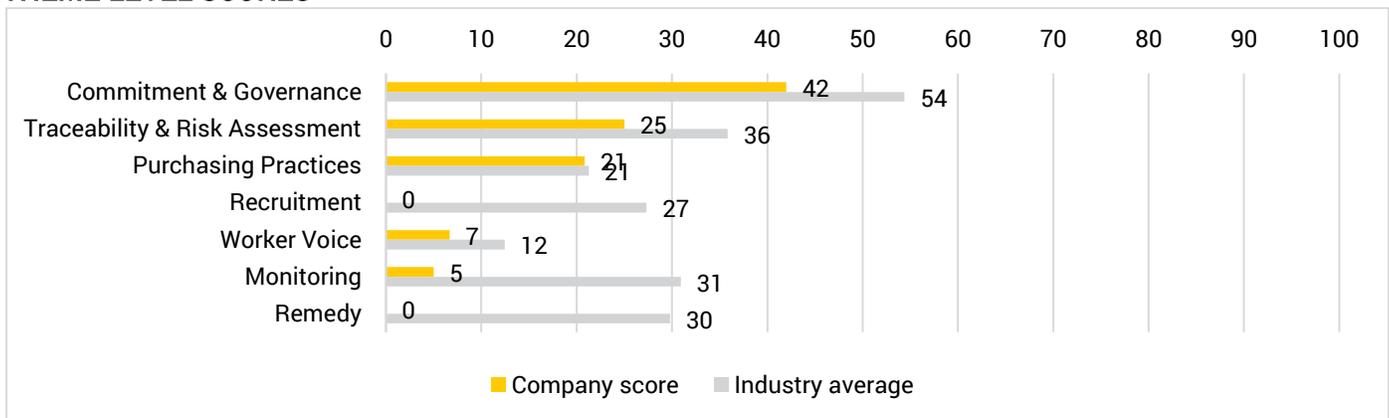
None

OVERALL RANKING
36 out of 49

(2018 Rank: 29 out of 40)

OVERALL SCORE
14 out of 100
SUMMARY

Canon Inc. (Canon), a supplier to companies including HP and Samsung, ranks 36th out of 49 companies and discloses less information on its forced labor policies and practices than its peers. Since 2018, the company has improved by disclosing that it has joined the Responsible Business Alliance and integrated a requirement for the standards in its Supplier CSR Guidelines (which prohibit forced labor) to be cascaded to the next tier of suppliers. The company's score is based on its disclosure on the themes of Commitment and Governance, Traceability and Risk Assessment, and Purchasing Practices. Compared to 2018, the company's overall score decreased by two points, as it did not improve across themes. The company is encouraged to improve its performance and disclosure, in particular on the themes of Commitment and Governance, Recruitment, and Remedy.

THEME-LEVEL SCORES


Research conducted through October 2019 or through January 2020, where companies provided additional disclosure or links. For more information, see the full dataset [here](#). For information on a company's positive and negative human rights impact, see the Business & Human Rights Resource Centre [website](#).

KEY DATA POINTS**SUPPLIER LIST**

No

NO-FEE POLICY

No

AVERAGE SUPPLIER SCORE

N/A

REMEDY FOR SUPPLY CHAINS WORKERS

No

HIGH-RISK SOURCING COUNTRIESLikely from Malaysia and/or China¹

LEADING PRACTICES

None.

NOTABLE FINDINGS

Supply Chain Standards: Canon discloses its Supplier CSR Guidelines, which prohibit forced labor and are easily accessible on the company's website. The guidelines also include a provision for the cascading of standards to the next tier of suppliers.

Stakeholder Engagement: The company reports that it has joined the Responsible Business Alliance, an industry initiative that includes a focus on eradicating forced labor.

Supplier Selection: Canon discloses that it reviews new suppliers against human rights and labor criteria, including forced labor, before it enters into purchase agreements with them.

OPPORTUNITIES FOR IMPROVEMENT

Commitment & Governance: The company may consider establishing training programs to ensure that relevant decision-makers within the company and its supply chains are aware of the risks related to forced labor and human trafficking and are effectively implementing the company's policies. It is also encouraged to engage in capacity building so that its suppliers can cascade its supply chain policies that address forced labor and human trafficking to their own supply chains and/or train suppliers below the first tier on such policies.

Recruitment: To address the risk of exploitation of migrant workers through recruitment agencies in its supply chains, the company is encouraged to take steps to ensure that workers in its supply chains are not charged fees during any recruitment-related process. The company may further consider taking steps to ensure that such fees are reimbursed to the workers and/or provide evidence of payment of recruitment-related fees by suppliers if it discovers that fees have been paid by workers in its supply chains. The company is also encouraged to take steps to ensure that the rights of workers in vulnerable conditions, such as migrant workers, are respected (e.g., to verify workers' passports and other personal documents are not retained).

Remedy: The company may consider establishing a process for creating corrective action plans with suppliers that are found to violate the [ILO core labor standards](#), which include the elimination of forced labor. It may also consider designing a procedure to ensure that remedy is provided to its suppliers' workers where such rights have been violated and disclosing examples of remedy outcomes for workers in its supply chains.

ENGAGED WITH KNOWTHECHAIN

Yes ([Sent Links](#)).

¹ Most electronic devices are produced at least in part in China and/or Malaysia, two countries where electronics may be produced using forced labor. KnowTheChain (June 2020), "[2020 KTC ICT Benchmark Report](#)."