



Canon increasingly isolated on renewable energy compared to Japanese industry peers

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Key takeaways

- Canon's ability to meet its emissions reduction targets is heavily contingent on rapidly scaling up its use of renewable energy. While Canon's goal to reduce absolute Scope 1 and 2 GHG emissions by 42% by 2030 is encouraging, in 2023 the company only targeted 4.85%¹ renewable energy use in its operations.
- Canon does not have a target for its renewable energy use beyond FY2023 and is lagging far behind its industry peers. Epson has already achieved 100% renewable energy globally, while Ricoh has publicly committed to 50% RE by 2030, Sony to 100% RE by 2030, Fujifilm to 50% RE by 2030, and HP to 100% RE by 2025.
- Canon has the opportunity to distance itself from climate denialism publications from the Canon Institute for Global Studies (CIGS) by delivering stronger climate action.
- **Key recommendation: To help meet its own emission reduction targets and align with the renewable energy progress of industry peers in Japan, Canon's leadership and sustainability team should make a public commitment and develop a transparent plan to achieve 100% renewable energy with at least 60% of its energy from renewable sources by 2030.**

1 Introduction

Canon's climate performance, particularly in the areas of emissions reduction targets and renewable energy commitments, remains uneven. While Canon has notably made some progress to date, the company continues to significantly lag behind its industry peers in Japan. In this research briefing we underscore the limitations of Canon's existing climate commitments and outline key steps the company needs to take to match the environmental sustainability actions of its competitors.

Since 2022, Action Speaks Louder has called on Canon to increase its climate ambitions², focusing on three core areas:

- Committing to a 2030 absolute emissions reduction target that is at least equivalent to about 45% reduction from 2010 (excluding offsets).
- Committing to 100% renewable energy with at least 60% RE by 2030.
- Developing and implementing a 1.5°C-aligned climate policy engagement plan that includes active engagement on key 1.5°C-relevant regulation and renewable energy policy, especially in Japan.

Following our campaign, Canon has made a new announcement that it will “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 Science Based Targets Initiative's (SBTi) criteria.”³ Subsequently, in November 2023, SBTi validated Canon's CO2 emission reductions targets as being in line with the 1.5°C Paris Agreement.⁴ While the Scope 3 target needs greater ambition, this is a welcome step forward in emission targets.

TABLE 1: Canon's renewable electricity usage

YEAR	2019	2020	2021	2022
Consumption of purchased or acquired renewable electricity (MWh)	76,097	75,254	80,438	90,321
Percentage of purchased or acquired renewable electricity	3.92%	4.17%	4.24%	4.54%

Sources: Data from [CDP, “Canon Inc. - Climate Change,” 2023](#); [CDP, “Canon Inc. - Climate Change,” 2022](#); [CDP, “Canon Inc. - Climate Change,” 2021](#); [CDP, “Canon Inc. - Climate Change,” 2020](#).

However, a crucial gap remains — in order to achieve this 42% emissions reduction target, Canon will need to dramatically scale up the use of renewable energy in its operations. Despite this, Canon has not set a target for its use of renewable energy beyond FY2023,

and is lagging far behind its peers. Moreover, Canon's percentage of purchased or acquired renewable electricity reported to CDP for 2022 was strikingly low — just 4.54% — and has never crossed the 5% level within the past four years. In fact, Canon's target percentage for low carbon or renewable energy in 2023 was only 4.85%.⁵

Such limited scaling up of renewable energy is particularly surprising given that this issue has long been known to Canon as a critical area for improvement. According to Canon's 2022 Sustainability Report, in a survey conducted in 2020 the most important issue identified by Canon stakeholders was "promotion of energy conservation and utilization of renewable energy."⁶



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Canon's target percentage for low carbon or renewable energy in 2023 was only 4.85%.

In order to achieve a 42% emissions reduction target, Canon will need to dramatically scale up the use of renewable energy in its operations. Photo by 上野, CC BY-SA 3.0 via Wikimedia Commons.

In comparison to its industry peers, Canon is a clear outlier in not setting a renewable energy target beyond 2023. In January 2024, Epson announced that it had achieved 100% renewable energy at all group sites globally, making it the "first in the domestic manufacturing industry to complete the transition to renewable electricity at all of its sites worldwide, including Japan."⁷ Similarly, Ricoh has publicly committed to 50% RE by 2030 and Sony to 100% RE by 2030, Fujifilm to 50% RE by 2030, and HP to 100% RE by 2025.⁸ In light of Canon's need to meet its own emissions reduction targets and properly demonstrate a renewable energy action plan to stakeholders, we reiterate our recommendation that Canon:

Make a public commitment and develop a transparent plan to achieve 100% renewable energy, with at least 60% of its energy from renewable sources by 2030.

In doing so, Canon can align with industry peers on renewable energy targets and clarify to customers, investors, and other stakeholders how Canon will achieve its stated emission reduction goals.

2 Canon's emissions and opportunities for RE

Canon's greenhouse gas emissions have remained stubbornly high and largely unchanged from 2018 to 2022. Based on Canon's most recent data outlined in Table 2, Canon reported that its operational GHG emissions (i.e., Scope 1 and Scope 2) in 2022 was 1,021,327 t-CO₂, which marks a mere 3.68% decline from the year prior. Given Canon's new target of reducing absolute scope 1 and 2 GHG emissions by 42% by 2030, with 2022 as the base year, it is crucial that GHG emissions be cut at a far greater rate.

TABLE 2: Canon's total GHG emissions in t-CO₂ by scope

YEAR	2018	2019	2020	2021	2022
Scope 1	160,520	151,504	122,514	142,655	159,899
Scope 2	930,471	891,734	823,467	917,727	861,428

*Figures for 2021/2022 obtained by third-party verification.

Source: [Canon. Sustainability Report 2023.](#)

Canon aims to achieve net zero CO₂ emissions by 2050 and acknowledges that this approach includes “introducing renewables at Canon production sites to raise energy efficiency.”⁹ Furthermore, Canon proclaims that its initiatives will contribute to Sustainable Development Goals (SDG) 7 on Affordable and Clean Energy and 13 on Climate Action, including SDG Target 7.2 to increase substantially the share of renewable energy in the global energy mix. Moreover, Canon's 2023 Sustainability Report claims that it has “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.”¹⁰

Despite such pledges, the quantitative data on Canon's energy consumption and renewable energy use indicate limited progress and, in some cases, trends that directly contradict emission reductions. First, as seen in Table 3 and 4, Canon's energy consumption across all sources increased from 2021 to 2022. This includes gas, which from 2021 to 2022 increased by 16.9% from 1,394 TJ to 1,629TJ and oil, which rose by 89.8% from 343 TJ to 651 TJ. Annual energy consumption increases across every source can be observed in all regions, including Japan, the Americas, Europe, and Asia and Oceania (excluding Japan).

Notably, according to Canon's 2023 CDP disclosure, the only two reasons for declines in its Scope 1 and 2 emissions were “emissions reductions activities” and “changes in renewable energy consumption.” Canon states that in 2022 it “reduced CO₂ emissions by 45,674 tons-CO₂ through energy-saving activities at its business sites,” resulting in a 4.31% annual reduction in emissions.¹¹ However, if this annual rate remains constant over the next eight

reporting years until 2030, Canon would only reduce its Scope 1 and 2 emissions by 34.48% – far below its 42% target. Strikingly, renewable energy consumption in 2022 contributed to a mere 0.03% reduction in Canon’s operational emissions, indicating that scaling up RE is critical to meeting its 2030 target of 42% emissions reduction.¹²

Canon has made minor gains in its use of renewable energy from electric power, which increased from 82,627 MWh in 2021 to 94,793 MWh in 2022, as noted in Table 3 and 4. Progress varies significantly by region, however, with RE use levels remaining nearly constant for the Americas and Europe, while larger gains were seen in Japan and Asia and Oceania. While these regional increases in renewable energy use indicate a step in the right direction, cumulatively they represent a fraction of Canon’s energy use and thus have a severely limited impact on reducing the company’s GHG emissions. In 2022 alone, the total renewable energy used from electric power (94,793 MWh, or 341.25 TJ) comprised just 4.7% of Canon’s total electricity consumption (7,199 TJ).

TABLE 3: Canon’s data on energy in 2021

ENERGY CONSUMPTION BY REGION IN 2021				
	Electricity	Gas	Oil	Other (steam , wide area heating and air conditioning) (TJ)
Japan	4,581	1,039	190	256
Americas	337	122	3	0
Europe	305	173	124	70
Asia and Oceania (except Japan)	1,616	60	26	52
Total	6,839	1,394	343	378

*Electricity includes the amount generated by renewable energy sources.

*Figures obtained by third-party verification.

USE OF RENEWABLE ENERGY BY REGION IN 2021		
	Electric power (MWh)	Geothermal power (TJ)
Japan	719	0
Americas	10,854	0
Europe	69,262	15
Asia and Oceania (except Japan)	1,792	0
Total	82,627	15

Source: [Canon. Sustainability Report 2022.](#)

TABLE 4: Canon's data on energy in 2022

ENERGY CONSUMPTION BY REGION IN 2022				
	Electricity	Gas	Oil	Other (steam , wide area heating and air conditioning) (TJ)
Japan	4,875	1,217	308	271
Americas	347	165	6	0
Europe	327	169	309	78
Asia and Oceania (except Japan)	1,650	78	29	63
Total	7,199	1,629	651	412

*Electricity includes the amount generated by renewable energy sources.

*Figures obtained by third-party verification.

USE OF RENEWABLE ENERGY BY REGION IN 2022		
	Electric power (MWh)	Geothermal power (TJ)
Japan	9,150	0
Americas	10,835	0
Europe	71,310	15
Asia and Oceania (except Japan)	3,498	0
Total	94,793	15

Source: [Canon. Sustainability Report 2022.](#)

Note: The 2022 total renewable energy for electric power figure reported in Canon's 2023 sustainability report (i.e., 94,793 MWh) is not consistent with the data reported in Canon's CDP climate change submission in 2023, which states 90,321 MWh.

To ascertain where Canon should focus scaling up renewable energy use, Table 5 outlines Canon's purchased electricity disaggregated by country. The highest electricity purchase was in Japan, followed by Thailand, Taiwan, USA, Vietnam, and China. When comparing these figures with the regional reported renewable energy use, it is clear that even the modest gains in RE for Japan and the rest of Asia are extremely minor.

Based on 2022 data in Table 4, in Japan, renewable energy for electric power constituted just 0.7% of Canon's total purchased electricity in the country. Similarly, the 3,498MWh of electric power for RE in Asia and Oceania (excluding Japan) accounted for only 0.8% of Canon's energy consumption in this region (i.e., 1,650 TJ, or 458333.33 MWh). Given these low percentages, it is crucial that Canon rapidly scale up renewable energy use in these regions given that they represent the majority of Canon's electricity demand.

TABLE 5: Canon's purchased electricity by country in 2022

Country	MWh
Japan	1,353,314
Thailand	122,902
Taiwan	99,370
USA	89,190
Vietnam	88,855
China	70,654
Malaysia	45,652
Netherlands	43,398
Philippines	22,975
France	11,222

Source: Data from [CDP, "Canon Inc. - Climate Change," 2023](#).

Furthermore, Canon should focus on the highest quality constructs when purchasing renewable energy, such as PPAs for new wind and solar installations.



Canon must make a public commitment and develop a transparent plan to achieve 100% renewable energy, with at least 60% of its energy from renewable sources by 2030. Photo by Amol Mande on Pexels.

3 Targets and analysis of Canon's peers

Canon's 4.85% target for low carbon or renewable energy in 2023 is strikingly weak compared to the ambitions of its industry peers in Japan and globally, namely Epson, Ricoh, Sony, and Fujifilm, and HP.

Epson, a Japanese company that specializes in printing, announced in January 2024 that it had achieved 100% renewable energy at all group sites globally, emphasizing that "the use of renewable electricity is a key means by which Epson seeks to reach its goal of achieving decarbonization."¹³

Ricoh, a Japanese imaging and electronics company, announced in March 2021 a target of 50% renewable energy by 2030 — an increase from their prior target of 30%, which it has already surpassed.¹⁴

Sony, a major electronics company, has made similarly ambitious renewable energy commitments and demonstrated progress in achieving them. Sony has a target to achieve 100% renewable energy in its operations globally by 2030.¹⁵ Further, Sony aimed for its remaining Japan/East Asia and "Pan Asia" sites to complete the RE transition by the end of FY2023.

Fujifilm, which produces products across the imaging, printing, and healthcare industries, has declared an aim to achieve net zero CO2 emissions by the end of 2040 as part of their plan to reduce emissions from energy consumption.¹⁶ In doing so, the company has set a target of converting 50% of purchased electric power to renewable energy-derived power by 2030.

HP, a competitor of Canon in the printing industry, stands out as the most ambitious in terms of decarbonization. In HP's 2022 Sustainable Impact Report, it targets using 100% renewable electricity in its operations by 2025. Notably, HP noted that in 2022 that 55% of its global operations electricity consumption came from renewable electricity.¹⁷

Canon, Epson, Ricoh, Sony, Fujifilm, and HP have operations in many of the same markets, illustrating the renewable energy procurement is both possible in these geographies and key to company decarbonization efforts. By setting a 100% renewable energy target with 60% RE by 2030, Canon has the opportunity to match the climate actions of its peers and thus demonstrate that it can turn its environmental pledges into significant, evidence-based results.

TABLE 6: Company renewable energy targets

Company	Renewable Energy Targets
Canon	4.85% RE in 2023, no target beyond FY2023
Epson	100% RE, achieved
Ricoh	50% RE by 2030
Sony	100% RE by 2030
Fujifilm	50% RE by 2030
HP	100% RE by 2025

4 Conflict between Canon and the Canon Institute for Global Studies

In tandem with our recommendations on emissions reductions and renewable energy, Action Speaks Louder has called on Canon leadership to address the issue of climate denialism policy articles being published by the Canon Institute for Global Studies (CIGS). The Canon Institute for Global Strategic Studies (CIGS) was established in 2008 to mark the 70th anniversary of Canon's founding. In the words of Fujio Mitarai, who doubles as Chairman of CIGS's Board of Supervisors and CEO and Chairman of Canon Inc., the Institute "conducts various research in line with Canon's corporate philosophy of kyosei – living and working together for the common good."¹⁸

In spite of this principle, one of CIGS's most prolific and prolific researchers, researcher Dr. Taishi Sugiyama, has criticized climate science and attempted to block Japan's transition to clean energy. Sugiyama has been a member of government task forces that influence Japan's NDC (Nationally Determined Contribution), including the Industrial Structure Council and

Global Environment Subcommittee of the Ministry of Economy, Trade and Industry, and he has close ties to the policy community. He has published 13 books so far, all of which have been critical of climate change and renewable energy.

In January 2022, Dr. Sugiyama published "Global warming from the age of 15: Factfulness not taught at school." In the publication Dr. Sugiyama asserts that climate change is exaggerated, climate models are flawed, and the data does not support links to extreme weather. The book also takes aim at young climate activist Greta Thunberg. Notably, one former international fellow at the Canon Institute for Global Studies, Professor Jeffrey Braithwaite, told the Guardian the claims about climate science from research director Dr. Taishi Sugiyama were "not defensible."¹⁹

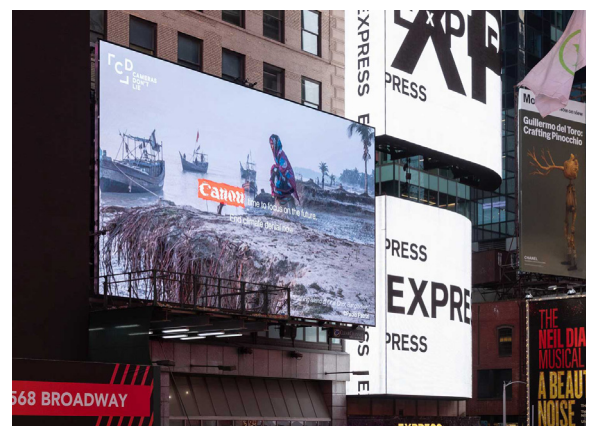
In response to the controversy, Canon has attempted to distance itself from Dr. Sugiyama, saying "The statements referred to by Action Speaks Louder are those published by Mr. Sugiyama, who is affiliated with CIGS. CIGS operates independently and is unrelated to the business activities of Canon. The research and statements published by Mr. Sugiyama are solely his own." Canon added that "Global environmental issues are one of Canon's management core pillars, and Canon remains committed to contributing, through a variety of means, to the realization of a net-zero CO2 emissions society."²⁰

Canon is now tasked with proving the quality and ambition of its stated commitment to global environmental issues. By setting a strong renewable energy target, Canon can demonstrate it is not under the influence of such climate denialists who have been given safe harbor at CIGS.

5 Opportunities and reputational risks for Canon

While Canon has professed its intention to address environmental issues and contribute to net-zero CO2 emissions, the strength, speed, and quality of actions taken by Canon to fulfill these goals are inadequate to date. This raises concerns over Canon's reputation to deliver genuine climate action, affecting its image in the eyes of consumers, investors, and staff.

At a time when globally-minded companies — including many of Canon's industry peers — are actively working to decarbonize by transitioning to renewable energy, consumers are likely to lose trust in companies that fail to demonstrate meaningful progress. Younger generations in particular are increasingly concerned about climate change impacts that are directly linked



Billboard featuring photographer Paolo Patrizi's winning entry for Action Speaks Louder's Cameras Don't Lie photography competition.

to their own future and will opt to support companies that are more sustainable.

Crucially, professional photographers, who represent one of Canon's core customer demographics, have called on Canon to deliver stronger climate action. As part of the Camera's Don't Lie international photography competition organized by Action Speaks Louder, professional photographers who have documented the effects of climate change on society and the environment reiterated the need for Canon to do better.



Ishikawa Naoki: “With my experience in taking photographs in many parts of the world for over 20 years, I strongly feel the effects of climate change, especially in mountainous regions such as the Himalayas. As long as I live in this world, I cannot be indifferent to the global environment. Responsibilities not only lay in those who have destroyed nature, but also in those who have not stopped it. That is why I feel the need to take action where I can.”



Celina Chien: “Canon has an enormous responsibility as a company in its own operations and as a global brand. Does Canon want its legacy to be on the wrong side of history? Stop supporting environmental misinformation and be the medium of change-making storytelling.”



Rick Grehan: “I've used Canon cameras since I was a teenager and have been lucky to travel all over the world making documentaries about eco heroes, seeing first hand the devastating impact that climate change is already causing. The threat is very real and we need to all combine forces and do everything in our power to protect our planet. Canon please take a lead.”

Similarly, Canon should be cognizant of how its climate inaction can lead to disaffected staff globally, especially as they become aware of the company's comparatively weak climate performance and its misalignment with Canon's core values. Working for a socially and environmentally responsible company is rewarding for employees. Strong climate commitments and proof of progress can help Canon reestablish employee trust and satisfaction that the company will live up to its founding principle of *kyosei*, or living and working together for the common good.

It is high time that Canon leadership and its sustainability team demonstrate that the company can and will match the climate ambitions of its industry peers. Canon's current goal of reducing absolute scope 1 and 2 GHG emissions by 42% is heavily contingent on rapidly scaling up its operational renewable energy use. By setting a 100% renewable energy target with 60% RE use by 2030 and publishing a transparent plan to achieve this, Canon would have a significantly greater likelihood of meeting its own emissions reduction targets, and in doing so would demonstrate to customers, staff, and investors, that it will be a company that lives up to its values.

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