Canon
CANON MEDICAL

Made For life




# *The Fighting Against Forced Labour and Child Labour in Supply Chains Act Annual Report*

Canon Medical Systems Canada Limited

**Reporting period 1 January 2025 to 31 December 2025**

## Contents:


**01 About this Report**

**02 Structure, Activities and Supply Chains**

**03 Policies and Due Diligence**

**04 Risks of Child and Forced Labour in Our Supply Chains and Operations**

**05 Assessing Effectiveness of Actions**

**06 Training**

**07 Consultation process**

**08 Approval and Attestation**

# 01 About This Report

This is an annual *Fighting Against Forced Labour and Child Labour in Supply Chains Act* report (this "Report") of Canon Medical Systems Canada Limited, ("Canon Medical Systems") being submitted pursuant to Section 11 of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "Act") for the financial year ended December 31, 2025 (the "Reporting Period"). All references in this Report to the "we", "us", "our" or "Canon Medical Systems" refer to Canon Medical Systems unless otherwise indicated.

This Report describes the continued efforts being taken to promote transparency in our supply chains by outlining the steps taken during the 2025 financial year to prevent and reduce the risk that forced labour or child labour ("Child and Forced Labour") is used at any step of the production of goods in Canada or elsewhere, or of goods imported into Canada. This has been done in accordance with the mandatory reporting criteria outlined in Sections 11(1) and 11(3) of the Act.

Canon Medical Systems does not report under similar legislation in any other jurisdiction. However, Canon Medical Systems Corporation ("CMSC") of Japan, which was Canon Medical Systems' parent company for the Reporting Period[1], gives direction to Canon Medical Systems for its Canadian report and also to its subsidiaries in the United Kingdom and Australia for their reports that are filed and published in accordance with the laws and regulations of those countries.

All statements in this report are applicable to Canon Medical Systems for the Reporting Period noted above.

# 02 Structure, Activities and Supply Chains

## 2.1 Canon Medical Systems' Profile and Global Structure

Canon Medical Systems Global Structure during the Reporting Period was as follows:

Number of Countries Canon Medical Group Operates in: 10

Total Global Headcount (as of December 31, 2025): 11,490

6,180 in Japan and 5,310 overseas

8,333 men and 3,157 women

Canon Medical Systems was incorporated in 2016 under the *Canada Business Corporations Act*, and headquartered at 75 Tiverton Court, Markham, Ontario. During the Reporting Period, Canon Medical Systems was a wholly owned subsidiary of CMSC, who was in turn, is a wholly owned subsidiary of Canon Inc. We have a head office in Markham, Ontario, warehouses in Ontario and Alberta and branch offices in Montreal, Quebec, Calgary, Alberta and Vancouver, British Columbia.

[1] As of April 1, 2026, CMSC, with the exception of sales and service operations in Japan, became the Medical Division of Canon Inc. As a result, Canon Inc became the manufacturer of products sold in Canada by CMSCA as of that date. As this Report relates to CMSCA's 2025 financial year, all references within the statement refer to CMSC, to reflect the organisational structure in place during the Reporting Period.

## 2.2 Canon Medical Systems' Activities

As a subsidiary of CMSC of Japan, and one of the subsidiaries that comprised CMSC's overseas group companies and distributors, Canon Medical Systems offered a full range of diagnostic medical imaging equipment and other medical solutions to Canada during the Reporting Period. Since 2016, Canon Medical Systems has formed a core part of the CMSC group's growing medical equipment business in Canada.

Canon Medical Systems, as a wholly owned subsidiary of CMSC, saw most of our revenue in the Reporting Period come from the sale and servicing of Canon branded Medical Diagnostic Imaging Equipment.

In addition to the medical systems delivered to our customers, we provide support through comprehensive repairs, service, and maintenance to ensure that our products can deliver their full potential at all times. Our sales and service operations include technical call centres for sales and service, through which we offer peace of mind and rapid support.

## 2.3 Canon Medical Systems' Supply Chains

As a local sales, marketing and service channel of CMSC, we do not manufacture any products ourselves. Our business is a direct sales model and we do not have channel partners such as authorised business partners, resellers, sales agents or retailers. We provide after sales installation, technical support and service/maintenance in Canada.

*Products*

We are a distributor for CMSC's medical products in Canada and procure most of the products we sell from CMSC. CMSC takes responsibility for the final production of its medical products, including assembly. While CMSC assembles and manufactures most of its products itself in Japan, some other products are procured from its affiliates or third-party suppliers.

*Premises and facilities management*

All Canon Medical Systems' premises are leased. Our facilities management such as cleaning, office supplies, security, and utilities, waste management and some corporate services such as travel, company fleet vehicles, and general office supplies, are outsourced and purchased from Canadian suppliers.

*Logistics, warehouse and transport services*

Logistics and warehouse services in Canada are provided internally by Canon Medical Systems' employees. We do outsource distribution and delivery services to international logistics suppliers and local companies within Canada. Our products are usually received into our warehouse that is located near our head office in Markham, Ontario.

*Advertising and marketing*

Advertising and marketing services are generated in-house.

# 03 Policies and Due Diligence

## 3.1 Canon Medical Group's Management Philosophy and Standards of Conduct (the "SOC")

The SOC serves as behavioural guidelines for CMSC, and CMSC's subsidiaries' and affiliates', including Canon Medical Systems (collectively the "Canon Medical Group") directors, officers and employees in their business activities.




The SOC is the basis that guides the Canon Medical Group's activities, including those of Canon Medical Systems, in a comprehensive manner so that the group can operate under the principles of fairness, integrity, and transparency, and contribute to the formation of a sustainable society.

Part of the SOC covers Human Rights, providing:

> *"２．Human Rights*
>
> *１） Basic Policies*
>
> *Canon Medical Systems Group Companies shall:*
>
> *（１）comply with all applicable laws and regulations concerning human rights in each country and region, understand international standards and respect human rights, and shall not condone use of either child labor or forced labor;*
>
> *（２）take appropriate measures in the event that Canon Medical Systems Group becomes aware of violation of human rights and demand that suppliers redress any violations of human rights; and*
>
> *（３）seek to raise awareness among related stakeholders with respect for human rights.*
>
> *２）SOC for Directors and Employees*
>
> *Directors and Employees shall:*
>
> *（１）accept and accommodate different values, and respect the character and personality of each individual, observe the right to privacy and human rights of each individual; and*
>
> *（２）avoid any violation of human rights based on race, religion, sex, national origin, disability, age, or sexual orientation, and avoid physical and emotional abuse, sexual harassment, power harassment (i.e., bullying or harassment by superiors in the office) or violation of the human rights of others."*

### 3.2 Canon Medical Group's Procurement Policy

Canon Medical Group promotes procurement activities based on mutual understanding and trust. Canon Medical Group's policy is to prioritize selecting suppliers that comply with laws, regulations, and place emphasis on human rights and environmental consciousness. Canon Medical Group encourages its suppliers to respect basic human rights and to establish safe and clean working environments. Canon Medical Group will also consider whether it is a supplier's practice to pay appropriate wages, regulate working hours, and whether it respects employees' freedom of association. Canon Medical Group prohibits contracting with suppliers who are known to use forced labour (including slave labour), conduct human trafficking, conduct inhumane treatment or infringement on human rights, use child labour, or discriminate.

### 3.3 Canon Medical Group's Whistleblower Policy

Canon Medical Group has a reporting system, operated by an independent third party, that allows for anonymous reporting by staff as well as stakeholders (including whistle-blower reports). No Child or Forced Labour risks have been reported.

### 3.4 Canon Medical Group's Accountability Policy

Canon Medical Group entities comply with their reportable obligations under analogous supply chain legislation wherever such legislation exists. These steps help Canon Medical Group be accountable internally and externally.

## 04 Risks of Child or Forced Labour in Our Supply Chains and Operations

### 4.1 Steps Taken in 2025 to Prevent and Reduce the Risk of Child and Forced Labour

Canon Medical Systems benefited from the following steps taken by CMSC during the Reporting Period to reduce the risk of Child and Forced Labour in any of its supply chains or operations.

We have been advised that these steps include the adoption of various policies, conducting due diligence survey to suppliers, putting in place a framework for respecting human rights, the ongoing identification and monitoring of human rights risks and employee training, and communication of these policies' implementations and results to stakeholders, to prevent and reduce the risk that Child and Forced Labour is not taking place in Canon Medical Systems' business or supply chains.

### 4.2 CMSC's Processes

As a subsidiary of CMSC, our supply chains directly benefit from the due diligence and policies implemented at the parent level designed to assess the compliance of suppliers. CMSC's Procurement Centre conducts annual due diligence surveys for all new and existing suppliers, and reviews their approach to human rights and labour conditions. As of today, no issues relating to human trafficking, forced labour or other forms of Child and Forced Labour have been found in its supply chain through such due diligence.

In addition, CMSC takes appropriate measures to identify potential human rights risks in its business activities.

Moreover, Canon Medical Systems' Human Resources & Administration Department serves as the point of contact on human rights issues for Canon Medical Systems. CMSC formulates basic principles on human rights, enforces the practice of their essence and contents, and provides instructions and support to promote the concept of Respect for Human Rights throughout Canon Medical Group.

### 4.3 Risks of Child and Forced Labour in Canon Medical Systems' Supply Chain

The Canon-branded products we sell are mostly manufactured in CMSC's factories in Japan. This integration of part of the supply chain with our parent company allows us to sell the best possible products.

Resources and products, including semiconductors, common magnets and various raw materials are procured by production units from a variety of suppliers. These suppliers are subject to a set of requirements in the areas of quality, reliability, price, environmental management, health, safety, and possible social effects. These requirements are set in the Management System, Agreements, Supplier Code of Conduct and Procurement Policy. Additionally, key suppliers are regularly subjected to supplier audits at the parent level.

Accordingly, we believe that the risk of Child and Forced Labour occurring in our supply chains is low. As previously stated, our parent company CMSC is our major supplier of Canon branded equipment, and we rely upon its policies and processes to manage these risks.

### 4.4 Risks of Child and Forced Labour in Canon Medical Systems' Operations

Canon Medical Systems' staff, a large number of whom are qualified professionals, are directly employed and as such comply with applicable Canadian laws and the aforementioned SOC and policies.

The services/products sourced from our business partners are delivered by skilled people working pursuant to Canadian labour laws. We have long associations with these business partners and are familiar through day-to-day commercial activity.

For non-Canon products supplied by us as part of business offerings to our customers, we are presently undertaking steps to further map this aspect of our supply chain.

### 4.5 Remediation

CMSC's assessment of its supply chains for the risk of Child and Forced Labour did not identify any instances of Child and Forced Labour, including as it relates to Canon Medical Systems. In addition, our assessment of our operations did not identify instances of Child or Forced Labour. Accordingly, no steps were required to remediate the presence of Child and Forced Labour, or the loss of income associated with remediation efforts.

## 05 Assessing Effectiveness of Actions

Canon Medical Systems' Risk Management Committee reports to the company's Executive Team on an as-needed basis and the Executive Team meets bi-annually to review and set a Risk Action Plan for each financial half of the financial year.

We plan to continue to review our reports, policies, procedures and practices periodically to determine any enhancements we can make to reinforce our approach to preventing and reducing Child and Forced Labour from taking place in our businesses and in any of our supply chains, including by considering, where appropriate, implementing measures to assess the effectiveness of any of our processes.

## 06 Training

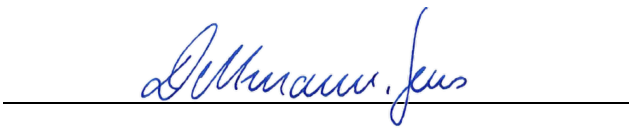
We presently conduct training in the areas of recruitment and employment to comply with local laws and the SOC. As we continue the evaluation of our program to prevent and reduce the risk of Child and Forced Labour in 2026, we are considering implementing more targeted training in this area.

## 07 Consultation Process

Canon Medical Systems has representatives from its Logistics Team, including Supply Chain, its Legal and Compliance Team, and its Risk Management Committee and its Executive Team who were engaged in the preparation of this Report.

## 08 Approval and Attestation

This Report was reviewed and approved pursuant to section 11(4)(a) of the Act, by the Board of Directors of Canon Medical Systems as of May 31, 2026.



***Jens Dettmann,*** I have the authority to bind Canon Medical Systems Canada Limited
*President and CEO*
***Canon Medical Systems Canada Limited***