

Approach (Environment)

GRI2-23 GRI2-25 GRI3-2 GRI3-3

Canon's Approach to Environmental Assurance

Acting on the foundation of its Approach to Sustainability (→P07), Canon works to protect and conserve the global environment in line with the Canon Group Environmental Charter and the Canon Environmental Vision.

Canon Group Environmental Charter

Corporate Philosophy: *Kyosei*

Achieve corporate growth and development while contributing to the prosperity of the world and the happiness of humankind.

Environmental Assurance Philosophy

In the interest of world prosperity and the happiness of humankind, pursue maximization of resource efficiency, and contribute to the creation of a society that practices sustainable development.

Fundamental Policies for Environmental Assurance

Seek to harmonize environmental and economic interests in all business activities, products and services (the EQCD concept); offer products with lower environmental burden through innovative improvements in resource efficiency, and eliminate anti-social activities that threaten the health and safety of mankind and the environment.

EQCD Concept

- E: Environment Companies are not qualified to manufacture goods (environmental assurance) if they are incapable of environmental assurance.
- Q: Quality Companies are not qualified to market goods if they are incapable of producing quality goods.
- C: Cost Companies are not qualified to compete if they are incapable of meeting cost and delivery requirements.
- D: Delivery

1. Optimize the organizations for prompting the Canon Group's global environmental efforts, and promote environmental assurance activities for the Group as a whole.
2. Assess the environmental impact of entire product lifecycles and explore ways to minimize environmental burden.
3. Promote the research and development of technologies and materials essential for environmental assurance and share the achievements with society.
4. Comply with all applicable laws in each country/region and other requirements the Canon Group agrees upon with stakeholders, and promote energy and resource conservation and elimination of hazardous substances in all corporate activities.
5. In procuring and purchasing necessary resources, give priority to materials, parts and products with lower environmental burden.
6. Establish an Environmental Management System (EMS) and establish and periodically review environmental objectives and targets to prevent environmental pollution and damage, and steadily reduce environmental burden.
7. Actively disclose to all stakeholders information on environmental burden and keep them updated on the progress of environmental measures.
8. Raise the environmental awareness of employees and educate them to take the initiative in environmental protection.
9. Maintain close relationships with governments, communities, and other interested parties, and actively support and participate in environmental protection activities.

23 March, 2007
Chairman & CEO
Canon Inc.



Canon Group Environmental Charter

Canon Environmental Vision



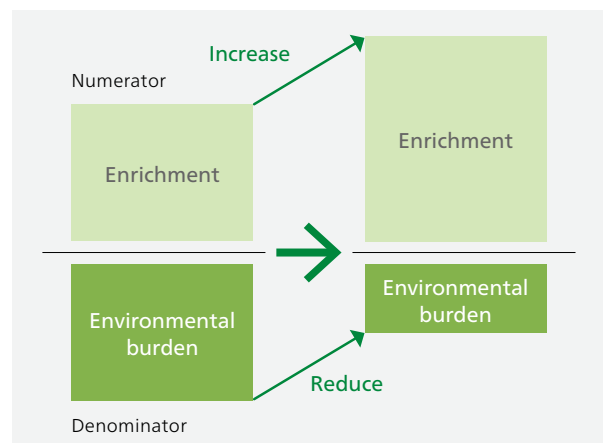
Through technological innovation and improved management efficiency throughout all of its corporate activities, Canon aims to achieve sustainable corporate growth while also realizing a society that promotes both enriched lifestyles and the environment.

To this end, Canon offers greater value using fewer resources throughout the entire product lifecycle — Produce, Use, Recycle— to achieve highly functional products with minimal environmental burden. Canon continues to expand these activities with its customers and business partners.

Canon will contribute to a future that promotes both enrichment and the environment through technological innovation.

Canon Environmental Vision

Canon's Approach



For 2050

We aim to achieve net-zero CO₂ emissions for entire product lifecycles*¹ by 2050.

For 2030

Canon aims to consistently achieving the environmental targets of an average annual 3% improvement in the index of lifecycle CO₂ emissions per product unit set in 2008, and realize a cumulative total 50% improvement by 2030. In addition, we aim to reduce absolute scope 1 and 2 GHG emissions 42% and absolute scope 3 GHG emissions (category 1 and 11) 25% by 2030 from a 2022 base year in line with the SBTi's*² criteria (Canon has submitted these targets to the SBTi for official validation.).

Approach

To reach net zero CO₂ emissions, we will rigorously improve efficiency throughout product lifecycles, further promoting energy efficiency in design, production, and distribution. Since 2008, Canon has consistently met its target of an average annual improvement of 3% for the index of lifecycle CO₂ emissions per product unit. We will continue to build on this record of achievement going forward. We have moved ahead with the introduction of renewable energy mainly in Europe and Asia, and will continue to promote the strategic utilization of renewable energy in consideration of its availability and economic viability in each region. We will also seek to reduce CO₂ emissions through advances in the recycling of resources. In addition to our own efforts, we will collaborate on initiatives with stakeholders throughout the value chain. Over the long term, we aim to incorporate the products of innovation to reduce CO₂ emissions using various approaches, including the achievement of our SBT milestones. At the same time, by making a wide range of technologies and IT solutions available, Canon will not only reduce CO₂ emissions in our own operations but also help lower CO₂ emissions across society.

*1 Scope 1: Direct emissions (city gas, LPG, light oil, kerosene, non-energy-related greenhouse gases, etc.)
 Scope 2: Indirect emissions (from use of electricity, steam, etc.)
 Scope 3: Supply chain-related emissions (emissions from purchased goods and services, upstream transportation and distribution, and utilization of sold products).
 *2 SBTi (Science Based Targets initiative): The Science Based Targets initiative is a global body enabling businesses and financial institutions to set ambitious emissions reductions targets in line with climate science.

Medium-term Environmental Targets (Three-year Plan)

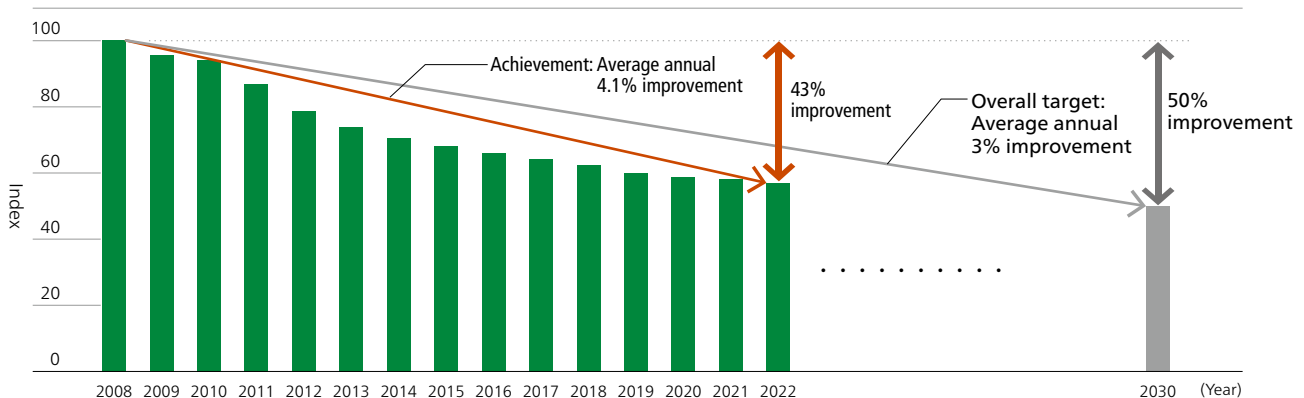
With a view to what we aim for in 2050 and 2030, we set Medium-term Environmental Targets in line with our three-year management plan, and we review the targets each year.

Canon sought a single integrated indicator to measure the progress achieved across all environment-related activities, from energy and resource conservation to recycling, and to also highlight the efficiency of these activities in terms of achieving a beneficial balance with business activities. We therefore established the index of lifecycle CO₂ emissions per product unit, and set an

overall target of achieving a 3% average annual improvement in the index as part of the Canon Group Medium-term Environmental Targets.

This overall target is subdivided into a product target and an operational site target. The product target is set at a 3% average annual improvement in the index of CO₂ emissions per product unit associated with raw materials and product utilization. The operational site target includes target figures for reduction per basic unit in energy consumption, total waste emissions, water consumption and controlled chemical substance emissions. In this way, we will make continuous progress toward meeting our overall target.

Index of lifecycle CO₂ emissions per product unit



* Assuming 2008 baseline of 100

Disclosure in Line with TCFD Recommendations

Canon accepts the recommendations of the final report of the Task Force on Climate-related Financial Disclosures (TCFD) and discloses climate-related information in accordance with the TCFD framework. This section also includes information from the CDP climate change questionnaire.

Initiatives in line with TCFD Recommendations	
Governance	<p>Environmental targets, including climate change responses, are approved by the CEO. Medium-term and long-term plans are formulated by the Sustainability Headquarters, and approved by the CEO after discussions among board directors and other executives. The Sustainability Headquarters plays a central role in the group-wide efforts to achieve these targets, and reports the progress of the targets to the management every month and the annual review to the CEO.</p> <p>Our company has also established a Risk Management Committee based on a resolution of the Board of Directors. Serious risks related to environmental laws and regulations and natural disasters are considered by the Risk Management Committee.</p>
Strategy	<p>Based on information from specialized institutions and government agencies, Canon conducts numerical simulations of lifecycle CO₂ reductions using the climate change scenarios of the Intergovernmental Panel on Climate Change (IPCC), identifies business risks and opportunities, and formulates medium-term to long-term strategies.* See page 18 for details of risks and opportunities identified</p> <p>In order to reduce risks and expand opportunities, we recognize the importance of both mitigating CO₂ emissions and adapting to physical risks from the perspective of entire product lifecycles, and we have formulated and implemented action plans accordingly.</p> <p>We are also working to reduce CO₂ emissions through efforts to realize a circular economy. For example, remanufacturing of printers can reduce CO₂ emissions from the procurement of new raw materials and parts processing. In the closed-loop recycling of ink and toner cartridges, plastic is pelletized from collected cartridges and reused as raw material, thus reducing CO₂ emissions from procurement and transportation of new raw materials.</p>
Risk management	<p>The identified climate change risks and opportunities are managed in accordance with the ISO 14001 PDCA cycle. Our company has established a Group-wide environmental management system, based on ISO 14001, at all of its business sites around the world as a mechanism to continuously improve its environmental assurance activities. In order to promote (DO) environmental assurance activities in conjunction with the activities of each division (Product Group, business sites, and Group companies), the Environmental Management System determines (PLAN) medium-term and annual environmental targets, and formulates priority measures and implementation plans to achieve them, which are reflected in business activities. In addition, we conduct environmental audits to check the status of initiatives and issues in each division, and conduct environmental performance evaluations that incorporate environmental aspects into performance evaluations (CHECK), leading to continuous improvement and reinforcement of environmental assurance activities (ACT).</p> <p>These Responses to risks and opportunities are reflected in company-wide environmental targets and priority measures. Our company considers the environment as part of its management evaluation. The achievement of environmental targets and the results of environmental activities by each division are evaluated and scored twice a year in the environmental performance evaluation conducted as an indicator of the consolidated performance evaluation system, which evaluates the performance of the entire Group. The evaluation results are reported to the CEO and other senior management.</p>
Metrics and targets	<p>In order to comprehensively identify and manage the results of all environmental activities, such as energy conservation, resource conservation, and recycling, through a single index that covers the entire product lifecycle, we have set the Canon Group Medium-term Environmental Targets to be "3%-per-year average in lifecycle CO₂ emissions improvement index per product."</p> <p>By continuing to meet this target, we expect an improvement of approximately 50% in 2030 compared to 2008 levels. As of 2022, this was a 43% improvement from 2008 levels, which exceeded the target. The total life cycle CO₂ was 8,342,000 t-CO₂ (Scope 1, 2 and 3). These GHG emissions data are covered by a third-party guarantee every year, and were covered in 2022.</p> <p>In addition, Canon aims to reduce absolute scope 1 and 2 GHG emissions 42% and absolute scope 3 GHG emissions (category 1 and 11) 25% by 2030 from a 2022 base year in line with the SBTi's criteria (Canon has submitted these targets to the SBTi for official validation.).</p> <p>Moreover, our company is working with the public to achieve net-zero CO₂ emissions by 2050 through initiatives across product lifecycles.</p>

* Details: Disclosure Based on TCFD Recommendations
<https://global.canon/en/environment/tcfd.html>

Activity Report

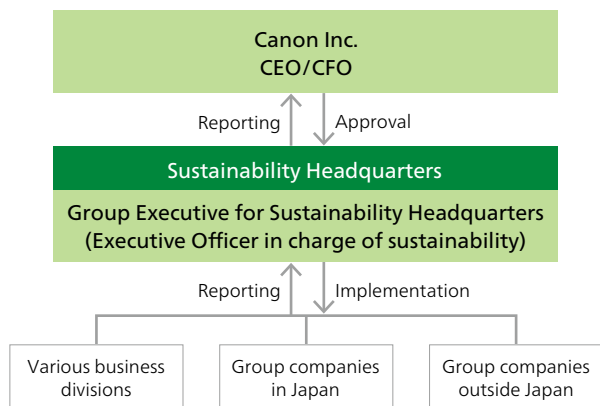
Environmentally Conscious Management

Canon works to protect and conserve the environment throughout the product lifecycle.

Global Environmental Promotion System

The Canon Group is carrying out environmental assurance activities to achieve our environmental targets and realize the environmental vision. Led by Sustainability Headquarters under the supervision of the CFO of Canon Inc., we carry out environmental activities within a global framework comprising business divisions and Group companies in Japan and overseas. The Group Executive for Sustainability Headquarters, a position occupied by an executive officer of Canon Inc., reports each month to the CFO on all environmental activities to gain approval. When an environment-related global issue arises, such as climate change, whose impact on the Canon Group businesses needs to be assessed, the Group Executive for Sustainability Headquarters reports it to the CEO and the CFO and seeks approval for the direction in response to the associated risks and opportunities as well as related measures to be taken.

Global Environmental Promotion System



Environmental Management System

The Canon Group has established an environmental management system (EMS) covering its operational sites worldwide as a mechanism for continually improving the environmental assurance activities according to ISO 14001.

The EMS promotes environmental assurance activities (Do), which are linked with activities of each division (products operations, operational sites, and Group companies). In turn, we set annual and medium-term environmental targets (Plan) and establish action plans and important measures to achieve those targets, which are reflected in our business activities. Moreover, we carry out

Environmental audits to check the progress of initiatives as well as any issues to be addressed in each division, and Environmental performance evaluations, to assess our environmental performance (Check). We then work to continually improve and enhance our environmental assurance activities (Act). By implementing the PDCA cycle for environmental assurance activities of each division, we achieve continual improvement and reinforcement and advance the environmental assurance activities of the entire Canon Group.

Sustainability Headquarters ensures the smooth management of this system by gathering information on environment-related laws and regulations, establishing environmental policies and rules for the entire Group, and planning and managing evaluation methods for environmental assurance activities.

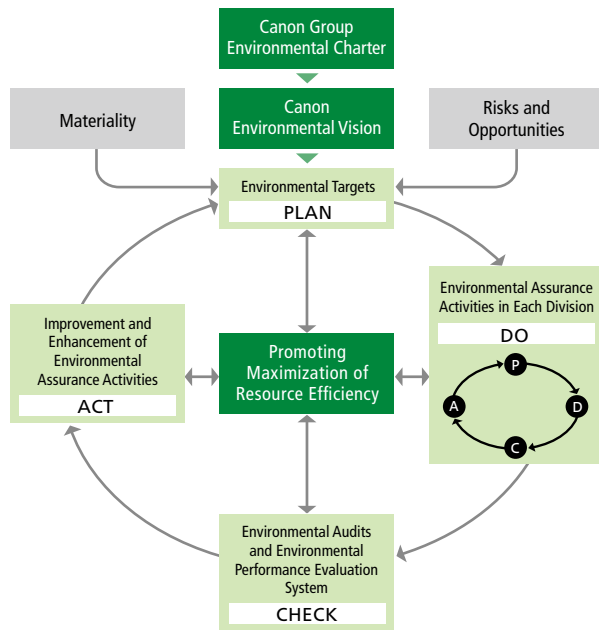
Manufacturing and marketing companies worldwide obtain ISO 14001 consolidated certification as an objective third-party evaluation of EMS effectiveness. As of 2022, ISO 14001 certification covers Canon Inc. as well as 120 Group companies (564 operational sites) in 40 countries and regions.* We received the positive evaluation from the accreditation body that “within the context of a business environment undergoing great change, the Canon Group as a whole has identified new risks and opportunities associated with prospective expansion into new business domains, and has incorporated these in its EMS.”

The acquisition of consolidated Group certification has supported strengthening of corporate governance and efficient environmental management. Sustainability Headquarters oversees Canon’s environmental assurance activities and reports on the progress of relevant activities for the approval of the CEO of Canon Inc. as well as the CFO.

* Details

1. 99.9% of Canon Inc. and consolidated manufacturing companies worldwide (100 or more employees) obtained ISO 14001 certification, based on CO₂ emission volume
 2. Certifications Obtained
- <https://global.canon/en/environment/data/pdf/canon-list-e.pdf>

Canon's Environmental Management System



Product Development System Using LCA Methodology

Canon's environmental initiatives are undertaken over the entire product lifecycle. Lifecycle assessment (LCA) methodology has been introduced in the product development stage to reduce environmental impacts throughout the product lifecycle. In 2022, we began collecting accurate data from suppliers on CO₂ emissions generated by the raw materials used to manufacture parts. These data were incorporated in the LCA process, providing useful feedback for product development to reflect the real situation.

Measuring CO₂ Emissions in Partnership with Industry Groups

Canon is a member of the Green x Digital Consortium spearheaded by the Japan Electronics and Information Technology Industries Association (JEITA), and is taking part in a trial program that aims to visualize supply chain CO₂ emissions. With the goal of achieving decarbonization and net zero throughout the supply chain, we are contributing to accurate measurement of CO₂ emissions not only in each company's own operations, but throughout its supply chain.



Details: Canon's Lifecycle Assessment
<https://global.canon/en/environment/lca/index.html>

Product Environmental Assessments

Canon conducts an environmental assessment during the commercialization process to check whether a product meets product environmental legal requirements and other requirements applicable for products and has achieved the necessary environmental performances.

We start the assessment by assigning an environmental performance target to the product at the product planning stage. Before the decision is made to commercialize the product and initiate mass production, Canon evaluates whether this target has been met, and ascertains whether the product also satisfies the applicable legal and other requirements.

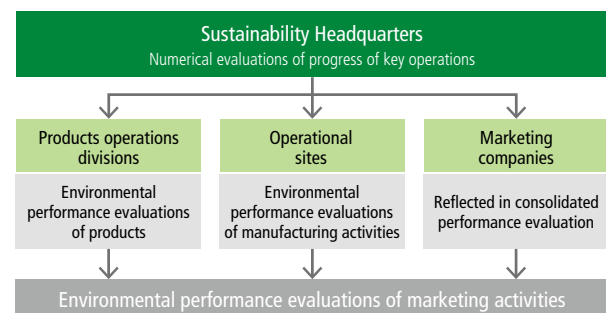
Confirming the Effectiveness of Environmental Management

Canon uses an internal environmental audit to confirm the effectiveness of its environmental management system. The audits are composed of headquarters environmental audits performed by Sustainability Headquarters, and operational site environmental audits and product environmental audits conducted by the audit divisions of operational sites and products operations. Mutual cross-site audits are carried out in certain locations.

Results of internal environmental audits are compiled by the Group audit management section of Sustainability Headquarters and reported to the CEO and the CFO of Canon Inc. in management reviews.

In 2022, the audits found no major nonconformity or violations. From the perspective of continual improvement and prevention, we are taking steps to rectify even minor findings in operations management.

Environmental Performance Evaluation Process



Monitoring of Progress toward Environmental Targets

Each operational site makes a monthly report to Sustainability Headquarters regarding its energy consumption (CO₂ emissions volume), waste generation volume, chemical substance emissions volume, and water utilization volume. The GEC aggregates the data

to monitor progress toward environmental targets and reports monthly to the Board of Directors, business department general managers, and the executive management of Group companies. Additionally, the evaluation and the risks identified are subject to the PDCA cycle for environmental assurance activity within the shared framework of the Group's ISO 14001-based environmental management system.

Environmental Awards and Environmental Exhibition

To promote improved staff awareness and activities in relation to the environment, in 2003 Canon started holding an internal exhibition introducing good examples of environmental activities in Japan. The exhibition went global in 2008, when examples of overseas activities were also included. And in 2009, the exhibition developed into the environmental award system, in which top management awarded outstanding environmental activities. The exhibition and the award system have enabled management to identify outstanding examples of good environmental practice and promote their company-wide implementation while also serving as a valuable opportunity to raise the environmental awareness of employees. Started in 2013, the simultaneously held online exhibition on the Group intranet has allowed many Group employees to access the exhibition all year round, helping to hasten the horizontal implementation of good practices across the entire organization. In March 2022, we held the award ceremony face-to-face for the first time in three years, presenting a Grand Prize to four entrants.

During Environment Month in June, we expanded activities beyond the normal scope of the environment to include other social issues and worked to raise in-house awareness of sustainability. Our initiatives included publishing a weekly internal newsletter and broadcasting sustainability-related programs on our intranet channel with contributions from experts.



Online exhibition website

Environmental Education

Canon's environmental education programs provide basic environmental training to all employees, and specialized training for employees engaged in specific types of work.

The basic environmental training aims to equip employees with an awareness of the importance of environmental assurance activities and an understanding of related policies and targets, while the aim of the specialized training program is to enable employees involved in environmental assurance activities to acquire knowledge and expertise.

The specialized training program consists of product environment, operational site environment and environmental audit sections. Of these, product environment training enables those responsible for product environmental assessments and product surveys to acquire knowledge and expertise.

These educational programs are designed to enable employees to receive needed training at a time that suits their schedule and in the format that best suits the purpose, whether e-learning, group discussion, group work, or other method.

In particular, among the specialized environmental training programs, Canon is focusing attention on risk management education globally, and has been using training materials in English and Chinese since 2016. In 2022 also, we carried out training for employees involved in risk management-related work (total of approximately 8,000 participants).

Since 2017, we have also provided recycling training as part of the hands-on factory training for newly hired technicians and engineers. At Canon Ecology Industry, a recycling site, practical training in recycling is given, including instruction in how to disassemble multifunctional office equipment.

Environmental Communication

Canon has been vigilant in disclosing environmental information to a diverse range of stakeholders. Besides the publication of this report, Canon actively uses a range of media and platforms to inform stakeholders about its environmental activities, including its official environment website, various exhibitions, and other events. We are striving to undertake more and better activities based on suggestions and opinions received from stakeholders.

Canon also promotes environmental education and awareness activities for the benefit of people in regional communities, providing environmental outreach classes for elementary school students and environmental programs run in cooperation with regional organizations. Canon began holding environmental outreach classes on toner cartridges in 2011. Extended to Canon Bretagne in 2022, this program has provided more than 240 classes to over 12,000 participants.

Initiatives at Canon Eco Technology Park

The Canon Eco Technology Park, which opened in February 2018, is not only a cutting-edge recycling plant but also serves as a focal point of the environmental activities of the Canon Group. The facility offers tours of Canon's automated toner and ink cartridge recycling systems as well as a showroom introducing Canon's wide variety of environmental activities, such as the Canon Bird Branch Project, through information panels, videos, and hands-on content. In 2022, the park reopened fully to the general public for tours and environmental classes. At the same time, it has adapted to Covid-related concerns by continuing with online classes and additionally revising the tour route and changing the layout of the exhibition area.



Canon Eco Technology Park

Details: Canon Eco Technology Park
<https://global.canon/ja/environment/ecotechnopark/>
 (Japanese website only)
 (For inquiries on educational visits and related matters, please contact us through the website shown above.)

Introducing Canon Resource Recycling on National Radio

Canon España appeared on a national Spanish radio program to explain Canon's commitment and policy in the circular economy sector. Specifically, the Sustainability Manager explained the concept of remanufacturing and how the EQ80 imagerUNNER ADVANCE series of remanufacturing machines contributes to the SDGs by saving raw materials and reducing CO₂ emissions compared to new products. The radio program covered economic and environmental news and was broadcast in primetime, so the audience was extremely large.



Awareness-raising in Partnership with Local Communities

Working jointly with the cafeteria that serves the office building where its Beijing headquarters is located, Canon (China) organized an event designed to promote interest in global warming prevention by offering dishes made with meat substitutes, whose production generates lower levels of CO₂ emissions than meat from livestock. A panel display in the cafeteria compared the CO₂ emissions of 18 dishes made using meat substitutes with those of the livestock meat production process, encouraging diners to learn about global warming prevention while enjoying tasty meals. The participants, many of whom did not know that the meat production process generates large amounts of CO₂, were heard to comment that the event had been a valuable learning experience. The cafeteria is used by employees and customers from outside Canon too, who were also able to benefit from the opportunity to think about global warming prevention.



Posters displayed in the cafeteria

Environmental Regulatory Compliance and Response to Complaints

As a result of implementing an environmental management system coordinated across the Group, Canon came through 2022 without a single legal violation or accident that seriously impacted the environment, including incidents relating to water quality or quantity permits.

Although there were some complaints about noise at our operational sites, all issues were resolved satisfactorily via appropriate measures.

Risks and Opportunities

Even as consumer lifestyles grow more affluent, various environmental problems are emerging, including climate change, resource depletion, pollution, and loss of biodiversity. In response to the issue, debate within the global community is increasing on how to achieve carbon neutrality and how to realize a circular economy. Recognizing the business impact of environmental

issues, many companies see the importance of helping address these issues in partnership with national and local governments, experts and other stakeholders. Canon identifies business risks and opportunities by envisioning different ways in which society will change based on information received from specialized institutions and government agencies.

Major Climate-related Risks and Opportunities

	Risks and opportunities	Financial impact	Action
Risks	Transition risks Stricter energy-efficiency regulation and associated compliance costs (products/sites)	High	<ul style="list-style-type: none"> Achievement of environmental targets based on the reduction of environmental impact throughout the product lifecycle Collection, analysis and adaptation of information on environmental regulations
	Increased business costs from economic measures to reduce emissions (e.g., carbon tax)	Medium	<ul style="list-style-type: none"> Achieve energy consumption targets at operational sites Promotion of energy conservation activities at each operational site through cooperation among development, production, facility, and environmental departments
	Physical risks Negative impacts on operations caused by increasingly severe extreme weather events such as typhoons and floods	Medium	<ul style="list-style-type: none"> Formulation of BCPs and relocation of high-risk operational sites to higher ground
	Reputational risks Negative external evaluation due to insufficient information disclosure	Low	<ul style="list-style-type: none"> Disclosure of the approach and the status of efforts in response to climate change
Opportunities	Products and services Expanded opportunities for sales of energy-efficient products with low lifecycle CO ₂ emissions	High	<ul style="list-style-type: none"> Achievement of environmental targets based on the reduction of environmental impact throughout product lifecycles Development, manufacture, and sales of products that realize a beneficial balance between energy conservation and enrichment of people's lives
	Energy efficiency Contribution to CO ₂ emissions reduction at societal level through sales of various innovative products and solutions (hardware/software)	High	<ul style="list-style-type: none"> Achievement of environmental targets based on the reduction of environmental impact throughout product lifecycles
	Energy efficiency Reduction of energy costs by improving production and transportation efficiency	Medium	<ul style="list-style-type: none"> Achieve energy consumption targets at operational sites Replacement and introduction of high-efficiency facilities and transportation methods
	Energy sources Expanded opportunities for use of renewable energy through lower associated costs	Medium	<ul style="list-style-type: none"> Switch to renewable energy sources
	Others Enhanced corporate image due to proactive climate-related disclosures	Low	<ul style="list-style-type: none"> Disclosure of the approach and the status of efforts in response to climate change

Major Risks and Opportunities in the Areas of Materiality

	Risks	Opportunities
Resource efficiency	<ul style="list-style-type: none"> Increased procurement costs of raw materials due to resource constraints Stricter resource-efficiency regulation and associated compliance costs (products/services) Increased costs for collection and recycling of used products in each region 	<ul style="list-style-type: none"> Business cost reduction through improved resource efficiency Enhanced competitiveness through 3R design and development of advanced technologies that promote a circular economy Increased demand for products/consumables that contribute to a circular economy (e.g., remanufactured products) Enhanced corporate image through publicity of our advanced approach to resource recycling Offering the value of CO₂ emissions reduction effect through efforts to recycle resources
Chemical Substances	<ul style="list-style-type: none"> Impairment of stable water supply and impacted business operations due to extreme weather events Damage to corporate image from slow transition to circular economy 	<ul style="list-style-type: none"> Supplying safe products and maintaining competitiveness through more advanced chemical substance management Cost reduction through increased management efficiency, including within the supply chain Enhanced corporate image through contribution to international standardization
Biodiversity	<ul style="list-style-type: none"> Increased chemical substance management costs due to strengthened and expanded regulations Suspension of production or disruption to parts supply chain due to serious noncompliance by suppliers Damage to corporate image due to poor regulatory compliance 	<ul style="list-style-type: none"> Reduced supply and higher cost of printing paper due to declining forestry resources Restrains on business activities due to disruption of local ecosystems

Environmental Targets and Achievements

Medium-term Environmental Targets Overall target, product targets, operational site targets and achievements

2022–2024 Medium-term Environmental Targets		2022 Achievements*2
Overall (Lifecycle)	3%-per-year average improvement in lifecycle CO ₂ emissions improvement index per product	Avg. improvement: 4.1 p.a. (2008–2022)
Products	3%-per-year average improvement in raw materials and use CO ₂ emissions improvement index per product	Avg. improvement: 2.5% p.a. (2008–2022)
2022 Environmental Targets*1		2022 Achievements*2
Operational Sites	Improve energy consumption per basic unit at operational sites by 1.2%	5.8% improvement
	Improve total waste generation per basic unit at operational sites by 1%	0.7% improvement
	Improve water usage per basic unit in production by 1%	1.6% improvement
	Improve emissions of controlled chemical substances per basic unit at operational sites by 1%	7.1% improvement

*1 Calculation based on average annual improvement rate of three most recent years. For energy consumption at Japanese operational sites, however, calculation as stipulated in Act on Rationalizing Energy Use. The basic unit denominator is decided according to the characteristics of each operational site (production volume, effective floor area, workforce, etc.)
 *2 For scope of data collection: <https://global.canon/en/sustainability/report/pdf/data-2023-e.pdf>

Progress Relative to Overall Target

Against the target of a 3% average annual improvement in the index of lifecycle CO₂ emissions per product unit, we realized an average annual improvement of 4.1% between 2008 and 2022 for a cumulative total improvement of 43%. In 2022, we progressed with our ongoing initiatives to realize improvement based on the entire product lifecycle. These included strengthening energy-saving activities at operational sites, designing more compact, more lightweight products, and improving energy efficiency.

Achievement of Product Targets

We continued with initiatives, including efforts to make products more compact, lightweight, and energy efficient, and achieved an average annual improvement of 2.5% (2008–2022) in raw materials and use CO₂ emissions per product, falling just short of our target of 3%.

Achievement of Operational Site Targets

■ Energy consumption per basic unit at operational sites

We are working to reduce energy consumption at operational sites by consistently meeting our target for reduction of consumption per basic unit.

In 2022, energy consumption per basic unit improved by 5.8% over the previous year, exceeding the 1.2% improvement target.

■ Total waste generation per basic unit

We are working to reduce total waste emissions by consistently meeting our target for reduction of emissions per basic unit. We made progress with waste reduction through initiatives at production sites such as reducing waste generation and internal recycling. However, due to

an increase in packaging materials in line with greater distribution of components at production sites, waste emissions per basic unit improved by only 0.7% year on year, thus missing the target.

■ Water usage per basic unit in production

We are working to reduce water consumption by consistently meeting our target for reduction of consumption per basic unit.

Water usage per basic unit of production declined by 1.6% compared to 2021 on the strength of efforts to improve water management. This means that we successfully met our target of a 1.0% improvement.

■ Emissions of controlled chemical substances per basic unit

We are working to reduce emissions of controlled chemical substances by consistently meeting our target for reduction of emissions per basic unit.

We achieved a 7.1% improvement over 2021 in emissions of controlled chemical substances per basic unit, attaining our target of a 1.0% improvement, by reducing chemical substances used in manufacturing processes and reusing materials.

2023 Targets

To strengthen initiatives aimed at further decarbonization, we will raise the annual target for improvement in energy consumption per basic unit at operational sites from the previous 1.2% to 2.4%.

The 2023 environmental targets are unchanged from 2022 with the exception of the overall target, the product targets in the 2023-2025 Medium-term Environmental Targets, and the operational site energy targets.

Overview of Environmental Impacts

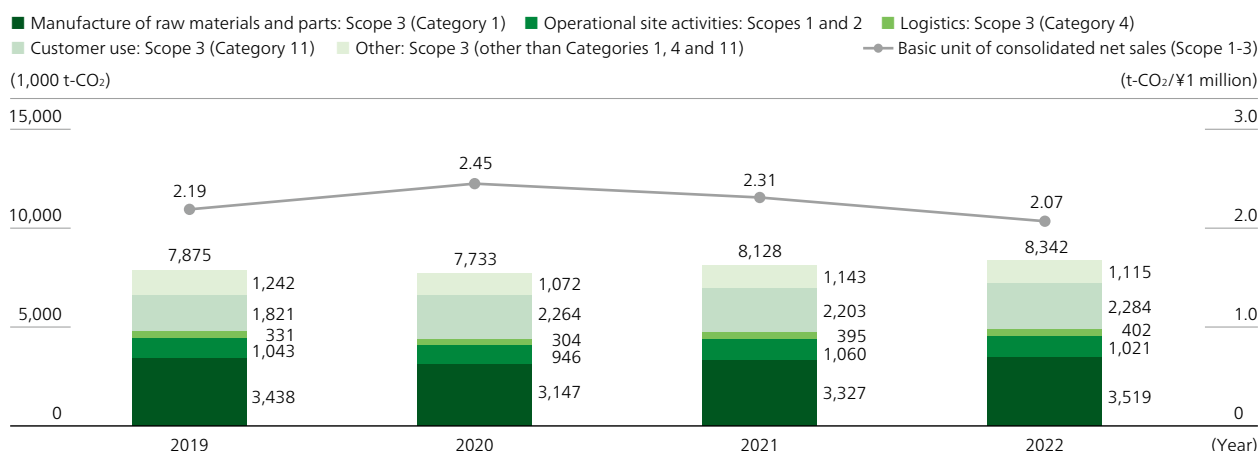
Total product lifecycle CO₂ emissions (Scope 1-3)* in 2022 were approximately 8.34 million tons. We made improvements over 2021, such as progress in creating more compact and lightweight products, energy-efficient design, and switching from air to marine transportation. However, CO₂ deriving from raw materials and product use and transportation increased due to greater shipment volume in the wake of

worldwide recovery from the pandemic. The result was an increase of approximately 210,000 t-CO₂ over the entire product lifecycle. The resources (input) that Canon used in its business activities and emissions (output) to the global environment over the entire product lifecycle are as shown in the following chart.

Also, volume totals in 2021 are greater compared to 2020 due to expansion of the scope of aggregation.

* Scope 1: Direct GHG emissions (combustion of city gas, LPG, light oil, kerosene, non-energy derived GHG, etc.)
 Scope 2: Indirect GHG emissions (consumption of electricity, steam, etc.)
 Scope 3: Supply chain-related GHG emissions (production of purchased goods and services [Category 1], upstream transportation and distribution [Category 4], use of sold products [Category 11])

Lifecycle GHG Emissions (CO₂ Equivalent)



* The CO₂ conversion coefficient used for raw materials and processing is that of the Eco-Leaf Environmental Label Program. Starting in 2021, data is aggregated for Canon Group consolidated companies, while data prior to that is aggregated mainly for companies that have acquired ISO 14001 consolidated certification.

Scope 3 GHG Emissions in 2022

Category	Scope	2022 (1,000 t-CO ₂ e)	Calculation Method
1	Purchased goods and services	3,519	Calculated by multiplying the weight of each material input (including any inputs emitted as waste) by the emission factor for each material/process.
2	Capital goods	487	Calculated by multiplying the total amount of each asset category of purchased capital goods by the emission factor for each asset category.
3	Fuel- and energy-related activities not included in Scope 1 or Scope 2	179	Calculated by finding the total for fuel and electricity usage at each operational site and then multiplying it by the emission factor from fuel extraction to burning and power generation.
4	Upstream transportation and distribution	402	Logistics from the supplier to Canon production sites is calculated by finding the average transport distance and transport volume and then multiplying it by the emission factor for transportation. Logistics from production site to customer's warehouse is calculated by multiplying the emission factor of transportation by logistics performance data.
5	Waste generated in operations	3	The total weight of waste generated by material and disposal process at each operational site is derived and then multiplied by the end-of-life treatment emission factor.
6	Business travel	37	The emission factor for each transportation method is multiplied by the total payment amount for each transportation method. For business travel using a personal vehicle, the total payment amount is converted to fuel usage and then multiplied by the emission factor for fuel consumption.
7	Employee commuting	159	The emission factor for each transportation method is multiplied by the total payment amount for each transportation method. For commutes by private vehicle, total fuel usage is derived from amounts paid and then multiplied by the emission factor for fuel consumption.
8	Upstream leased assets	0	CO ₂ emissions from leased buildings and vehicles are applicable, but both are included in Scope 1 and Scope 2.
9	Downstream transport and distribution	52	Average transport distance and weight of transported products is calculated for each region and multiplied by the emission factor for transportation
10	Processing of sold products	0	Emissions from production by outsourcing partners of intermediate products used in sale of Canon-branded products are included in Category 1.
11	Use of sold products	2,284	Lifetime energy usage is calculated for each product and then multiplied by the average electricity emission factor.
12	End-of-life treatment of sold products	198	Sold products are categorized by material and then the emission factor of end-of-life treatment is multiplied by each based on the volume of materials used.
13	Downstream leased assets	0	Leased assets such as multifunction devices are included in Category 11 above together with sold products.
14	Franchises	0	Not applicable
15	Investments	0	Not applicable
Scope 3		7,320	

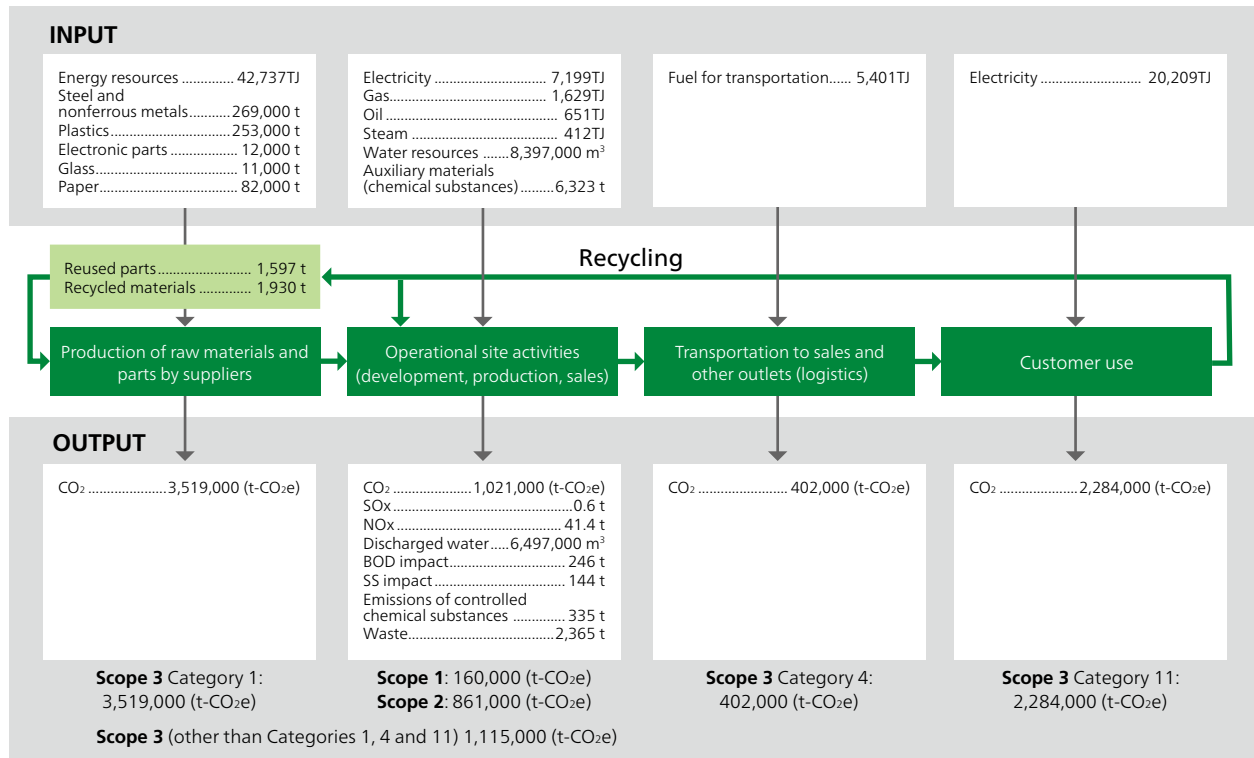
Canon compiles data for greenhouse gas (GHG; energy-derived greenhouse gas CO₂, and non-energy derived greenhouse gases PFCs, HFCs, SF₆, N₂O, methane, and NF₃).

For CO₂ emission factors for electricity, figures provided by individual electric supply companies are used, but publicly disclosed region-specific figures are used when figures are not provided by electric supply companies (Please refer to the website for the operational sites included in aggregation: <https://global.canon/en/sustainability/report/pdf/data-2023-e.pdf>). As the latest CO₂ conversion coefficients become public after compilation of CO₂ data for the report, the data are adjusted retroactively in subsequent reports. For figures on customer use, electricity consumption of products shipped in a given year is calculated based on the average lifetime and printing volume, and converted to the CO₂ equivalent using CO₂ emission factors for electricity, which are calculated in the same way as the above methods. Past data may be revised due to improvements in the precision of data collection.

Third-party Verification of GHG Emissions (Converted to CO₂)

Third-party verification has been obtained for CO₂ emissions data and basic unit of consolidated net sales appearing in "2022 Material Balance" and "Lifecycle GHG Emissions (CO₂ Equivalent)" in 2021/2022 and for each figure in "Scope 3 GHG Emissions in 2022."

2022 Material Balance



Climate Change

Canon is working to reduce CO₂ emissions at all stages of the product lifecycle.

Canon's Initiatives and Their Relation to Sustainable Development Goals (SDGs) Targets

	• Designing energy-efficient products	Target 13.2*	Target 7.3*
	• Improving energy efficiency at operational sites	Target 13.2*	Target 7.3*
	• Reducing CO ₂ emissions from logistics	Target 13.2*	Target 7.3*
	• Expanding use of renewable energy	Target 13.2*	Target 7.2*

* Target 7.2: Increase substantially the share of renewable energy in the global energy mix
 Target 7.3: Double the global rate of improvement in energy efficiency
 Target 13.2: Integrate climate change measures into national policies, strategies, and planning

Initiatives for a Carbon-free Future

Canon seeks to consistently meet its environmental targets and, beyond that, is working toward net-zero CO₂ emissions from its business activities by 2050. To that end, we quantify emissions during the whole product lifecycle—from the upstream supply of raw materials and parts through operational site activities and logistics to customer use—and use technology to reduce emissions at each stage.

Environmentally Conscious Designs for Office Equipment

The imageRUNNER ADVANCE DX 4800F series of multifunction office devices achieves a reduction of approximately 25% in electricity consumption, placing it among the industry's top performers in typical energy

consumption (TEC). Its weight reduction of approximately 15% per unit realizes improved efficiency during utilization and shipping, which contributes to lower CO₂ emissions. Additionally, the product is fitted with a staple-free finisher that uses pressure to bind up to ten sheets of paper together, reducing waste in the form of metal staples.

These and other improvements to their essential features work to both enhance product performance in multifunction devices and reduce environmental impact throughout the product lifecycle.



imageRUNNER ADVANCE DX 4800F series

Energy-Saving Technology Based on Nanoimprint Lithography Wins Prize for Excellence at 49th Environmental Awards

In a joint project with Dai Nippon Printing Co., Ltd. and Kioxia Corporation, Canon used nanoimprint lithography (NIL) to successfully realize pattern imprinting at the nanoscale level of current semiconductor manufacture (minimum line width 15nm*¹). Whereas existing optical lithography technology uses light curing to transfer the circuit, NIL technology employs a simpler process whereby a mask etched with the pattern is pressed onto the resin-coated wafer to transfer the circuit. The use of NIL technology in the FPA-1200N22C system renders large-scale exposure light sources and costly and complicated vacuum and cooling equipment unnecessary, reducing electric power consumption during pattern fabrication to approximately one-tenth that of the existing cutting-edge light exposure technology for logic devices.

The energy-saving NIL technology for ultrafine semiconductor processing developed by the three partner companies was awarded a Prize for Excellence at the 49th Environmental Awards*² in recognition of its contribution to reducing electric power consumption in semiconductor manufacture and supporting rapid development toward the future IoT society.



Prize for Excellence award ceremony

*1 One nanometer (nm) = one billionth of a meter
 *2 For details of the Environmental Awards:
<https://biz.nikkan.co.jp/sanken/kankyo/index.html> (Japanese website only)

Identification of Carbon Footprint

Calculation of Carbon Footprint

Canon has introduced lifecycle assessment (LCA) methodology to calculate CO₂ emissions for the whole product lifecycle. Additionally, to enable customers to select products with lower CO₂ emissions, we work to disclose relevant information based on our Carbon Footprint of Products (CFP) certification under the CFP Communication Program of the Sustainable Management Promotion Organization (SuMPO).

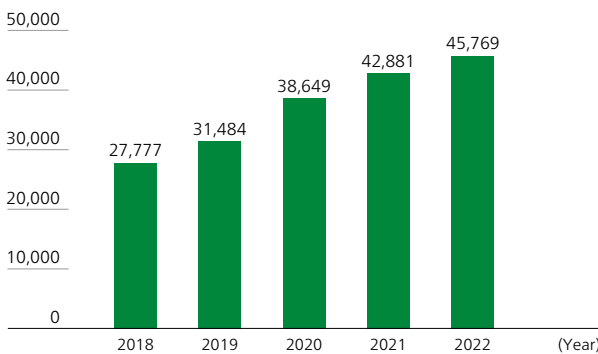
Additionally, by utilizing the Carbon Offset Program making use of CFP* promoted by the Ministry of Economy, Trade and Industry (Japan), we have been able to realize products with practically zero lifecycle CO₂ emissions. With some of these products, such as the imageRUNNER ADVANCE series and imagePRESS production printers, customers can report to the authorities, based on the Act on Promotion of Global Warming Countermeasures (Japan), that they do not produce the CO₂ emissions that would ordinarily be expected from use of the products.

Carbon offsets linked to customer demand from when we began using this system in 2014 until 2022 totaled 45,769 t-CO₂.

* Carbon offset program enables one's GHG emissions that are difficult to reduce to be offset wholly or partially by cuts in emissions or amounts absorbed by other parties

* This offset does not represent an offset by Canon of lifecycle CO₂

Carbon Offsets Linked to Customer Demand (Cumulative)
(t-CO₂)



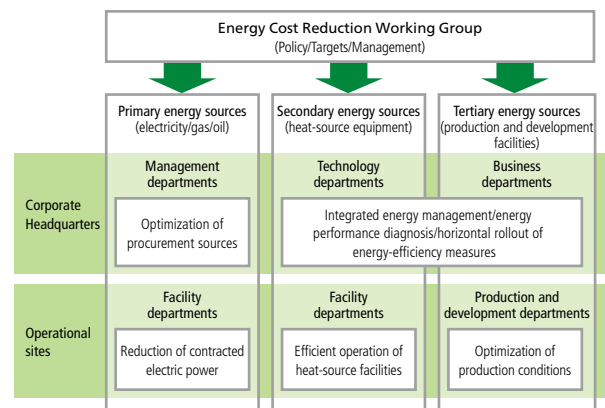
Reference: Products registered for EcoLeaf Environmental Labeling Program (Japanese website only)
<https://canon.jp/corporate/csr/environment/customer/products/cfp/>
 Reference: Products certified under Carbon Offset Program making use of CFP (Japanese website only)
<https://canon.jp/corporate/csr/environment/customer/products/cfp-certified/>

CO₂ Reduction Through Initiatives at Operational Sites

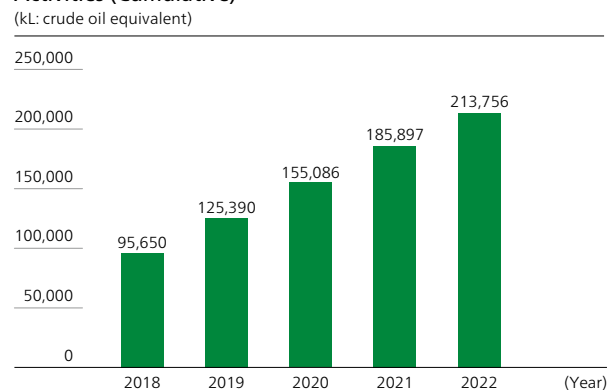
Canon created the Energy Cost Reduction Working Group in 2014 as a horizontally integrated organization to take Group-wide action on reducing energy consumption. The working group has promoted reduced energy consumption by undertaking a thorough-going analysis of the required operating environment for

production equipment in the on-site manufacturing process and using its findings for instance to reduce equipment operating time, cut out excess use of pressurized air and cooling water, and adjust air conditioner settings. Measures that prove effective are adopted for horizontal rollout to Japan and overseas production sites. Moreover, staff members from our corporate headquarters in charge of this initiative perform a diagnosis of energy performance during visits to production sites all over the world. There, they check the operating status and settings of production equipment and then use their observations to make improvements to the operating efficiency of facilities and equipment and provide staff with relevant on-site training. Since the launch of this initiative, it has resulted in a Group-wide energy saving of 213,756 kL (crude oil equivalent).

Organizational Chart of Energy Cost Reduction Working Group

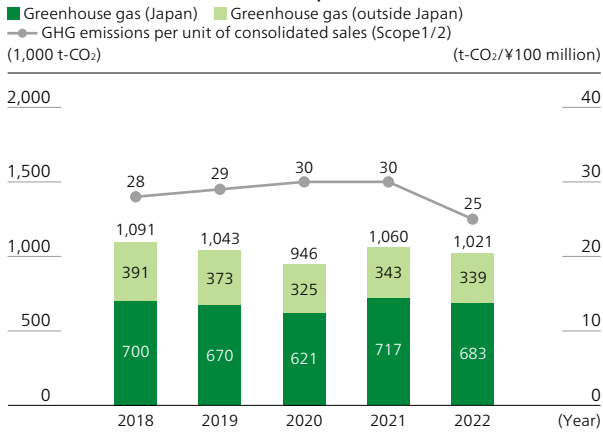


Cumulative Energy Savings Through Working Group Activities (Cumulative)



In 2022, greenhouse gas emissions at operational sites were reduced by approximately 4% year on year to 1,021,000 t-CO₂. This result was achieved through on-site reduction initiatives including the setting up of the Energy Cost Reduction Working Group and comprehensive measures to boost efficiency in the production process.

Greenhouse Gas Emissions at Operational Sites



* For information on our basic approach to calculating greenhouse gas emissions, please refer to P21.

Effective Energy Utilization Through Joint Project with Outside Operators

In a joint undertaking launched in 2019 in Utsunomiya City, Tochigi Prefecture, with the prefectural authorities and three other companies*¹, Canon developed the Kiyohara Industrial Park Smart Energy Project, realizing major energy savings. The project integrates the Kiyohara Smart Energy Center and other sites newly established within the Kiyohara Industrial Park. By sharing use of electric power and heat (steam and hot water) between multiple business sites with differing levels of demand, the project achieved reductions per basic unit of approximately 20% in energy consumption and 20% in CO₂ emissions volume*²—which would not be possible for a single business site alone.

In 2023, a system to predict and visualize the excess steam power generated from waste heat made it possible to use excess heat more effectively by introducing steam power facilities and making other operational improvements. These are expected to bring further benefit with an increase of two percentage points or more in energy-saving and CO₂ reduction.

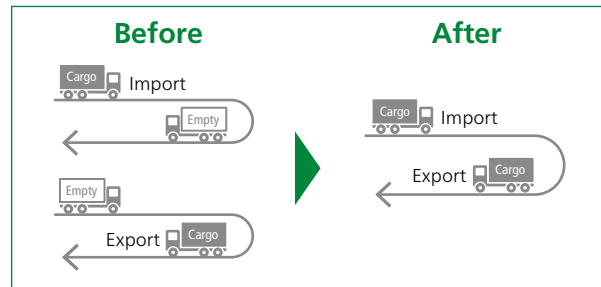
*1 Calbee, Inc., Hisamitsu Pharmaceutical Co., Inc., and Tokyo Gas Engineering Solutions Corporation
 *2 Reduction realized by electricity and heat sent from cogeneration facilities compared to fiscal year 2015 before project launch
 Fiscal year 2021 performance: approx. 10,400kL/year reduction in crude oil equivalent; approx. 21,000t/year reduction in CO₂ emissions

Logistics Initiatives

We are working to reduce logistics-related CO₂ emissions at all stages from production through to sales. As one way to lessen environmental impact in this area, we are seeking to achieve a modal shift by switching from road to rail transport. Another initiative targets improved loading efficiency by designing products and outer cartons to best fit the container size. We are also making an active effort in reducing environmental impact reduction by reviewing transport routes to shorten distances and by actively promoting “container round

use,” which means turning import containers around to reuse them for export. In addition to these measures, we were able to reduce transport-related CO₂ emissions through the progress of shifting from air to sea, as the disruption in international logistics caused by the pandemic came to an end in the second half of 2022.

Overview of Container Round Use



Use of Renewable Energy

We are working to expand the use of renewable energy, especially in Europe and Asia, while taking regional renewable energy uptake status and economic efficiency into consideration.

We have installed solar generation panels at Canon Vietnam’s Thang Long Factory and at Canon Production Printing and Nagasaki Canon to make proactive use of renewable energy. We are also using renewable energy at the new office building of Canon Europe and Canon UK, earning an evaluation of ‘excellent’ under the BREEAM* environmental assessment standard. Additionally, the marketing company Canon China has introduced I-REC certification and switched to 100% renewable energy sources for its office electric power supply.

As a result of these initiatives adapted to local conditions, total worldwide renewable energy consumption by Canon Group companies was 99,096 MWh in 2022, an approximate 14% increase over 2021. Group companies in Europe sourced about 37% of total energy needs from electric power. Of this electric power, generation from renewable sources accounted for around 78%.

* An environmental sustainability assessment method developed by Britain’s Building Research Institute that evaluates buildings under nine categories, including health and wellbeing, energy, and waste.

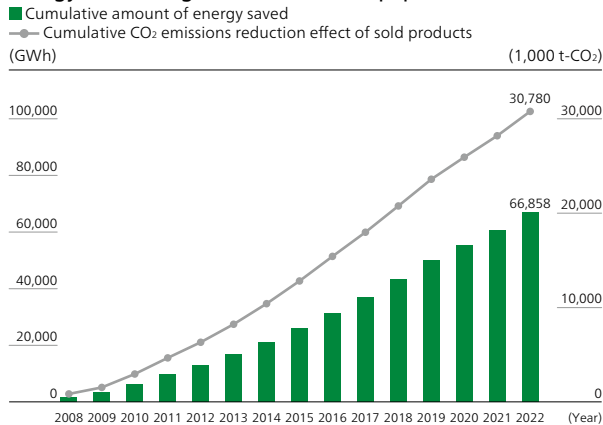


Solar panels at Canon Production Printing Netherlands

Contributing to Society by Reducing CO₂ Emissions

Thanks to energy-saving technologies used in office equipment, Canon products achieved cumulative energy savings of 66,858 GWh between 2008 and 2022. This is expected to result in a CO₂ reduction of 30,780,000 tons.

Energy/CO₂-saving Effects of Office Equipment (Cumulative)



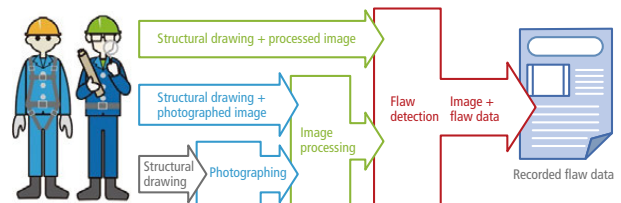
- * Covered products: Electrophotographic multifunction devices and laser printers for offices (excluding production printers).
- * Energy-saving effect using the average energy (electricity) consumed by products sold in 2007 as a baseline.
- * Cumulative yearly effect assumes that products sold in each year are used for 5 years.
- * CO₂ emissions factors are calculated by using the weighted average of sales per region based on emission factors published by the Federation of Electric Power Companies (in Japan) and the International Energy Agency (outside Japan).

In addition to reducing lifecycle CO₂ emissions through hardware measures, we are deploying IT solutions to improve the efficiency of work operations, reduce the movements of people and objects, and realize resource and energy savings. This also promotes CO₂ reduction in society as a whole. For example, operations previously performed by personnel can be taken over by image recognition, sensing, or artificial intelligence, allowing staff reductions and eliminating

the need for physical movement of objects, which in turn increases operational efficiency, realizes high performance, and reduces CO₂ emissions. By delivering to society a range of IT solutions, Canon will continue contributing to reducing CO₂ emissions not only in its own operations but also in society as a whole.

Canon Receives Encouragement Award at 19th Life Cycle Assessment Society of Japan Forum Awards for Visualization of CO₂ Reduction Effect

Inspection of bridges, tunnels, and other structures using conventional visual inspection methods is time-consuming and labor-intensive as well as problematic in terms of the environment, as vehicle and personnel movements generate CO₂. Canon developed an infrastructural inspection service (Inspection EYE for Infrastructure) that combines high-definition imaging with our unique image processing technology and an AI technology that can detect cracks and other flaws from infrastructure images. We then calculated the CO₂ reduction effect achieved by switching from conventional visual inspection to image-based inspection. This initiative received the Encouragement Award at the 19th Life Cycle Assessment Society of Japan Forum Awards in recognition of its benefit as an advanced measure to facilitate the calculation of CO₂ emissions reduction and its potential to realize benefits extending to many other fields going forward.

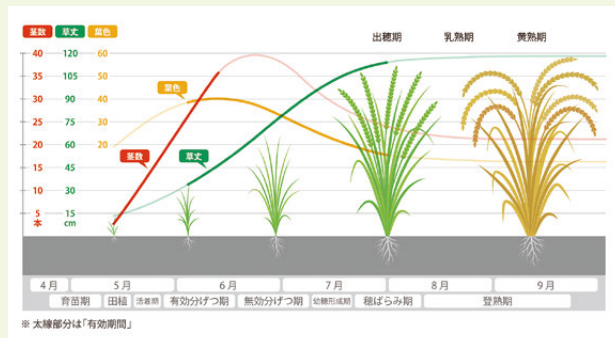


Inspection EYE for Infrastructure Service

Trial of Smart Agriculture that Aids Adaptation to Climate Change

As a way of helping agriculture to adapt to the environmental changes caused by climate change and other factors, Canon has used its many years of experience in imaging technology to develop the GM-1 crop growth monitoring system, a non-destructive, non-contact tool that uses images of crops to provide automatic access to growth metrics. We are now engaged in a trial of the system in paddy rice cultivation.

GM-1 combines Canon's unique image analysis technology, adapted to crop characteristics, with AI diagnostic technology based on deep learning. Through its capacity for data accumulation and comparison with past data, the system is expected to find applications in areas such as crop adaptation to climate change, optimal cultivation management, and development of new crop varieties.



Creation of crop cultivation metric database

Resource Efficiency

Canon promotes both resource consumption restraint and product-to-product recycling.

Canon's Initiatives and Their Relation to Sustainable Development Goals (SDGs) Targets

	• Designing more compact, lighter weight products	Target 12.2*	Target 12.5*
	• Reducing waste through prevention, reuse and recycling	Target 12.4*	Target 12.5*
	• Remanufacturing products	Target 12.2*	Target 12.5*
	• Recycling consumables	Target 12.2*	Target 12.5*
	• Using sustainable water resources	Target 6.3*	Target 6.4*

* Target 12.2: Achieve sustainable management and efficient use of natural resources
 Target 12.4: Achieve environmentally sound management of chemicals and all waste throughout the product lifecycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water, and soil
 Target 12.5: Substantially reduce waste generation through prevention, reduction, recycling, and reuse
 Target 6.3: Improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, and substantially increasing recycling and safe reuse globally
 Target 6.4: Substantially increase water-use efficiency

Resource Recycling

To maximize the value brought about by resource recycling, Canon pursues product-to-product recycling — in other words, recycling used products into new ones. In particular, we have emphasized such initiatives as closed-loop recycling of toner cartridges and the remanufacturing of office multifunction devices — collecting them post-use and making them into products with good-as-new quality. Currently, Canon has five sites conducting recycling, in Japan, Europe (two sites), the United States, and China. We are continuing initiatives aimed at circulating resources within the same regions where they are consumed.

Flowchart of Circular Economy

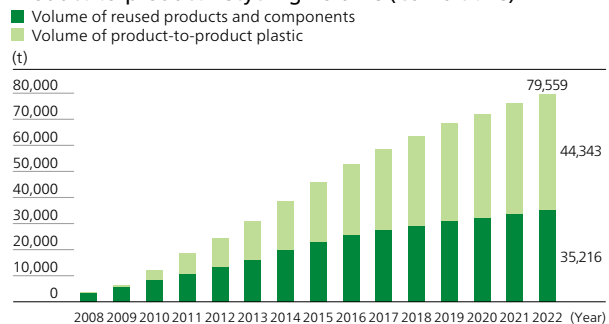


Reference: Remanufacturing of Multifunction Devices (→P27)
 Ink and Toner Cartridge Closed-Loop Recycling (→P27)

Since 2008, we have taken 44,343 tons of plastics from used products for recycling as raw materials, and another 35,216 tons of products and parts were reused directly.

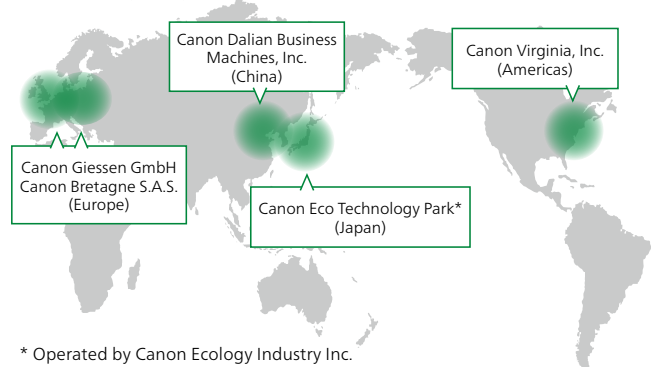
Going forward, we will continue to reinforce product-to-product activities at Canon recycling sites around the world, contributing to both a circular economy and the realization of a carbon-neutral society.

Product-to-product Recycling Volume (Cumulative)



* Product recycling initiatives have been ongoing since before 2007. Data are based on 2008 as the baseline year.

Canon Recycling Sites Worldwide



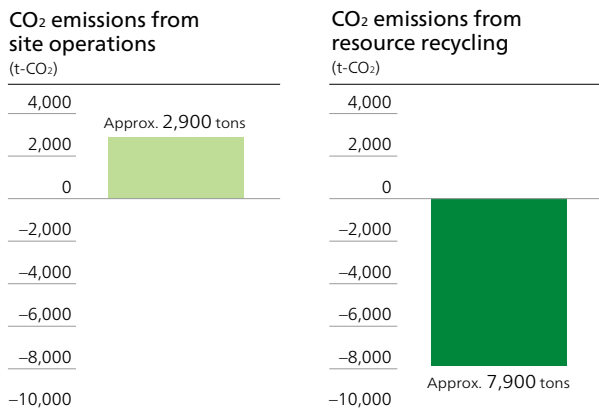
* Operated by Canon Ecology Industry Inc.

Value Created by Resource Recycling

We see initiatives at Canon's recycling sites as not only contributing to a circular economy but also contributing to a carbon-free future. The reuse of parts through remanufacturing and the recycling of plastics through closed-loop recycling allow us to reduce the amount of CO₂ emissions generated by raw material procurement and transportation compared with using new raw materials.

Canon Ecology Industry Inc. emitted 2,900 tons of Scope 1 and 2 CO₂ through site operations. We believe that these efforts have resulted in a reduction of approximately 7,900 tons of CO₂ emissions.

Example of Canon Ecology Industry Inc.



Environmentally Conscious Design

To achieve effective use of our limited resources, environmentally conscious design is a necessary tool. Starting from the design and development stage, Canon gives careful consideration to the whole process through to collection and recycling of end-of-life products.

Our Environmentally Conscious Design Guidance summarizes the considerations that need to be addressed at the product design stage, including product-related environmental laws and regulations, Green Public Procurement standards, and environmental labeling standards in the different countries and regions where we sell our products. It sets out concrete guidelines covering a range of areas, such as extending product life, making products easier to maintain, disassemble and sort into constituent materials after disassembly, and improving information disclosure.

Remanufacturing of Multifunction Devices

Since 1992, Canon has undertaken remanufacturing of used multifunction devices. We collect used devices and break them down into parts, which are washed and cleaned using optimal techniques. Following strict reuse standards, we replace any parts that show wear or deterioration. The production line and inspection processes used are on a par with those for devices made only with new parts. When a remanufactured device is

shipped, it is guaranteed to offer the same level of quality as a new product. We market remanufactured devices from the imageRUNNER ADVANCE series under the Refreshed series brand in Japan and under the ES series brand in Europe.

In 2022, Canon launched sales of a new product under the Refreshed series brand, the imageRUNNER ADVANCE C3530F-RG, a special environmentally conscious model with an increased reused parts ratio. Using meticulous washing and cleaning processes, along with sandblast polishing* to remove the smallest imperfections and other special treatments, a reused parts ratio of over 90% has been achieved.



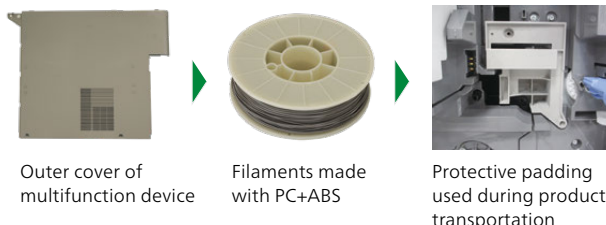
imageRUNNER ADVANCE C3530F-RG

* A technique for polishing resin surfaces by blasting with microparticles

Development and Use of 3D Printer Filaments Made with Plastic Recycled from Multifunction Devices

As a new initiative to drive plastic material recycling, Canon Ecology Industry Inc. has developed a filament for 3D printers made with 100% recycled plastic. The recycled plastic raw materials used are PC+ABS and HIPS, which have a record of reliable performance as plastic materials and have been widely used in the outer covers and cassettes of multifunction devices and other applications. Adapting technologies accumulated through recycling of other Canon products, and utilizing optimal technologies to crush and wash the outer covers and cassettes of multifunction devices recovered from the market and then process them through extrusion-molding, enabled filaments with a stable wire diameter to be manufactured even with 100% recycled plastic.

Canon uses parts molded from these filaments as protective padding during product transportation.



Initiatives regarding consumables

Toner Cartridge Closed-loop Recycling

In 1990, Canon launched its Toner Cartridge Recycling Program, the first such program in the industry. The program continues to operate today.

Returned used toner cartridges are brought to Canon recycling sites, where camera equipment is used to sort

them by model. The reusable parts are then picked out, washing and maintenance are performed as needed, and the parts are reused in new products. Parts that cannot be reused are crushed and separated by material using physical characteristics such as electrostatic properties and specific gravity.

The primary material of toner cartridges is the high-impact polystyrene (HIPS) used primarily for the housing. HIPS can be used repeatedly to make new toner cartridges, a unique feature of Canon's closed-loop recycling process.

We conduct used toner cartridge collection in 24 countries and regions (with a cumulative collection volume of about 454,000 tons as of the end of 2022) for recycling at four sites* worldwide. As of 2022 we have achieved a cumulative reduction in the use of new resources of approximately 322,000 tons.

* Japan: Canon Ecology Industry, United States: Canon Virginia, France: Canon Bretagne, China: Canon Dalian Business Machines

Collection and Recycling of Ink Cartridges

Canon has been collecting and recycling used ink cartridges since 1996. As of the end of 2022, Canon's collection program was operational in 30 countries and regions worldwide, and the total volume of cartridges that had been collected up to the end of 2022 reached 2,731 tons.

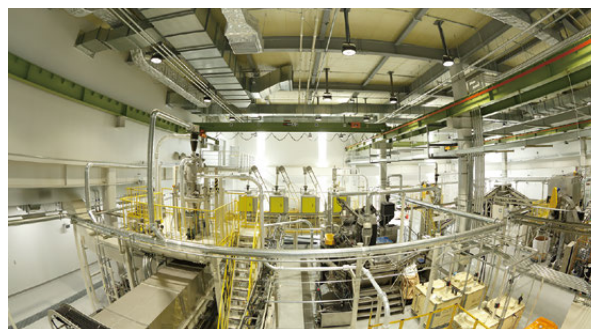
In Japan, Canon is part of the Ink Cartridge Satogaeri (Homecoming) Project, a joint program by printer manufacturers to collect cartridges via boxes placed in post offices, libraries, and other local government facilities. Schools also collect cartridges through activities related to the Bellmark Campaign. Outside Japan, we place cartridge collection boxes in large retail stores, affiliate sales outlets, shopping malls, companies, schools, libraries, train stations, Canon service stores, Canon showrooms, and other locations, depending on the circumstances in each country or region.

State-of-the-art Automated Recycling Plant at Canon Eco Technology Park

In February 2018, we opened the Canon Eco Technology Park. Based on a "clean and silent" design concept, which overturns the traditional image of recycling operations, the facility has implemented advanced systems to further boost recycling efficiency. The Canon Automated Recycling System for Toner Cartridges (CARS-T) is a process in which used toner cartridges are crushed and the materials automatically separated for recycling of the main component, high-impact polystyrene (HIPS). The sorting purity of the recycled plastic reaches 99% or greater* with the intensive use of various separation technologies at the different stages of the process. With the Canon Automated Recycling System for Ink Cartridges (CARS-I), a camera-based automatic sorting process is used on the used ink

cartridges. The process line is automated, yielding an integrated process for the recycling of ink cartridges from disassembly and pulverization to washing. Separated materials are reused for ink cartridge components and packaging, as well as for pallets used in logistics. Any resources that cannot be recycled through product-to-product recycling are diverted to material recycling or thermal recovery processes to help maximize resource efficiency.

* 99% or greater based on Canon's in-house sorting method

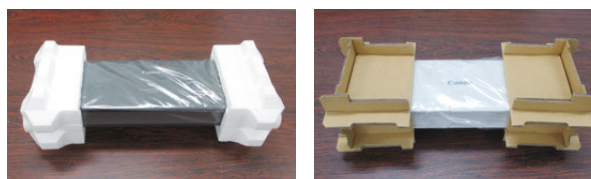


The Canon Automated Recycling System for Toner Cartridges (CARS-T)

Action to Reduce Disposable Plastics

There is growing public concern over single-use plastics, which are regarded as a cause of marine pollution. With the aim of reducing plastics, Canon is working to cut the amount of single-use plastic. For product packaging, we are seeking to replace single-use plastics, for instance by switching from polystyrene foam to pulp mold. Canon Electronics has switched from polystyrene foam to compostable and recyclable paper for the packaging material used with the imageFORMULA R10 and P-215 II document scanners. Canon intends to continue expanding the use of plastic-free packaging, focusing mainly on B-to-C products.

Additionally, Canon is a member of the Clean Ocean Material Alliance (CLOMA), a public-private sector alliance that seeks a solution to the problem of marine plastic pollution through accelerated innovation and collaboration among a wide range of interested parties across industry borders. In coordination with CLOMA, we are working on a range of initiatives, including reducing the use of plastics and developing recycle-friendly products, technologies, and systems.



Example of imageFORMULA R10 Personal Document Scanner in use

Initiatives to Reduce Waste at Operational Sites

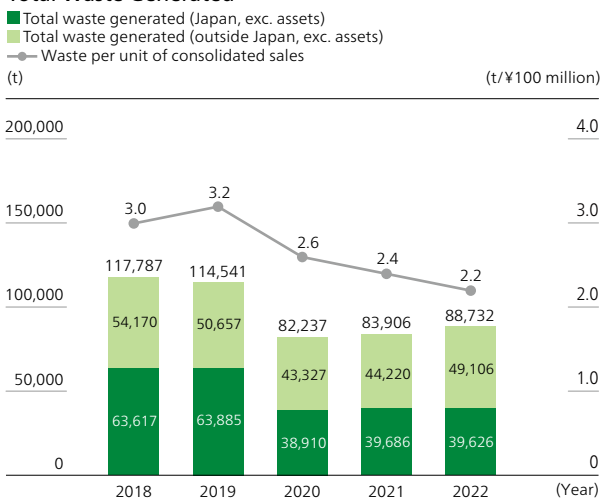
Reducing Waste

Canon is working hard to reduce the amount of waste it generates. Efforts include increasing recycling through sorting and collection and minimizing initial waste generation.

In particular, we have sought to determine which factors most significantly affect waste generation at production sites for each division and each production process. Based on these findings, and thorough forecast management, we have implemented a number of ongoing initiatives to reduce waste.

Total waste output in 2022 amounted to 88,732 tons. We implemented ongoing activities to reduce waste, such as switching to returnable shipping cartons at the Toride Plant and Canon Vietnam and reducing waste from the metal stamping process at Canon Hi-Tech (Thailand). However, due to factors such as an increase in packaging materials due to greater distribution of components at production sites, CO₂ emissions were up 6% from 2021, and did not meet our target for reduction of waste emissions intensity.

Total Waste Generated



* Excludes disposal of products collected after use.

* The scope of aggregation mainly includes companies that have acquired ISO 14001 consolidated certification.

Initiatives Related to In-house Waste Recycling and Outside Resource Recovery

Canon actively works to reduce the amount of waste originating from its operations and to reuse or recycle waste where possible, appropriately disposing of any waste that can be neither reused nor recycled in accordance with the law.

Our various operational sites employ a range of in-house recycling schemes, including reprocessing waste plastic from injection molding or recycling it for other items.

Even in the case of waste that must be sent outside the company, we make sure it does not enter landfills*. Rather, we contract with companies that reprocess waste into materials. In 2022, contracted companies processed 86,367 tons of waste from Canon back into materials.

* Except for some general waste generated by business activities that is disposed of under government oversight.

Initiatives for Sustainable Use of Water Resources

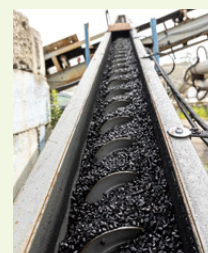
Water Risk in Regions Where Production Sites Are Located

Canon assesses locations to confirm available water intake volume before establishing operational sites and facilities. We use the AQUEDUCT water-risk mapping tool provided by the World Resources Institute* for quantitative evaluation and reconfirmation of water risk in regions where production sites are located, and work to reduce water consumption in response to local conditions. Meanwhile, in some regions, an increase in abnormal weather patterns has increased the risk of flood damage. We have already begun implementing appropriate responses to climate change. In Japan, for instance, we have relocated the Miyazaki Canon site, replacing the former riverside structures with new buildings on higher ground. Similarly, at our Thai production site, we used an elevated site to build Plant No. 2. Going forward, we will continue our progress with the formulation and updating of risk response plans to increase resilience.

* World Resources Institute: WRI is an independent institute based in the United States that conducts policy research and provides technical assistance concerning environmental and development issues around the world.

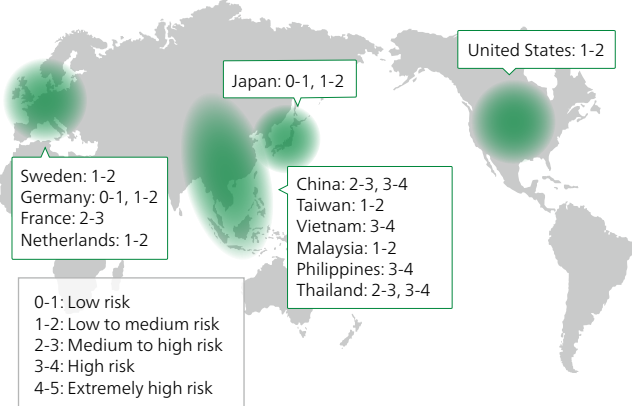
Initiatives for Efficient Use of Resources: Use of Recycled Toner Pellets

In a joint project with an asphalt services firm Basic Construction Company, Canon Virginia Inc. has developed a new asphalt material containing an admixture of recycled toner pellets made from the waste toner in used cartridges. The polymer that is the main constituent of the recycled toner pellets improves the strength of the new material, which can reduce the use of asphalt binders, whose price has soared. The new asphalt material has been used on public roads in the US state of Virginia, realizing both effective use of resources and cost economies.



Recycled toner pellets used as asphalt additive

Water Risk (Quantitative) in Countries and Regions with Major Production Sites



* Result of "physical risk quantity" assessment of production sites (as of end of 2020) using AQUEDUCT water-risk mapping tool (Version 3) (as of March 2023)

Reducing Water Usage

Canon collects water data by intake source (public water system, industrial water system, or groundwater) and manages water resources carefully so as not to exceed intake limits for the different regions in which it operates. We also set and manage targets for the volume of water used in production, and constantly strive to further reduce water usage by improving production processes, raising water-usage efficiency and enhancing the quality of our water management.

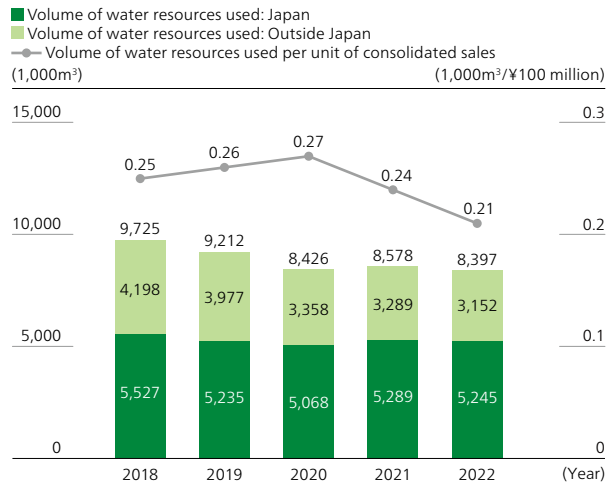
Water Recycling at Production Sites

Canon promotes the recycling of water resources. For example, taking into consideration its impact on the marine ecosystem of nearby Beppu Bay, which abounds with precious natural resources and habitats, the Kitsuki Plant of Oita Canon Materials Inc. employs a fully closed wastewater system that discharges only rainwater.

We are also working to keep water consumption at

our marketing sites to an appropriate level by measuring and monitoring the amount of water used at main sites. To reduce water consumption at its head office building through water recycling, Canon Marketing Japan is cooperating with the Shinagawa Grand Commons Community Development Council, an association of local business enterprises, in a reclaimed water utilization project under which recycled water supplied by the Tokyo Sewerage Bureau is used for flush toilets and other purposes. In 2022, water consumption decreased by 2.1% from the previous year to 8,397,000 m³. This was achieved through ongoing reduction measures at production sites, consisting of the replacement of aging facilities at Canon (Suzhou) Inc. and integrated operation of cleaning equipment at Oita Canon Materials Inc. These improvements also enabled us to reach our target for water consumption intensity, which decreased by 1.6% from 2021.

Use of Water Resources



* Third-party verification obtained for water consumption figures from 2018.
 * The scope of aggregation mainly includes companies that have acquired ISO 14001 consolidated certification.

High Marks for Various Efforts to Reduce Water Consumption

The Plant of Canon Hi-Tech (Thailand), which is located in an area of high quantitative water risk, promotes water conservation by adjusting water flow during the cleaning process, recycling water by purifying, and reducing used water in cafeterias and facilities. Last year, in recognition of these efforts, Canon Hi-Tech (Thailand) received the Water Saving Award sponsored by the Ministry of Industry in August and Gold level of Water Conservation Awards from Ministry of Natural Resource and Environment of Thailand in October.



Water Conservation Award ceremony

Interaction with the Local Community on the Theme of Water

In addition to recycling water, Oita Canon Materials carries out plant tours, outreach classes on the environment, and other educational activities that emphasize the precious nature of water resources, as well as participating in cleanup events at coastal and river sites. In recognition of these activities, the company received the Japan Water Prize (the Minister of Economy, Trade and Industry Award) from the Japan Water Prize Committee in the Japan River Association.





Japan Water Prize ceremony

Chemical Substances

Canon thoroughly manages chemical substances in products and those used in manufacturing processes.

Canon's Initiatives and Their Relation to Sustainable Development Goals (SDGs) Targets

 	• Managing chemicals contained in products, meeting international standards	Target 12.4*	
	• Managing chemical substances in production processes	Target 12.4*	
	• Reducing discharge into air, water, and soil	Target 12.4*	Target 6.3*
	• Green supply chain	Target 12.4*	

* Target 12.4: Achieve the environmentally sound management of chemicals and all waste throughout the product lifecycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water, and soil
 Target 6.3: Improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, and substantially increasing recycling and safe reuse globally

Approach to Managing Chemical Substances

Canon strictly manages chemical substances in products as well as those used in manufacturing processes. Our basic approach to management involves confirming products do not contain regulated chemical substances that exceed the prescribed standard and production sites do not discharge regulated chemical substances that exceed the prescribed standard.

Management of Chemical Substances in Products

Canon has built a Group-wide environmental assurance system for managing chemical substances in products. Taking the laws and major environmental-labeling requirements around the world into consideration, we established in-house standards in line with the most stringent regulations in the world.

Specifically, our management system classifies chemical substances into three categories: "prohibited substances," which cannot be used in products; "use-restricted substances," for which we are working to find alternatives by specific deadlines; and, "controlled substances," the amount of which should be monitored.

Utilization and Development of the chemSHERPA System for Information Sharing on Chemical Substances

To manage chemical substances appropriately, it is important to share information on the chemical substances contained in materials, parts, and products accurately and efficiently along the supply chain from upstream to downstream, and to ensure compliance with all applicable regulations.

In the past, companies each employed their own survey formats to request information about chemical substances in products from suppliers, which meant that

suppliers were responding to their customers multiple times in different formats even regarding the same parts or chemicals. This situation incurred a substantial burden on and costs to the entire supply chain. Furthermore, using such a variety of survey formats gave rise to concerns about the decreased reliability of data as it was communicated across the supply chain.

Amid such circumstances, the Ministry of Economy, Trade and Industry (Japan) decided to sponsor chemSHERPA (chemical information SHaring and Exchange under Reporting PARTnership in supply chain) as a common platform for sharing information, facilitating the seamless transmission of information between companies to confirm compliance with regulations on chemical substances in products. Applying the IEC62474* international standard, the chemSHERPA data scheme enables the management of compliance verifications for chemical substance regulations for each material and part. It enables more effective verifications as well, since revisions to regulations are updated in a timely manner.

Having previously collected and managed information on chemical substances contained in products in line with IEC62474, Canon completed the introduction of chemSHERPA in 2017. Since its introduction by Canon, more than 99% of survey replies from suppliers have been made through chemSHERPA. This has led to increased workplace efficiency. Some suppliers have also adopted pre-filled survey replies that contain some of the required information. This shift to a more standardized approach contributes further to operational efficiency.

Meanwhile, for suppliers who have difficulty with the reply process, guide manuals in Japanese, English, and Chinese have been prepared to promote the progressive global adoption of chemSHERPA.

* Material Declaration for Products of and for the Electrotechnical Industry. International standards issued by the IEC (International Electrotechnical Commission) in March 2012 aiming to streamline the material declarations on chemical substances and compositions contained in the products of the electrotechnical industry in the global supply chain.

Managing Chemical Substances Used in Manufacturing Processes

The chemical substances handled during manufacturing at Canon include "controlled chemical substances" regulated in terms of safety such as negative impact on human health, the environment, and flammable risk. Canon separates these substances into three categories: A) Prohibited substances; B) Emission reduction substances; and C) Regulated substances. In turn, effective measures are in place for each category.

Prohibited substances are defined as those specified by the Chemical Weapons Convention, the Stockholm Convention, the Montreal Protocol and the Convention concerning Safety in the Use of Asbestos, as well as specified greenhouse gases (PFC/HFC/SF₆), other soil and groundwater pollutants, and substances that significantly impact people's health.

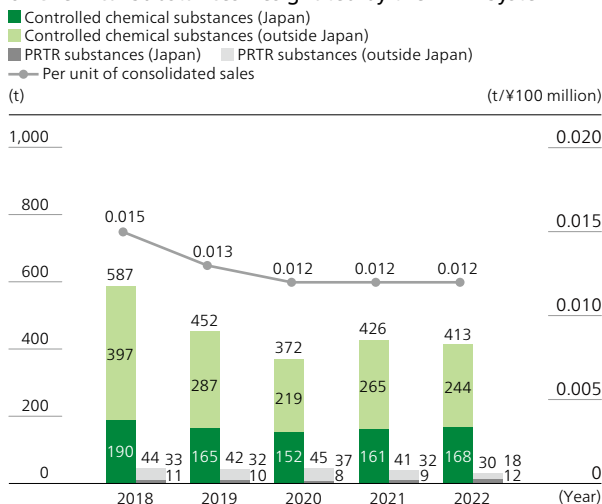
Greenhouse gases other than PFC/HFC/SF₆, greenhouse gases identified by the IPCC as having global warming potential (GWP), volatile organic compounds (VOCs), and other substances specified by Canon are designated as emission reduction substances.

Regulated substances are chemical substances with defined compliance requirements, including compliance with reference values and the ascertainment of usage and storage quantities.

Reducing Use and Emissions of Controlled Chemical Substances

Canon engages in various initiatives at its operational sites to reduce emissions of controlled chemical substances, including reducing consumption and re-using them through improvement of production processes. In 2022, Canon Prachinburi (Thailand) and Canon Hi-Tech (Thailand) introduced replacements for controlled chemical substances while Canon Inc., Taiwan carried out process improvements and installed chemical substance removal equipment. These continuous reduction activities resulted in a year-on-year decrease of approximately 3% in controlled chemical substance emissions to 413 tons.

Emissions of Controlled Chemical Substances and Amount of Chemical Substances Designated by the PRTR System*



* PRTR System: Pollutant Release and Transfer Register System, a notification system for the transfer and release of chemical substances.
 * Controlled chemical substances exclude regulated substances.
 * The scope of aggregation mainly includes companies that have acquired ISO 14001 consolidated certification.

Reducing Emissions into the Atmosphere and Waterways and Preventing Pollution

Canon alleviates the environmental impact of its operational sites by reducing emissions of NO_x*¹ and SO_x*², which are major causes of air pollution and acid rain; reducing discharge of phosphates and nitrogen compounds, which cause the eutrophication of water environments; and, reducing BOD*³ and SS*⁴, which indicate an environmental impact in water areas. One example of this is Canon Components, the first member of the Group to introduce a new treatment process to reuse the active carbon contained in waste sludge. By removing the small residue of ink in treated wastewater, this process realizes reduced environmental impact.

*¹ Nitrogen oxides (NO_x) A major cause of air pollution, acid rain and photochemical smog, NO_x is generated when the nitrogen in fuels is oxidized or when nitrogen in the atmosphere is oxidized during high-temperature combustion.
 *² Sulfur oxides (SO_x) A major cause of air pollution and acid rain, SO_x is generated when fossil fuels, such as oil and coal, are burned.
 *³ Biochemical oxygen demand (BOD) BOD is the amount of oxygen consumed when microorganisms degrade organic matter in water. Larger figure indicates worse water quality.
 *⁴ Suspended solids (SS) A collective term used for substances of less than 2 mm in diameter that float in the air and do not dissolve.

Chemical Substance Reduction in the Semiconductor Device Pretreatment Process

Some 30% of the semiconductor treatment process consists of cleaning the wafer (semiconductor element material) with various chemical substances. These substances are replaced at regular intervals regardless of how long the equipment has been in operation for. The semiconductor device manufacturing facility at Canon's Ayase Plant has developed a predictive tool that tracks the constantly changing situation on the production line together with data on production plans, maintenance, and the facility's capacity, allowing phased operation of equipment. By setting facilities to shut off for planned periods, the plant has reduced the frequency of replacement of the chemical fluids and thereby cut down on the total amount used. A yearly saving of around 23,000 liters of chemical substances is expected.

To prevent air pollution, when installing or updating equipment that uses fuel, we opt for fuels that minimize generation of air pollutants (such as sulfur oxide, nitrogen oxide and soot), and have banned the use of heavy oil in principle.

Furthermore, we have designated ozone-depleting substances and persistent organic pollutants cited in the Stockholm Convention on Persistent Organic Pollutants as banned substances.

With regard to wastewater, each operational site sets standard values based on local laws and regulations. Also, control values are set at 80% of the standard values as management standards at each site. We regularly check the status of compliance with management standards.

Soil and Groundwater Management Status

Canon places high priority on soil and groundwater protection. In line with this, we established the Canon Group's Basic Policy on Soil and Groundwater Pollution and implemented comprehensive measures based on it. In the unlikely event that soil or groundwater pollution is found at one of our operational sites, cleanup and remedial actions are carried out in close accordance with all relevant laws.

Also, our standard when acquiring new land is to conduct a preliminary soil examination and carry out any other necessary procedures, such as soil remediation, before making the purchase. We also monitor the chemical substances used at each site and, considering applicable national and regional standards, develop risk countermeasures according to the local situation.

Going forward, we will continue with the above initiatives and carry out monitoring and reporting of operational sites with completed remediation in a timely manner.

PCB Waste Management

In accordance with relevant laws, Canon strictly manages polychlorinated biphenyl (PCB), which damages living organisms and the environment. As of December 2022, 3 operational sites were storing PCB waste. In terms of highly concentrated PCB waste, there are 492 fluorescent ballasts in storage. In Japan, this PCB waste is processed sequentially by Japan Environmental Storage & Safety Corporation (JESCO).

Status of Soil and Groundwater Management Activities

Operational Site	Substances	Measures
Shimomaruko	1,2-dichloroethylene	Injection of treatment agents, water quality measurement
Utsunomiya parking lot 1	Fluorine and its compounds, etc.	Pumping, water quality measurement
Toride	Trichloroethylene, etc. Hexavalent chromium and its compounds	Pumping, water quality measurement
Canon Ecology Industry	Trichloroethylene, 1,1-dichloroethylene	Covering, Pumping, water quality measurement
Canon Components	Mercury and its compounds	Covering, water quality measurement

* Reports are made to the authorities concerning sites where remediation is in progress.

Biodiversity

Under our Biodiversity Policy, we have formulated the slogan 'Nature Positive' and are pursuing activities rooted in local communities worldwide.

Canon's Initiatives and Their Relation to Sustainable Development Goals (SDGs) Targets

	<ul style="list-style-type: none"> Biodiversity Policy, Basic Policy on the Procurement of Timber Products 	Target 15.2*	Target 15.5*
	<ul style="list-style-type: none"> Canon Bird Branch Project 	Target 15.5*	
	<ul style="list-style-type: none"> Preservation of natural habitats and biodiversity 	Target 15.5*	
	<ul style="list-style-type: none"> Forest conservation, tree-planting initiatives 	Target 15.2*	

* Target 15.2: Promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests, and substantially increase afforestation and reforestation globally
 Target 15.5: Take urgent and significant action to reduce the degradation of natural habitats, to halt the loss of biodiversity and, by 2020, to protect and prevent the extinction of threatened species

Biodiversity Policy

Canon recognizes biodiversity as essential for a sustainable society. We carry out various activities to conserve and protect biodiversity under our Biodiversity Policy, which applies to the entire Canon Group.

Reference: Biodiversity Policy
<https://global.canon/en/environment/biodiversity.html>

Initiatives to Support Continuous Use of Sustainable Forestry Resources within Value Chain

To help support biodiversity across the value chain, Canon promotes the use of sustainable forestry resources as the raw materials for the paper used in its products. We have set procurement policies favoring the purchase of paper products derived from sustainably sourced wood pulp. Moreover, the office paper we sell is made under forest certification schemes or using environmentally conscious raw materials.

Reference: Basic Policy on the Procurement of Timber Products
<https://global.canon/en/environment/biodiversity.html>

'Nature Positive' Initiatives at Canon

Biodiversity has come to be recognized in recent years as an issue facing global society as a whole, and the notion of 'nature positive' initiatives that seek not only to conserve but also restore biodiversity has gained attention. 'Nature positive' actions hold the potential to prevent the loss of economic activity as well as create new jobs and businesses. Canon adopted the Group-wide slogan 'Nature Positive' to guide our collaboration with stakeholders at marketing and production sites worldwide in rolling out activities in line with local needs.



Forest cleanup activities



Reforestation activities



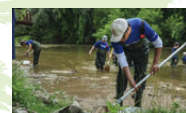
Sand dam construction



Placing of bird nesting boxes



Tree-planting activities



River clean-up activities



Provision of greenspace

Worldwide rollout of locally focused activities



Beach cleanup



Environmental outreach classes



Wastewater recycling systems



Environmental protection activities



Elimination of invasive species



Restoration of coral reefs



Protection of marine mammals and sea turtles

Canon Bird Branch Project

Biodiversity refers to the way living things interact as they coexist on earth. Within this sphere, birds occupy the top position in a local ecosystem pyramid of plants, insects, and small animals, symbolizing the cycle of life. Canon promotes the Bird Branch Project, which encompasses a range of bird-centered activities at operational sites in Japan and overseas, as a symbol of the initiatives based on its Group-wide Biodiversity Policy.



CANON BIRD BRANCH PROJECT BIODIVERSITY INITIATIVES

Reference: Canon Bird Branch Project website
<https://global.canon/en/environment/bird-branch/index.html>

■ Activities in Japan

Canon's Shimomaruko headquarters complex in Tokyo includes a greenspace with a wide variety of trees that we call the Shimomaruko Woodland. Under the supervision of the Wild Bird Society of Japan, a monthly survey of the migration of wild birds is carried out. The number of species observed has grown from eleven in 2014 to 38 in 2022, a more than three-fold increase, indicating the success of efforts to promote species diversity. At other sites as well, we have created biotopes, with bird baths and nesting boxes installed and kept clean and measures taken to protect against bird strikes, creating on-site environments conducive to bird life. We also announce the installment of nesting boxes and otherwise offer opportunities for employees to learn that even familiar spaces can foster the lives of wild birds. Meanwhile, 12 of our operational sites participate in the seasonal wildlife monitoring scheme proposed by the National Institute for Environmental Studies. Participants report the species of bird, plant, reptile, and insect observed at the site as well as the date on which the first birdsong of each species is heard, the date on which it is first seen, and the date on which each tree or plant begins to flower. These data also make

a useful contribution to academic studies.

Canon Optron, Inc. sought to promote harmony between nature and the local community by creating an on-site biotope with bird-friendly trees planted at its center. To create a conducive environment for a wide range of other living things as well as birds, care was taken to ensure that the biotope pond has both shallow and deep parts. The biotope provides a habitat not only for the rice fish and goldfish released into the pond, but also for frogs, shellfish and other species and has become a spot where employees go to relax. The number of bird species observed has increased from five to 16, underlining the biotope's contribution to biodiversity.



Biotope created by employees

■ Overseas activities (France)

We also promote biodiversity conservation initiatives at overseas sites in the Americas, Europe, and Asia. Canon Research Centre France is situated on a 45,000m² site, of which 82% is greenery. Since 2011, it has worked under the guidance of the French League for the Protection of Birds to protect and enhance biodiversity in its grounds and increase the number of bird species using the site as a habitat. To this end, it has adopted a site improvement policy that includes discontinuing the use of herbicides and pesticides. This initiative has successfully increased the number of wild bird species on the site, which according to the most recent survey has reached 34.

Contribution to the Global 30by30 Target

The Shimomaruko Woodland at Canon's headquarters complex provides a thriving environment for approximately 1,000 trees and shrubs and has become an important wild bird habitat in central Tokyo. As a Japan-based initiative in response to the adoption of the global '30by30'^{*1} target by COP15 (15th Conference of the Parties to the United Nations Convention on Biological Diversity) in Montreal, Canada, in 2022, the Ministry of the Environment is implementing a trial program to certify sites where action is taken to conserve biodiversity as 'natural coexistence sites.'^{*2} The Shimomaruko Woodland has been certified as 'equivalent' to a natural coexistence site. Canon is also engaged in biodiversity conservation as a participant in the 30by30 Alliance for Biodiversity^{*3} launched by the Ministry of the Environment in partnership with interested business enterprises and local governments.

*1 A global target for countries to place 30% or more of both their land area and territorial waters under protection by 2030 in order to promote biodiversity.

*2 A Ministry of the Environment program to certify sites where business enterprises, citizens' groups, local governments, or other bodies take action to promote biodiversity conservation.

*3 A voluntary alliance to promote effective measures toward achieving the 30by30 target.

- Chemical Substances

- Biodiversity



Greenspace cultivated onsite

Protection of Marine Mammals and Sea Turtles and Support at Ocean Release Events (USA)

Canon USA supports the conservation of sea life through the New York Marine Rescue Center (NYMRC), which carries out rescue and rehabilitation activities for marine mammals and sea turtles. Since 2019, Canon USA employees and their families and friends have participated in the release of sea turtles that were nursed back to good health by the NYMRC. One turtle was named “Flippy” through a popular vote taken on Canon USA’s official social media site. Weighing only around 35 pounds (16 kg) when rescued in 2022, Flippy was safely returned to the Atlantic Ocean the following summer after regaining a body weight of around 55.5 pounds (25 kg).



Flippy returns to the Atlantic Ocean

Forest Cleanup to Prevent Forest Fires and Conserve Habitats (Philippines)

In recent years, the intensification of forest fires due to the effects of climate change and the increasing possibility of spontaneous combustion have attracted attention as pressing environmental issues.

Canon Business Machines (Philippines), Inc will prevent forest fires caused by fallen leaves and dead grass, promote circulation of animal and plant ecosystems, and maintain and preserve forests in good condition. Employees volunteered to clean up Botanic Gardens in a forest reserve designated as an ASEAN Heritage Park*, collecting about 20 kg of leaves.

* ASEAN Heritage Parks: conservation sites in the ASEAN region rigorously selected and recognized for their distinctive biodiversity, ecosystems, and wildlife and their outstanding value from the viewpoint of scenic beauty, culture, education, research, recreation, tourism, or other factors. As of October 2022, there were 51 designated sites.



Activities in the Mount Makiling Forest Reserve

Nature conservation activities in partnership with local communities (Thailand)

Canon Hi-Tech (Thailand), Canon Marketing (Thailand) and Materials Automation (Thailand) collaborated with naval authorities to implement marine and coastal environmental conservation and cleaning with the aim of restoring and preserving marine ecosystems affected by plastic pollution. At the event held at Nang Ram Beach, 124 employee volunteers participated in a 2 km beach clean-up, collecting approximately 100 kg of marine debris, encouraging tourists to beautify the beach, and planting 70 coral reefs.



Activities at Nang Ram beach